

Appendix 3

Air Change International Limited

ABN 14 087 737 068

Half yearly report Period ended 31 December 2025

Results for Announcement to the Market

Corresponding period is 31 December 2024

				\$A'000
Total revenue & other income from ordinary activities	up/down	14.64%	to	14,733
Profit from ordinary activities after tax attributable to members	up/down	124.56%	to	2,944
Net profit for the period attributable to members	up/down	124.56%	to	2,944

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	n/a	-
Interim dividend	n/a	-

Record date for determining entitlements to the interim dividend
N/A

n/a

Explanation of Revenue

Refer attached half-year report

Explanation of Profit from ordinary activities after tax

Refer attached half-year report

Explanation of Net Profit

Refer attached half-year report

NTA Backing

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary share	\$0.618	\$0.398

This report is based on accounts which have been reviewed by the auditors of Air Change International Limited. A report of their review appears in the half-year financial report.

Air Change International Limited

ACN 087 737 068

Half-year Report

For the half-year ended 31 December 2025

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Directors:	Alan Stephen Jones (Non-Executive Chairman) Raymond Neil Fimeri (Executive Director) Peter Anthony Curry (Independent Non-Executive Director)
Secretary:	Robert Lees
Principal & Registered Office:	11 Broadhurst Road Ingleburn NSW 2565 Tel: (02) 8774 1400 e-mail: invest@airchange.com.au
Share Registrar:	Computershare Investor Services Pty Ltd Yarra Falls, 452 Johnston Street Abbotsford Victoria 3067
Auditors:	BDO Audit Pty Ltd ("BDO") Level 25, 252 Pitt Street Sydney NSW 2000
Bankers:	ANZ Level 4, 20 Smith St Parramatta NSW 2150
Solicitors:	Addison Lawyers Level 12 60 Carrington Street Sydney NSW 2000
Stock Exchange Listing:	Air Change International Limited shares are listed on the National Stock Exchange of Australia Limited (Code: ordinary shares "AC1")
Company number:	ACN 087 737 068 ABN 14 087 737 068

DIRECTORS' REPORT

Your directors present their report on the Air Change International Group, consisting of Air Change International Limited (“the Company”) and the entities it controlled at the end of, or during, the half-year ended 31 December 2025 (“the Group”).

Directors and Officers

The following persons were directors of the Company at any time during the half year and up to the date of this report:

Alan Stephen Jones (Chairman, Non-Executive Director)

Raymond Neil Fimeri (Executive Director)

Peter Anthony Curry (Independent Non-Executive Director)

Principal Activities & Operational Structure

The Air Change Group’s principal activity is the design, manufacture and sale of heating, cooling and ventilation equipment for industrial, commercial and institutional buildings.

While Air Change products are based on a standard template range, we focus on designing and producing bespoke air treatment systems to fulfil specific client ventilation, climate and spatial specifications that cannot be met using standard off the shelf ventilators and air conditioners.

The Group operates in three principal product categories:

<p>Dedicated Outdoor Air Systems (DOAS)</p>	<p>Ventilation systems incorporating one or all of the following:</p> <ol style="list-style-type: none"> 1. air to air heat exchange to reduce the system refrigeration load and thus save energy; 2. precise temperature and/or humidity control; 3. pre-tempering systems to partially treat the outdoor air. <p>These units can cool, heat and reheat air using:</p> <ol style="list-style-type: none"> 1. direct exchange (DX) refrigeration systems, 2. hydronic hot and cold water coils; or 3. hybrid systems using both dx and water coils for special applications.
<p>Direct Exchange (DX) Air Conditioners</p>	<p>DX air conditioners for space temperature control that are either water or air cooled and capable of treating outside air volumes between 0 to 100% of specified airflow.</p>
<p>Hydronic Systems</p>	<p>air handling and fan coil units (ahu’s & fcu’s) to heat and cool building spaces using hot and cold water coils.</p>

The Group targets sales in Australasia, the Pacific Islands and South East Asia. Products have been sold in Australia, New Zealand, American Samoa, Tonga, Papua New Guinea, Singapore, Malaysia, Indonesia and Vietnam in the recent past.

Company application engineers are located in the NSW head office to support:

- company sales offices in NSW, Victoria, Tasmania, Queensland and Malaysia; and
- distribution agents in South Australia, West Australia, Northern Territory, New Zealand, Singapore, Indonesia and Vietnam.

Other Group operations are carried out in:

- Ingleburn, NSW
engineering development, design, detailing and research;
product manufacturing, assembly and testing; and
group administration
- Johor, Malaysia
part engineering design and detailing;
product manufacturing, assembly and testing.

Components, parts and sub-assemblies for the manufacture of Air Change products are sourced from suppliers principally in China, Malaysia, Thailand and Europe.

Review of Operations for half year to 31 December 2025

Pre-tax Group earnings for the half year ended 31 December 2025 were \$3.42 million on total revenue of \$14.73 million. This compares with pre-tax earnings of \$1.29 million and revenue of \$12.85 million for the December 2024 half year.

The Group has now become a taxpayer in each of the jurisdictions in which it operates. An income tax expense of \$474k has been recognised for this last six month reporting period.

This further profit improvement has again come as a result of further increases in production capacity in Malaysia which has resulted from the expansion and capital investment made in this facility in 2024.

Production capacity in Australia and Malaysia is not yet at capacity caused mainly by delays in engineering and drafting production.

Current deliveries now average 16 to 20 weeks from order, depending on the size and complexity of the product.

Orders on hand presently exceed 6 months production capacity at current production rates.

As noted above, shortages of experienced engineering staff continues to be a problem. Additional engineering staff have been appointed in Malaysia but they are still in a training phase and their role remains detailed design for manufacture and not initial product or concept design.

This shortage of engineering design staff is impeding the growth of the company. We have advertised and appointed recruiting agencies in an effort to hire experienced engineering staff in the United Kingdom, New Zealand, India and Europe without success.

Container freight rates have remained relatively stable over the past six months. Road freight costs, although now stable, continue to be well above historical levels.

The Australian dollar has traded in a narrow band and appreciated recently against the US\$ but not against the Euro.

A rise in the Malaysian Ringgit (MYR) has seen it gain almost 20% against the A\$ over the past 12 months which has negatively impacted profitability although only slightly.

Enquiries have remained strong over the last half year and that trend is expected to continue, particularly in South East Asia.

The outlook for the second half year of this financial year remains positive.

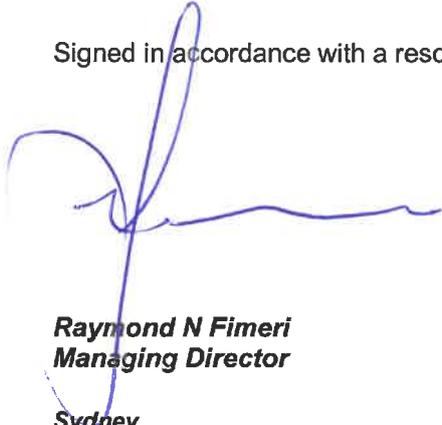
Dividends

The Directors do not recommend the payment of a dividend at this time.

Auditor's independence declaration

A copy of auditor's independence declaration as required under section 307C of the Corporation Act 2001 is set out on page 6.

Signed in accordance with a resolution of the Directors.



Raymond N Fimeri
Managing Director

Sydney
25 February 2026

DECLARATION OF INDEPENDENCE BY IAN HOOPER TO THE DIRECTORS OF AIR CHANGE INTERNATIONAL LIMITED

As lead auditor for the review of Air Change International Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Air Change International Limited and the entities it controlled during the period.



Ian Hooper
Director

BDO Audit Pty Ltd

Sydney, 25 February 2026

Air Change International Limited
Consolidated statement of profit or loss and other comprehensive income
for half year ended 31 December 2025

	Note	Half-year	
		31 December 2025 \$'000	31 December 2024 \$'000
Revenue		14,676	12,583
Other income		57	268
Total revenue & other income		14,733	12,851
Changes in inventories		(262)	119
Raw materials and consumables used		(6,190)	(6,961)
Administration costs		(456)	(343)
Occupancy costs		(129)	(129)
Employee benefits expenses		(3,514)	(3,524)
Depreciation and amortisation expenses		(94)	(84)
Depreciation on right-of-use assets		(400)	(371)
Finance costs		(200)	(255)
Other expenses		(70)	(15)
Profit before income tax		3,418	1,288
Income tax (expense)/ benefit	6	(474)	23
Net profit for the period		2,944	1,311
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translating foreign operations		23	12
Other comprehensive income for the period, net of tax		23	12
Total comprehensive income for the period		2,967	1,323
Basic earnings per share		\$0.166	\$0.074
Diluted earnings per share		\$0.166	\$0.074

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

Air Change International Limited
Consolidated statement of financial position
for half year ended 31 December 2025

	31 December 2025	30 June 2025
Note	\$'000	\$'000
Current assets		
Cash and cash equivalents	3,847	731
Trade & other receivables	5,035	5,358
Inventories	5,172	5,386
Total current assets	14,054	11,475
Non-current assets		
Plant, equipment, fixtures and fittings	774	837
Right-of-use assets	4,924	5,294
Rental bonds & term deposit	356	354
Intangible assets	7 2,912	2,912
Deferred tax assets	554	478
Total non-current assets	9,520	9,875
TOTAL ASSETS	23,574	21,350
Current liabilities		
Trade & other payables	2,309	3,218
Income tax provision	530	33
Lease liabilities	678	639
Employee entitlements	1,219	1,260
Total current liabilities	4,736	5,150
Non-current liabilities		
Lease liabilities	4,945	5,277
Employee entitlements	17	14
Make good provision- right-of-use assets	13	13
Total non-current liabilities	4,975	5,304
TOTAL LIABILITIES	9,711	10,454
Net Assets	13,863	10,896
Equity		
Contributed equity	4 7,105	7,105
Reserves	68	45
Retained earnings	6,690	3,746
Total Equity	13,863	10,896

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

Air Change International Limited
Consolidated statement of changes in equity
for half year ended 31 December 2025

HALF-YEAR ENDED 31 December 2025

	Issued capital	Reserves	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2025	7,105	45	3,746	10,896
Profit for the period	-	-	2,944	2,944
Other comprehensive income, net of tax	-	23	-	23
Total comprehensive income for the period	-	23	2,944	2,967
As at 31 December 2025	7,105	68	6,690	13,863

HALF-YEAR ENDED 31 December 2024

	Issued capital	Reserves	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2024	7,105	115	1,419	8,639
Profit for the period	-	-	1,311	1,311
Other comprehensive income, net of tax	-	12	-	12
Total comprehensive income for the period	-	12	1,311	1,323
As at 31 December 2024	7,105	127	2,730	9,962

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

Air Change International Limited
Consolidated statement of cash flows
for the half-year ended 31 December 2025

	Note	31 December 2025 \$'000	31 December 2024 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		16,040	12,118
Payments to suppliers, employees and creditors		(11,880)	(11,880)
Interest received		33	18
Finance costs		(200)	(255)
Income tax paid		(55)	-
Net cash inflow from operating activities		3,938	1
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant, equipment, fixtures and fittings		(24)	(109)
Net cash (outflow) from investing activities		(24)	(109)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		11,817	12,042
Repayment of borrowings		(12,288)	(11,387)
Payment of lease liabilities		(325)	(288)
Net cash (outflow)/ inflow from financing activities		(796)	367
NET INCREASE IN CASH HELD			
		3,118	259
Cash at the beginning of the reporting period		731	118
Exchange differences on cash & cash equivalents		(2)	-
Cash at the end of the reporting period		3,847	377

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

Note 1. Basis of preparation of half-year report

- (i) This general purpose financial report for the interim half-year reporting period ended 31 December 2025 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001, as appropriate for for-profit oriented entities.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by Air Change International Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(ii) New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

None of the new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2025 affected any amounts recognised in the current period or any prior period financial statements and are not likely to affect future period financial statements.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Air Change International Limited
Notes to and forming part of the financial statements
for the half-year ended 31 December 2025

Note 2. Operating Segments

Operating segment information

	Segment Revenues		Segment Results	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Revenue - heating, cooling & ventilation	14,676	12,583	3,418	1,288
Operating profit before income tax			3,418	1,288
Operating profit after income tax benefit			2,944	1,311
Net profit attributable to members of Air Change International Limited			2,944	1,311

Note 3. Dividends

There were no dividends paid during the period.

Note 4. Equity securities on issue

	December 2025	June 2025	December 2025	June 2025
	Shares	Shares	\$'000	\$'000
Share Capital				
Ordinary shares, fully paid	17,714,009	17,714,009	7,105	7,105

Air Change International Limited
Notes to and forming part of the financial statements
for the half-year ended 31 December 2025

Note 5. Contingent liabilities

Performance guarantees supported by term deposits at balance date were:

- (a) property rental agreements \$250,000 (2024: \$250,000)
- (b) commercial credit card facility \$30,000 (2024: \$30,000); and
- (c) operating licences \$55,200 (2024: \$43,155)

Note 6. Income tax expense

	2025	2024
	\$'000	\$'000
Profit from ordinary activities before income tax expense	3,418	1,288
Income tax calculated at 25% (2024 – 25%)	855	322
Tax effect of amounts not (taxable)/ deductible in calculating taxable income:		
Other	-	-
	855	322
Previously unrecognised tax losses now utilised to reduce current tax expense	(342)	(270)
Net taxable losses not recognised	-	-
Prior year under provision – overseas entity	1	-
Current year income tax – overseas entity	(41)	(57)
Temporary differences not recognised	1	6
Recoupment of foreign subsidiary tax losses not previously recognised	-	(24)
Income tax expense/ (benefit)	474	(23)

Air Change International Limited
Notes to and forming part of the financial statements
for the half-year ended 31 December 2025

Note 7. Intangible assets

Non-current asset	Agency	Design &	Goodwill	Patents	Total
Year ended 30 June 2025	Agreements	Intellectual			
	\$'000	Property	\$'000	\$'000	\$'000
Carrying value at 1 July 2024	20	71	2,817	4	2,912
Addition	-	-	-	-	-
Amortisation charge	-	-	-	-	-
Carrying value at 30 June 2025	20	71	2,817	4	2,912
At 30 June 2025					
Cost	20	71	2,817	3,621	6,529
Accumulated amortisation	-	-	-	(3,617)	(3,617)
Net book amount	20	71	2,817	4	2,912
Non-current asset	Agency	Design &	Goodwill	Patents	Total
Period ended 31 December 2025	Agreements	Intellectual			
	\$'000	Property	\$'000	\$'000	\$'000
Carrying value at 1 July 2025	20	71	2,817	4	2,912
Amortisation charge	-	-	-	-	-
Carrying value at 31 December 2025	20	71	2,817	4	2,912
At 31 December 2025					
Cost	20	71	2,817	3,621	6,529
Accumulated amortisation	-	-	-	(3,617)	(3,617)
Net book amount	20	71	2,817	4	2,912

Note 8. Borrowings

At reporting date, the Group has a debtor finance facility secured by a general security deed over present and future property of the Group companies. The facility limit is \$2,500,000 (\$2,500,000 at 30 June 2025) subject to the available qualifying receivable assets. The amount drawn down as at 31 December 2025 was \$nil (\$nil at 30 June 2025).

Note 10. Events occurring after reporting date

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 11. Rounding of amounts to the nearest thousand dollars

The Company satisfies the requirements of ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to "rounding off" of amounts in the directors' report and the financial statements to the nearest thousand dollars.

Amounts have been rounded off in the directors' report and the financial statements in accordance with that legislative instrument.

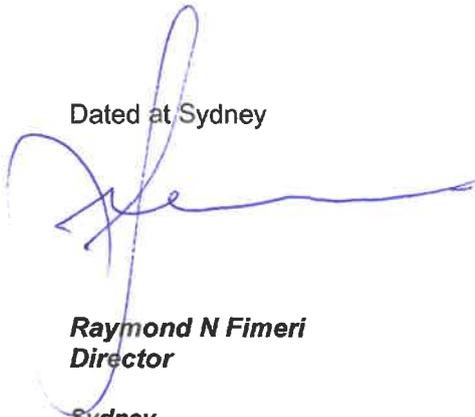
DIRECTORS' DECLARATION

The directors of the company declare that:

- (a) The financial statements and notes set out on pages 7 to 15 are in accordance with the Corporations Act 2001 and:
 - (i) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the half-year ended on that date.
- (b) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to section 303(5) of the Corporation Act 2001, and is signed for and on behalf of the directors by

Dated at Sydney



Raymond N Fimeri
Director

Sydney
25 February 2026

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Air Change International Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Air Change International Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the 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 the 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 the same terms if given to the directors as at the time of this auditor's review report.

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 control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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 Group's financial position as at 31 December 2025 and its financial performance for the half-year ended on that date and complying with 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.

BDO Audit Pty Ltd



Ian Hooper
Director

Sydney, 25 February 2026