

## Appendix 3

### Air Change International Limited

ABN 14 087 737 068

### Half yearly report Period ended 31 December 2024

#### Results for Announcement to the Market

Corresponding period is 31 December 2023

Total revenue & other income from ordinary activities	up/down	46.67%	to	\$A'000 12,851
Profit from ordinary activities after tax attributable to members	up/down	385.56%	to	1,311
Net profit for the period attributable to members	up/down	385.56%	to	1,311

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

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#### 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	\$0.398	\$0.231

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 2024

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**Air Change International Limited  
Corporate Directory**

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<b>Directors:</b>	Alan Stephen Jones (Non-Executive Chairman) Raymond Neil Fimeri (Executive Director) Peter Anthony Curry (Independent Non-Executive Director)
<b>Secretary:</b>	Robert Lees
<b>Principal &amp; Registered Office:</b>	11 Broadhurst Road Ingleburn NSW 2565 Tel: (02) 8774 1400 e-mail: <a href="mailto:invest@airchange.com.au">invest@airchange.com.au</a>
<b>Share Registrar:</b>	Computershare Investor Services Pty Ltd Yarra Falls, 452 Johnston Street Abbotsford Victoria 3067
<b>Auditors:</b>	BDO Audit Pty Ltd ("BDO") Level 11, 1 Margaret St Sydney NSW 2000
<b>Bankers:</b>	ANZ Level 4, 20 Smith St Parramatta NSW 2150
<b>Solicitors:</b>	Addison Lawyers Level 12 60 Carrington Street Sydney NSW 2000
<b>Stock Exchange Listing:</b>	Air Change International Limited shares are listed on the National Stock Exchange of Australia Limited (Code: ordinary shares "AC1")
<b>Company number:</b>	ACN 087 737 068 ABN 14 087 737 068

**Air Change International Limited**  
**Directors' report for half year ended 31 December 2024**

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**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 2024 ("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 Firmeri (Executive Director)

Peter Anthony Curry (Independent Non-Executive Director)

**Principal Activities & Operational Structure**

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

It is focussed on designing and producing bespoke air conditioning systems to fulfil specific client requirements that cannot be met with standard off the shelf air conditioners.

The Group operates in four principal product categories:

Dehumidification Units	dedicated outdoor air systems (DOAS) air conditioners for building ventilation with precise temperature and humidity control
Direct Exchange (DX) Air Conditioners	Air conditions for space temperature control that are either water or air cooled for OA volumes of 0 to 100%
Chilled and hot Water Air Conditioners	air handling and fan coil units (ahu's & fcu's) to heat and cool building spaces using hot/cold water coils
Process cooling	process cooling systems for industrial, food and manufacturing processes.

The Group targets sales in Australasia, the Pacific and South East Asia with:

- company sales offices in NSW, Victoria, Tasmania and Queensland;
- distribution agents in South Australia, West Australia, Northern Territory, New Zealand, Singapore, and Vietnam;
- engineering design, research and administration operations in Sydney, Australia;
- manufacturing operations in Sydney and Johor, Malaysia; and
- component and sub-assembly suppliers principally from China, Malaysia, Thailand and Europe.

**Review of Operations for half year to 31 December 2024**

Group earnings for the half year ended 31 December 2024 were \$1.31 million on revenue of \$12.85 million.

This improvement came as a result of increased production from the Malaysia factory due to recent expansion of this operation which was outlined in the 30 June 24 annual report.

**Air Change International Limited**  
**Directors' report for half year ended 31 December 2024**

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Group production capacity in Australia and Malaysia is now approaching existing sales level with deliveries now 15 to 20 weeks from order.

Further expansion of production capacity will be considered in the second half of this current financial year.

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

The Group is presently fulfilling a very significant order for units to be installed in a large data centre in Malaysia and is negotiating the next stage supply.

Staff shortages, particularly the availability of experienced engineering staff, continues to be an issue. To partially offset this Australian problem, additional engineering staff have been appointed in Malaysia but their role is manufacturing and not design focused.

Container freight rates rose significantly in the December quarter of 2024 but have fallen again since January 2025. Road freight costs continue to be well above historical levels.

Volatility in the value of A\$:US\$ continues to be a problem. It has varied from a high of \$0.69 in September 2024 to a low of \$0.61 in early January 2025.

This volatility makes pricing difficult as a significant proportion of component costs are priced in US\$.

Enquiries were strong over the last half year and that trend has continued into early 2025.

The outlook for the second half year of this financial year would indicate a continuation of the first performance.

**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 5.

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Signed in accordance with a resolution of the Directors.



**Raymond N Fimeri**  
**Managing Director**

**Sydney**  
**7 March 2025**

**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 2024, 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, 7 March 2025

**Air Change International Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**for half year ended 31 December 2024**

		<b>Half-year</b>	
	<b>Note</b>	<b>31 December 2024 \$'000</b>	<b>31 December 2023 \$'000</b>
Revenue		12,583	8,744
Other income		268	18
<b>Total revenue &amp; other income</b>		<b>12,851</b>	<b>8,762</b>
Changes in inventories		119	213
Raw materials and consumables used		(6,961)	(4,635)
Administration costs		(343)	(403)
Occupancy costs		(129)	(91)
Employee benefits expenses		(3,524)	(2,909)
Depreciation and amortisation expenses		(84)	(62)
Depreciation on right-of-use assets		(371)	(323)
Finance costs		(255)	(211)
Other expenses		(15)	(118)
<b>Profit before income tax</b>		<b>1,288</b>	<b>223</b>
Income tax benefit	6	23	47
<b>Net profit for the period</b>		<b>1,311</b>	<b>270</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translating foreign operations		12	-
<b>Other comprehensive income for the period, net of tax</b>		<b>12</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>1,323</b>	<b>270</b>
Basic earnings per share		<b>\$0.074</b>	<b>\$0.015</b>
Diluted earnings per share		<b>\$0.074</b>	<b>\$0.015</b>

*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**  
**as at 31 December 2024**

		31 December 2024	30 June 2024
	Note	\$'000	\$'000
<b>Current assets</b>			
Cash and cash equivalents		377	118
Trade & other receivables		4,958	3,421
Inventories		5,049	4,639
<b>Total current assets</b>		<b>10,384</b>	<b>8,178</b>
<b>Non-current assets</b>			
Plant, equipment, fixtures and fittings		747	679
Right-of-use assets		5,389	5,534
Rental bonds & term deposit		354	339
Intangible assets	7	2,912	2,912
Deferred tax assets		525	502
<b>Total non-current assets</b>		<b>9,927</b>	<b>9,966</b>
<b>TOTAL ASSETS</b>		<b>20,311</b>	<b>18,144</b>
<b>Current liabilities</b>			
Trade & other payables		2,583	2,245
Borrowings	8	526	-
Lease liabilities		595	549
Employee entitlements		1,284	1,243
<b>Total current liabilities</b>		<b>4,988</b>	<b>4,037</b>
<b>Non-current liabilities</b>			
Lease liabilities		5,330	5,430
Employee entitlements		18	25
Make good provision- right-of-use assets		13	13
<b>Total non-current liabilities</b>		<b>5,361</b>	<b>5,468</b>
<b>TOTAL LIABILITIES</b>		<b>10,349</b>	<b>9,505</b>
<b>Net Assets</b>		<b>9,962</b>	<b>8,639</b>
<b>Equity</b>			
Contributed equity	4	7,105	7,105
Reserves		127	115
Retained earnings		2,730	1,419
<b>Total Equity</b>		<b>9,962</b>	<b>8,639</b>

*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 2024**

**HALF-YEAR ENDED 31 December 2024**

	<b>Issued capital</b>	<b>Reserves</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
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
<b>Total comprehensive income for the period</b>	-	12	1,311	1,323
<b>As at 31 December 2024</b>	<b>7,105</b>	<b>127</b>	<b>2,730</b>	<b>9,962</b>

**HALF-YEAR ENDED 31 December 2023**

	<b>Issued capital</b>	<b>Reserves</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
As at 1 July 2023	7,105	119	(485)	6,739
Profit for the period	-	-	270	270
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	270	270
<b>As at 31 December 2023</b>	<b>7,105</b>	<b>119</b>	<b>(215)</b>	<b>7,009</b>

*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 2024**

	Note	31 December 2024 \$'000	31 December 2023 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		12,118	10,344
Payments to suppliers, employees and creditors		(11,880)	(9,077)
Interest received		18	-
Finance costs		(255)	(211)
<b>Net cash inflow from operating activities</b>		<b>1</b>	<b>1,056</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of plant, equipment, fixtures and fittings		(109)	(138)
<b>Net cash (outflow) from investing activities</b>		<b>(109)</b>	<b>(138)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		12,042	7,890
Repayment of borrowings		(11,387)	(8,649)
Payment of lease liabilities		(288)	(204)
<b>Net cash inflow/ (outflow) from financing activities</b>		<b>367</b>	<b>(963)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>259</b>	<b>(45)</b>
Cash at the beginning of the reporting period		118	219
<b>Cash at the end of the reporting period</b>		<b>377</b>	<b>174</b>

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

**Air Change International Limited**  
**Notes to and forming part of the financial statements**  
**for the half-year ended 31 December 2024**

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**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 2024 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 2024 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 2024 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 2024**

**Note 2. Operating Segments**

**Operating segment information**

	Segment Revenues		Segment Results	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Revenue - heating, cooling &amp; ventilation</b>	12,583	8,744	1,288	223
Operating profit before income tax			1,288	223
Operating profit after income tax benefit			1,311	270
Net profit attributable to members of Air Change International Limited			1,311	270

**Note 3. Dividends**

There were no dividends paid during the period.

**Note 4. Equity securities on issue**

	December 2024 Shares	June 2024 Shares	December 2024 \$'000	June 2024 \$'000
<b>Share Capital</b>				
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 2024**

**Note 5. Contingent liabilities**

Performance guarantees supported by term deposits at balance date were:

- (a) property rental agreements \$250,000 (2023: \$247,000)
- (b) commercial credit card facility \$30,000 (2023: \$30,000); and
- (c) operating licences \$43,155 (2023: \$31,917)

**Note 6. Income tax expense**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit from ordinary activities before income tax expense	1,288	223
Income tax calculated at 25% (2023 – 25%)	322	56
Tax effect of amounts not (taxable)/ deductible in calculating taxable income:		
Other	(68)	(88)
	<b>254</b>	<b>(32)</b>
Previously unrecognised tax losses now utilised to reduce current tax expense	(270)	(120)
Net taxable losses not recognised	11	109
Temporary differences not recognised	6	(4)
Recoupment of foreign subsidiary tax losses not previously recognised	(24)	-
<b>Income tax (benefit)</b>	<b>(23)</b>	<b>(47)</b>

**Air Change International Limited**  
**Notes to and forming part of the financial statements**  
**for the half-year ended 31 December 2024**

**Note 7. Intangible assets**

Non-current asset	Agency Agreements	Design & Intellectual Property	Goodwill	Patents	Total
Year ended 30 June 2024	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July 2023	20	71	2,817	4	2,912
Addition	-	-	-	-	-
Amortisation charge	-	-	-	-	-
Carrying value at 30 June 2024	20	71	2,817	4	2,912
<b>At 30 June 2024</b>					
Cost	20	71	2,817	3,621	6,529
Accumulated amortisation	-	-	-	(3,617)	(3,617)
<b>Net book amount</b>	<b>20</b>	<b>71</b>	<b>2,817</b>	<b>4</b>	<b>2,912</b>
Non-current asset	Agency Agreements	Design & Intellectual Property	Goodwill	Patents	Total
Period ended 31 December 2024	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July 2024	20	71	2,817	4	2,912
Amortisation charge	-	-	-	-	-
Carrying value at 31 December 2024	20	71	2,817	4	2,912
<b>At 31 December 2024</b>					
Cost	20	71	2,817	3,621	6,529
Accumulated amortisation	-	-	-	(3,617)	(3,617)
<b>Net book amount</b>	<b>20</b>	<b>71</b>	<b>2,817</b>	<b>4</b>	<b>2,912</b>

**Air Change International Limited**  
**Notes to and forming part of the financial statements**  
**for the half-year ended 31 December 2024**

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**Note 8. Borrowings**

At reporting date, the Group has the following facilities:

- (a) Debtor finance facilities secured by a general security deed over present and future property of the Group companies. The facility limits are \$3,000,000 (\$3,000,000 at 30 June 2024) subject to the available qualifying receivable assets. The amount drawn down as at 31 December 2024 was \$526,401 (\$nil at 30 June 2024).
- (b) Asset finance facility secured over the asset financed. This facility has a limit of \$200,000 (\$200,000 at 30 June 2024) and has \$nil drawn down as at 31 December 2024 and 30 June 2024.

**Note 10. Events occurring after reporting date**

No matter or circumstance has arisen since 31 December 2024 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.

**Air Change International Limited**  
**Directors' declaration**  
**for half-year ended 31 December 2024**

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**DIRECTORS' DECLARATION**

The directors of the company declare that:

- (a) The financial statements and notes set out on pages 6 to 14 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 2024 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**  
**7 March 2025**



## 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 2024, 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 2024 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 2024 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**

BDO

A handwritten signature in black ink, appearing to read 'Ian Hooper', with a stylized flourish at the end.

Ian Hooper  
Director

Sydney, 7 March 2025