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Strategic Acquisition to Expand Waste Services in Australia

30 April 2013

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1. Transaction Overview



Key Highlights

- Acquisition of Wanless, a leading Queensland and Tasmanian waste services business
- Specialist provider of waste services to customers within the commercial and industrial sector
- Strong market share in South East Queensland industrial growth corridor and key regional growth hubs
- Platform to enable Toxfree to expand its total waste services offering
- Highly complementary to Toxfree's existing Queensland operations and its regional growth strategy
- Diversification of Toxfree earnings and significant increase in addressable market opportunity
- Highly experienced management team and an excellent cultural fit
- Strong margins and growth potential and accretive to Toxfree shareholders on current year pro-forma earnings

Transaction Overview

Toxfree has agreed to purchase a leading commercial and industrial waste management business based in Queensland and Tasmania



Acquisition of Wanless

- Toxfree has entered into a binding sale agreement for the purchase of the assets of Wanless for A\$85 million ⁽¹⁾ on a cash and debt free basis
- Strategic acquisition that provides Toxfree with a significant footprint in the large, and fast growing, Queensland commercial and industrial waste management market
- Vendor to receive all cash consideration
- Completion is expected to occur in May 2013, subject to conditions precedent, including the successful assignment of key contracts, supplier agreements, lease agreements, signing of new contracts of employment with employees, provision of debt facilities to Toxfree, and receipt of subscriptions by Toxfree under the placement

Wanless Overview

- Founded in 1999, the business has grown to become a significant player in the Queensland and Tasmanian waste management markets, and is now one of the largest independent waste management groups in Australia
- The business operates through three trading divisions:
 - Wanless Enviro Services – operates across several Queensland branches and specialises in commercial and industrial business-to-business customers
 - Jones Enviro Services – provides commercial waste recovery services throughout Tasmania, including municipal waste services
 - Smart Skip – a construction and demolition waste business servicing the South East Queensland building and construction markets
- The business is estimated to generate pro-forma revenue of A\$62.0 million and pro-forma EBITDA of A\$14.6 million ⁽²⁾

Notes

1. Excludes transaction costs associated with the acquisition
2. Assumes full year basis; no potential revenue or cost synergies; excludes rebranding costs

Transaction Overview (cont'd)

<p>Compelling Strategic Rationale</p>	<ul style="list-style-type: none"> • Provides a platform for growth in the attractive Queensland commercial and industrial waste services market • Focus on regional growth hubs, consistent with Toxfree's strategy in WA and NT • Opportunity to leverage Toxfree's capabilities to offer a total waste management solution to a large client base • Complementary to Toxfree's existing Queensland operations and an excellent cultural fit between organisations • Expansion and diversification of earnings base both in terms of geography and service • Financially compelling with an attractive financial profile and potential for cost savings and value add to systems and processes
<p>Acquisition Funding</p>	<ul style="list-style-type: none"> • Purchase price and transaction costs funded by a combination of A\$43.0 million institutional placement ⁽¹⁾ and A\$49.5 million in debt financing • Toxfree will also offer a Share Purchase Plan (SPP) to shareholders with proceeds used for general working capital purposes • Toxfree has entered into a new senior debt facility with Australia and New Zealand Banking Group Limited (ANZ)
<p>Expected Financial Impact</p>	<ul style="list-style-type: none"> • Expect EPS accretion of 8% in FY2013 on full year pro-forma adjusted basis (based on broker consensus estimates for Toxfree) ⁽²⁾ • Positive overall effect on EBITDA margins • Expect net debt / equity of 41% as at 30 June 2013 ⁽³⁾

Notes

1. Represents gross equity raising proceeds excluding SPP
2. Adjusted for amortisation of identifiable intangibles. Excludes the expensing of transaction costs
3. Acquisition funding excludes any proceeds from SPP



2. Overview of Wanless



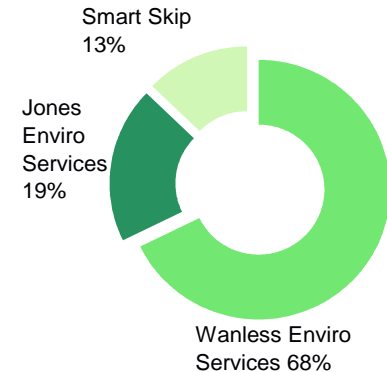
Wanless Summary

Wanless Environmental Services represents the majority of the business with approximately 70% of EBITDA



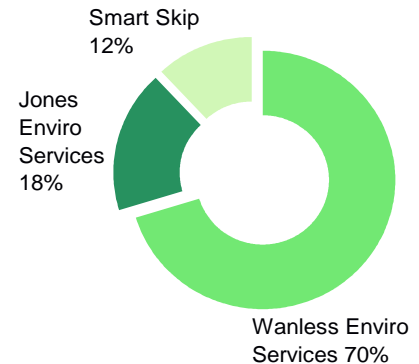
- Wanless is a leading commercial and industrial waste management business that operates in Queensland and Tasmania
 - Established in 1999 by Ron and Dean Wanless
 - Expanded through organic growth and strategic acquisitions to become the second largest player in the Commercial Waste Transport market in Queensland and Tasmania
 - 156 employees and 42 owner drivers
- Wanless operates through three entities:
 - Wanless Enviro Services – operates across several Queensland branches and specialises in commercial and industrial business-to-business customers
 - Jones Enviro Services – provides commercial waste recovery services throughout Tasmania
 - Smart Skip – a construction and demolition waste business servicing the South East Queensland building and construction markets
- Operations are spread across 13 main branches
- Large client base (approximately 8,000 clients) with low customer concentration
 - Top 15 clients represents 20% of total revenue
 - No customer with >\$5m revenue

Pro-Forma 2013E Revenue



Pro-Forma Revenue: \$62.0m

Pro-Forma 2013E EBITDA ⁽¹⁾



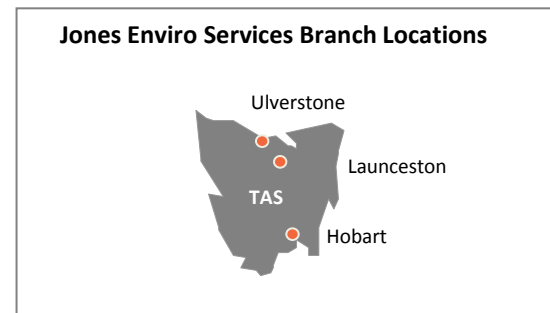
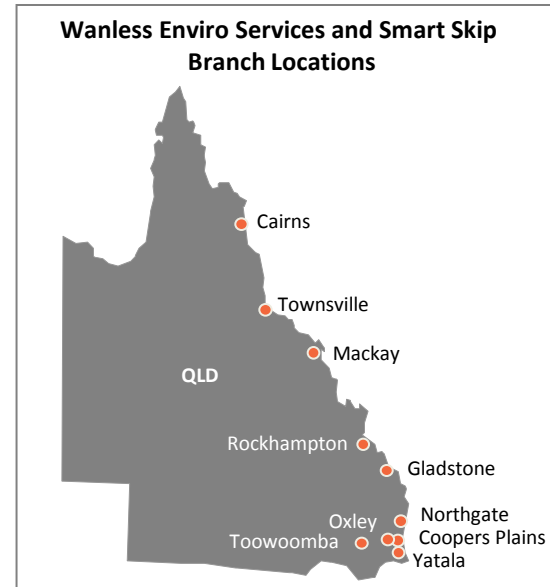
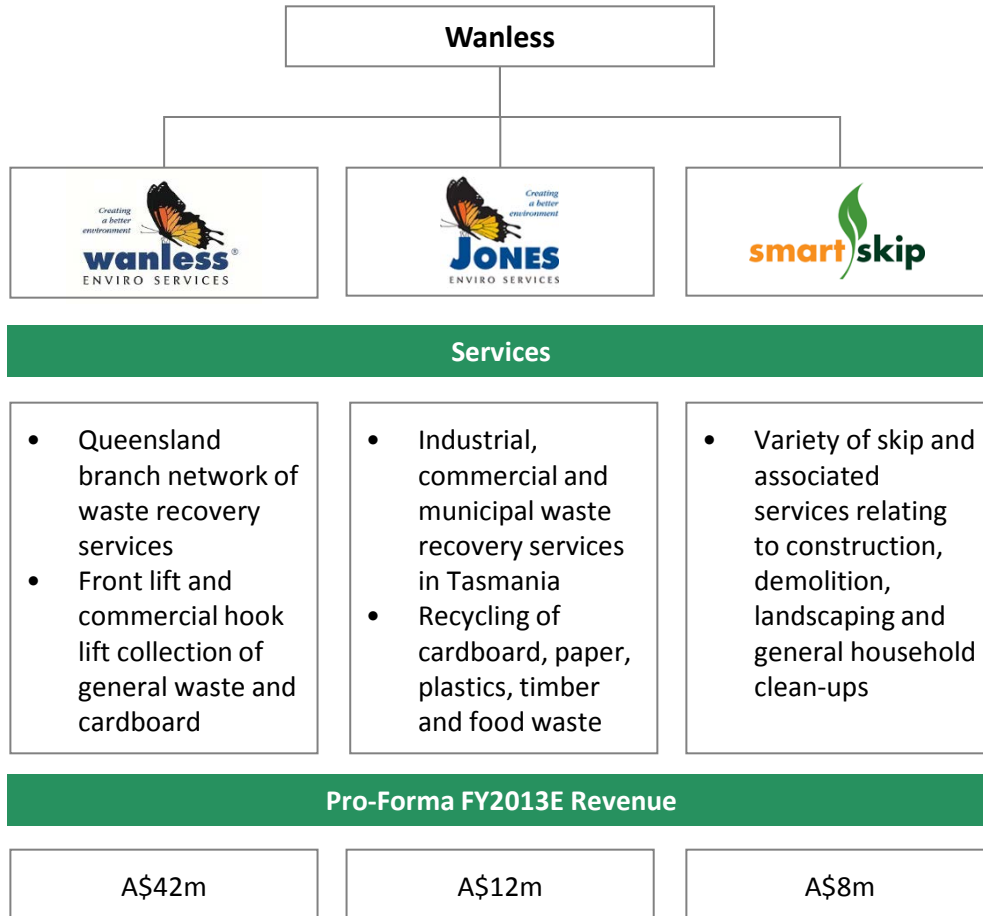
Pro-Forma EBITDA ⁽¹⁾: \$14.6m

Note

1. Adjusted for non recurring and private group items. Excludes rebranding costs

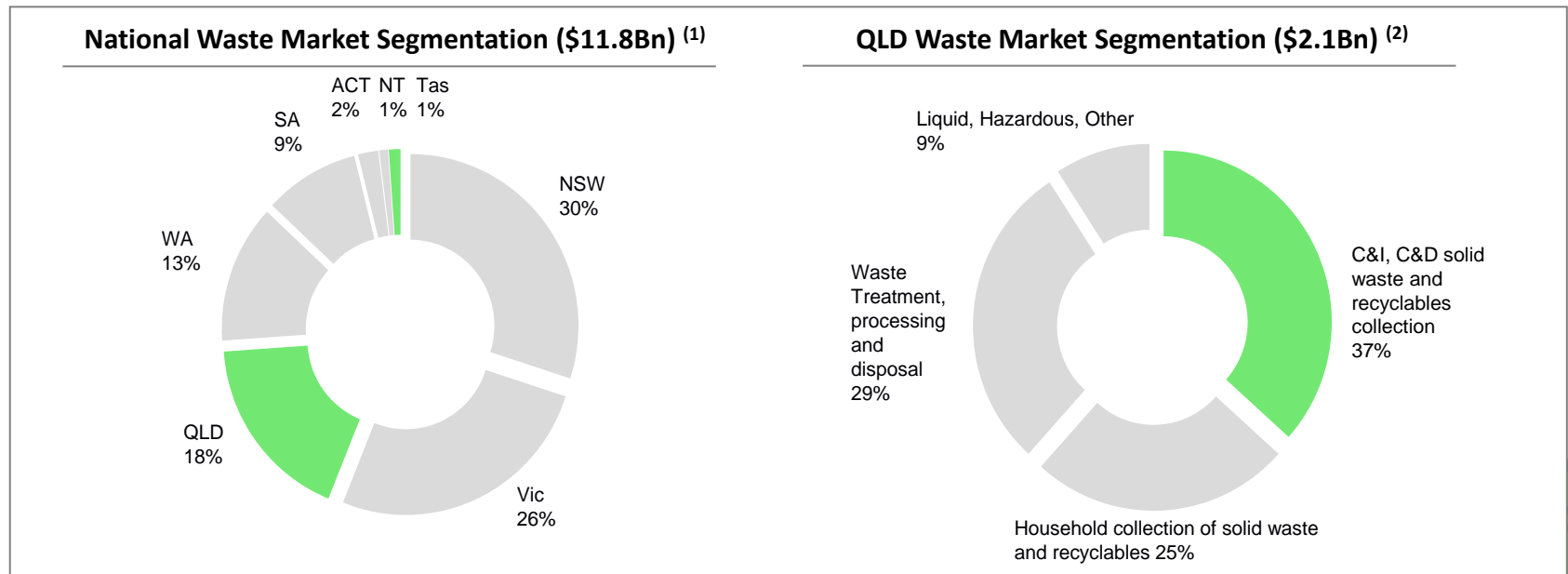
Divisional Overview and Geographic Profile

Headquartered in Coopers Plains, South Brisbane, Wanless operates a network of branches on the East Coast from Cairns to Gold Coast, together with three branches in Tasmania



Significant Market Opportunity

- Toxfree and Wanless operate in a national waste market with revenue of approximately \$11.8Bn ⁽¹⁾
- Wanless operates within the Queensland Commercial & Industrial (C&I) and Construction & Demolition (C&D) waste markets
- The size of the Queensland market represents a significant opportunity to leverage Toxfree's total waste management offering



Notes

1. Based on IBISWorld (2012) estimates
2. Based on IBISWorld (2012) and Toxfree estimates

Integrated Service Offering

Wanless offers a broad range of waste collection, commercial skip and other associated waste collection and recycling services

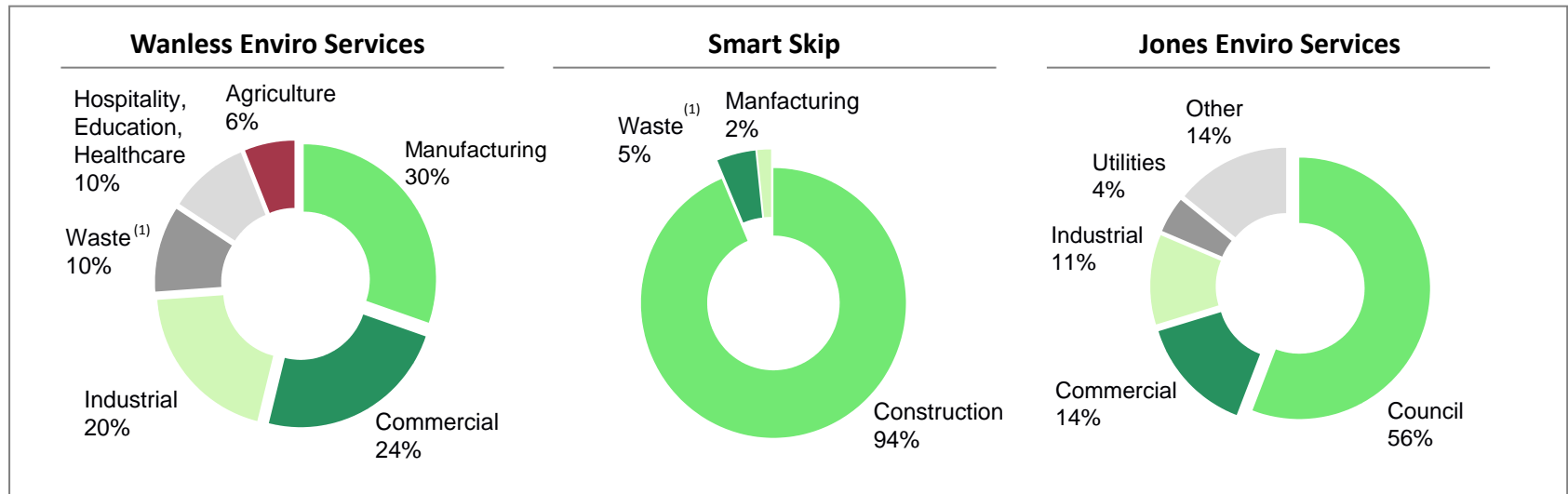
- Services include the collection of solid waste from commercial, industrial and construction customers, the supply and servicing of collection bins, and the collection of recyclable waste such as paper, cardboard and metal

Waste Collection	Front Loaders	Rear Loaders		
	 	 		
Skips	Side Loaders	Compactor Systems		Roll On, Roll Off
				
Other services		Paper, Cardboard, Metal	Industrial Liquid Waste	Portable Toilets
		 		

Customer Segmentation

- Wanless Enviro Services' clients operate within manufacturing, commercial and industrial industries
- The majority of Smart Skip's clients operate in the building construction industry
- Jones Enviro Services' clients are councils, primarily located in Launceston, and a combination of industrial services clients

Top 200 Customers by Industry (FY2012)



Note

1. Refers to contracts with other waste management companies

Owner Driver Model

Wanless' owner driver model results in reduced capital intensity and higher ROIC

Owner driver model

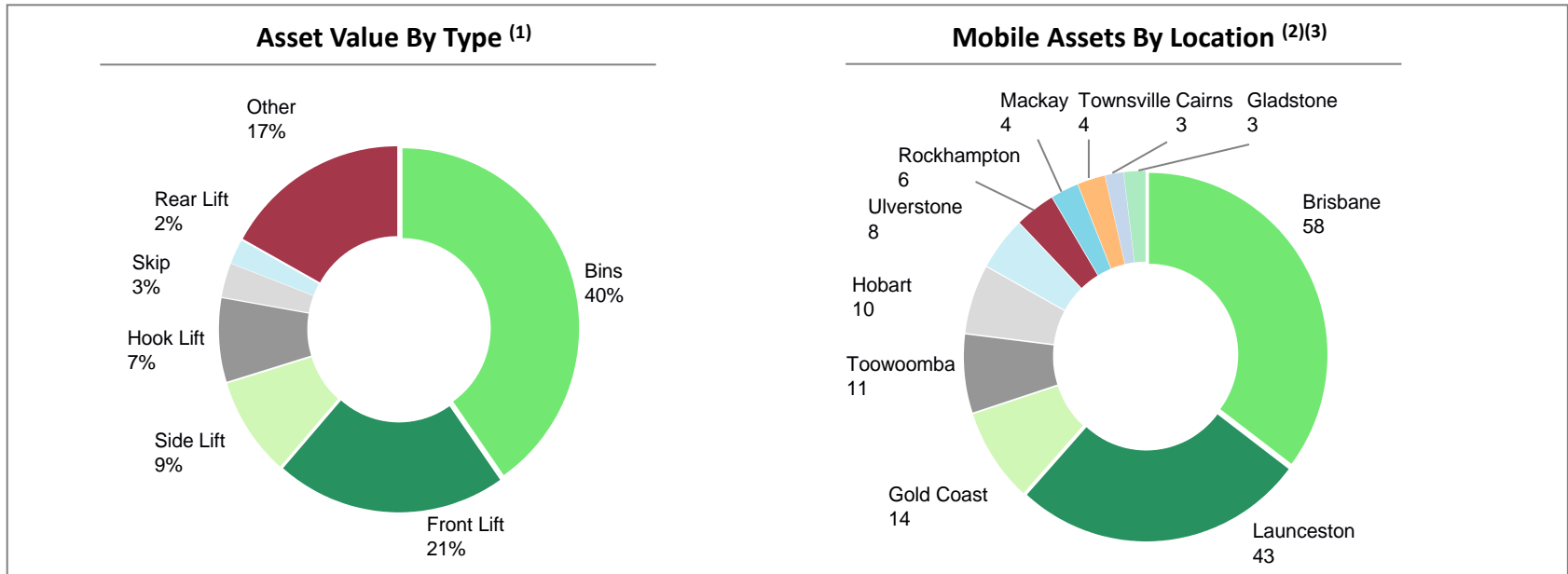
- Wanless operates an “owner driver” model in combination with company owned vehicles
- Currently operating 42 owner drivers, predominantly in the Wanless Enviro Services and Smart Skip businesses
- Owner drivers are paid at a fixed rate per volume moved
- 5 year agreements with owner drivers to service branches

Benefits

- Reduces capital spend and increases ROIC by outsourcing the ownership of capital and lowering R&M expenses
- Lower repairs and maintenance
- Ownership model incentivises drivers to increase efficiency
- Results in a variable cost base driven by volumes

Wanless Asset Overview

- Wanless' assets predominately consist of bins (40% by value), and front lift (21%), side lift (9%) and hook lift (7%) vehicles
- The majority of these assets are located in Brisbane, Launceston and Gold Coast (together 65% of mobile assets by number)



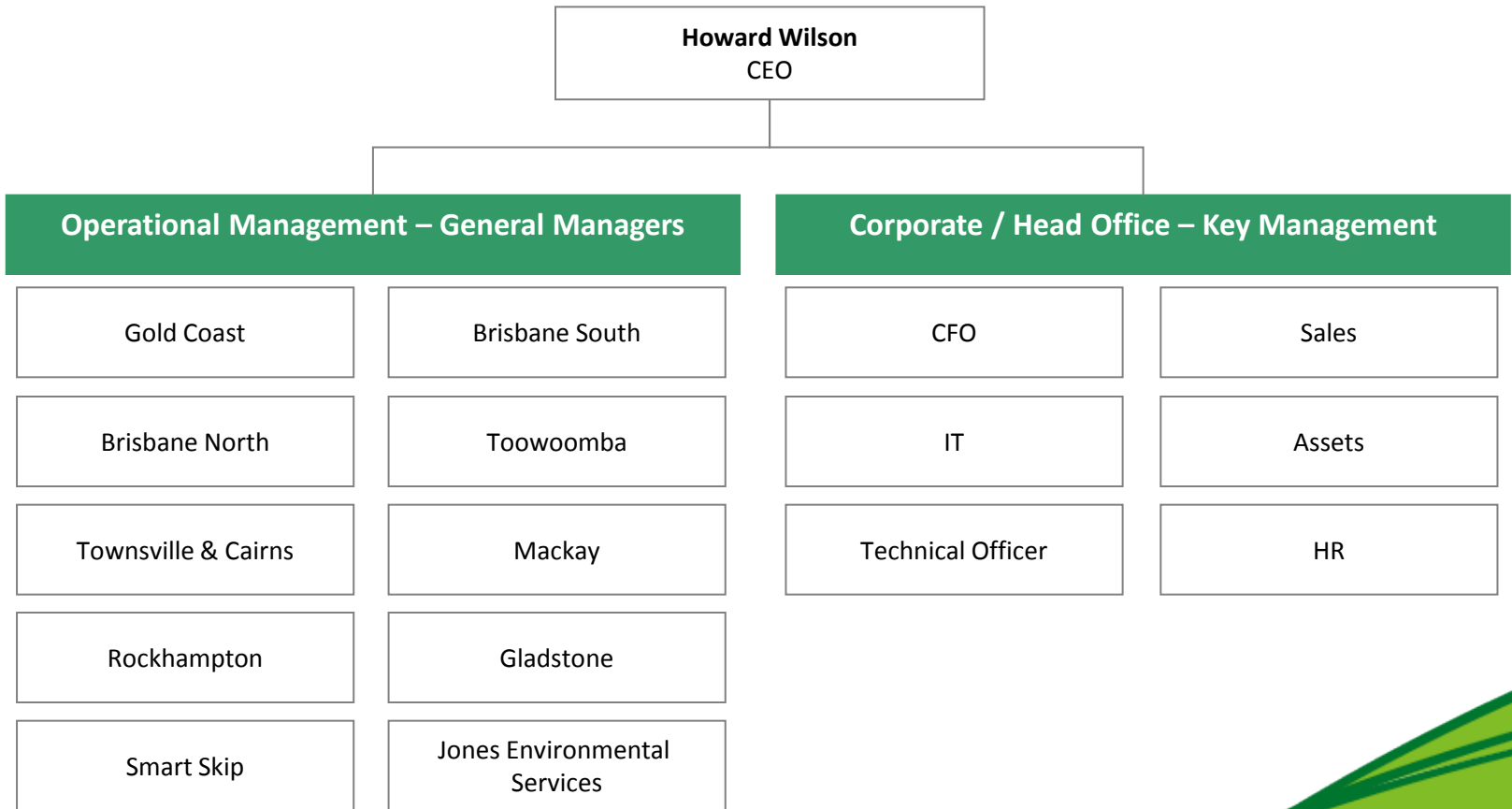
Notes

1. Based on an independent valuation by Toxfree
2. Excludes bin maintenance assets (7) and assets available for relocation (7)
3. Mobile assets include front lift, side lift, hook lifts, skips and rear lift compactor body and trucks. Also includes vehicles, excavators and forks

Experienced Leadership Team

Howard Wilson leads a highly experienced, capable and committed management team

- Leadership team have agreed to transition with the business





3. Strategic Rationale



Strategic Rationale



Toxfree's Corporate Strategy

1

Provide Full Waste Service Offering in all Regional Resource Hubs of Australia

- Resource focus – WA, QLD and NT
- Total waste management services
- Municipal
- Commercial
- Industrial / construction

2

Leader in Hazardous Waste Management Nationally

- Best technologies
- Best licences
- Best people
- High barriers to entry
- Servicing all industry sectors

3

Provide a Broad Range of Industrial Services to Blue Chip Clients Under Long Term Contract

- Mining
- Oil and gas
- Infrastructure
- Heavy manufacturing
- Government

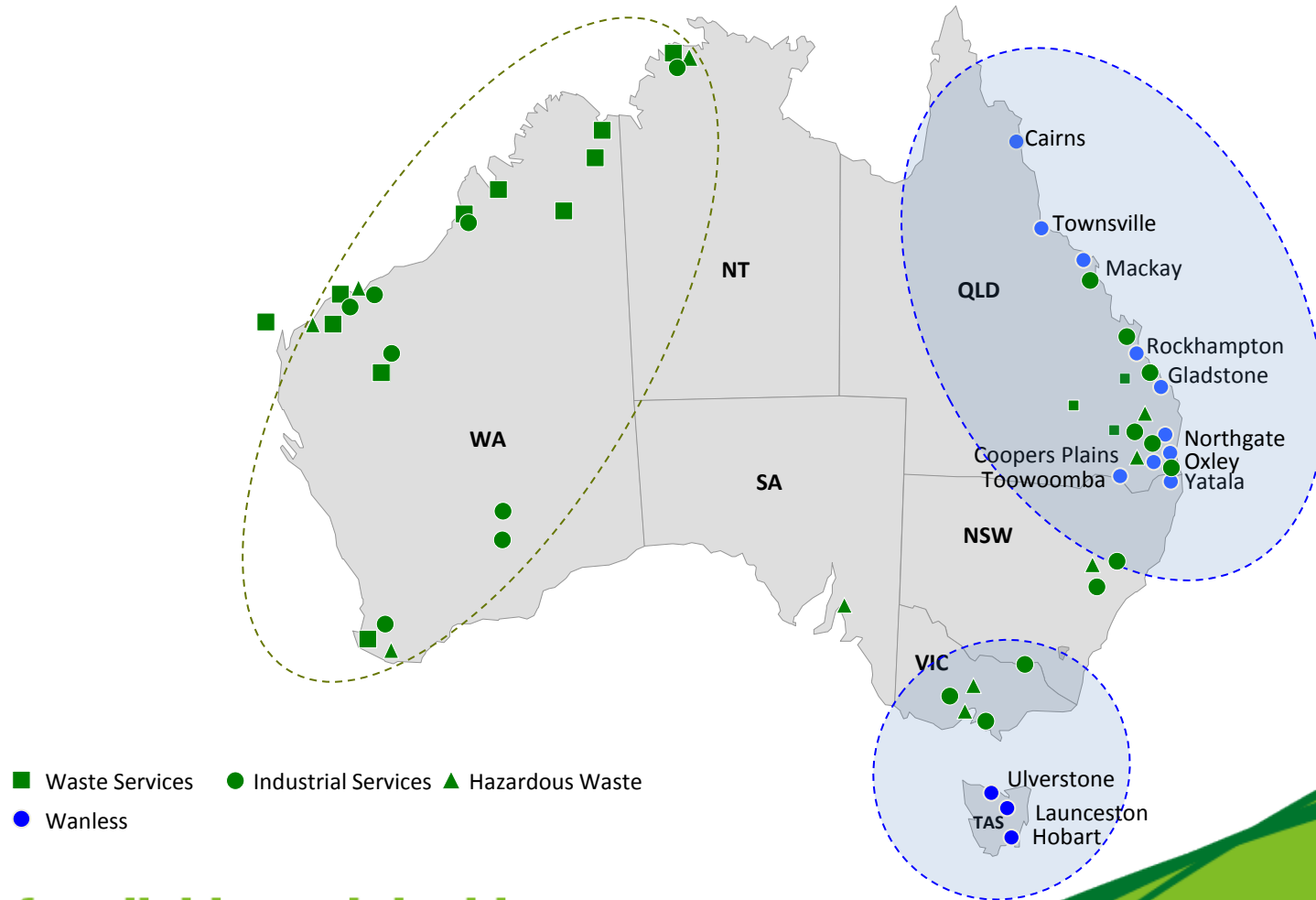
Rationale for Acquiring Wanless

- ✓ Acquisition will provide a platform entry into the Queensland commercial and industrial market, with the potential for significant future growth potential
- ✓ Attractive market with high barriers to entry due to high capital costs, extensive government regulations, technical requirements, and geographic constraints
- ✓ Wanless has a significant focus on regional growth hubs, similar to Toxfree's current WA/NT businesses, and consistent with Toxfree's strategy for expansion
- ✓ Wanless commands a leading market position in key regions (top 3 position), and offers a platform to expand Toxfree's total waste management solution
- ✓ Platform will position Toxfree to win more business (expanding on recent contract wins at Origin, QGC, APLNG and QAL)
- ✓ An excellent cultural fit between organisations, and a highly experienced management team is expected to add significant depth to Toxfree's existing operations

Benefits to Toxfree

Platform for Future Growth	<ul style="list-style-type: none">• Attractive geographic presence with Queensland leveraged to the mining, coal seam gas and LNG industries• Wanless Enviro Services holds attractive positions in key Queensland regional growth markets, and strategically, represents a platform from which to build Toxfree's total waste management offering• Tasmania represents a small and attractive market where Toxfree expects to leverage its expertise in Hazardous and Industrial Services to add value to the Jones Enviro Services offering
Expansion and Diversification of Earnings Base	<ul style="list-style-type: none">• Expansion and diversification of earnings base both in terms of geography and service• Ability to leverage expertise and experience to expand Toxfree's earnings base and footprint in attractive markets with characteristics similar to Western Australia• Greater commercial sector exposure increasing from 12% to 25% of revenue
Financially Compelling Acquisition	<ul style="list-style-type: none">• Profitable business with strong operating margins• Lower capital intensity and higher return on invested capital model due to owner driver model• Potential to extract cost synergies and value add to systems and processes• Represents an EPS accretive transaction for shareholders

Complementary national network with Wanless providing a platform for growth in the attractive Queensland waste services market

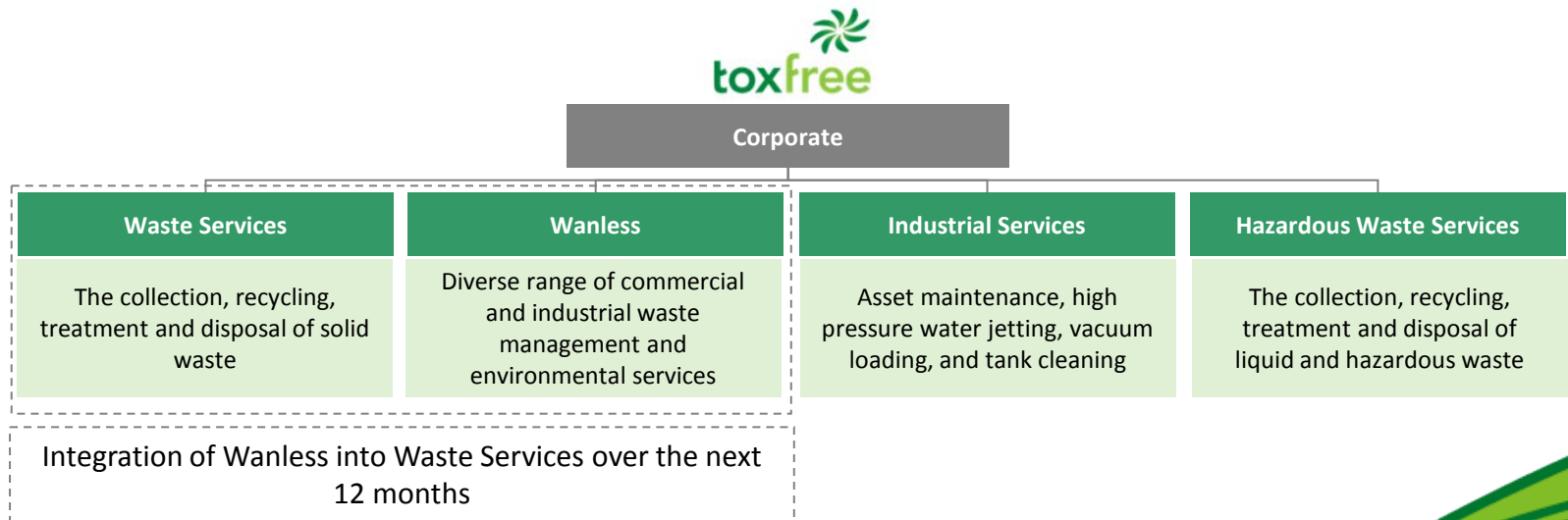




4. Expanded Toxfree

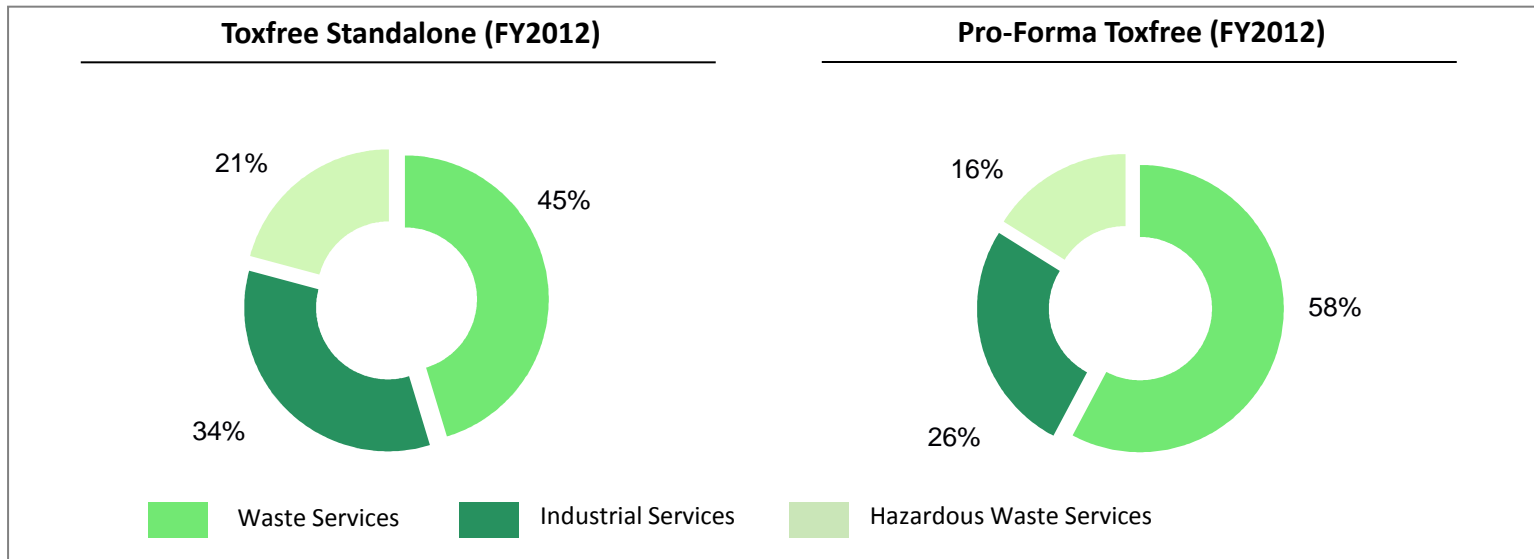
Expanded Toxfree

- Wanless will initially function as a standalone division within the expanded Toxfree Group and will be integrated into the Waste Services division over the next 12 months
 - Wanless will leverage the Toxfree systems and expertise
 - KPI's will be introduced; marketing, business development and sales plans created
 - Major rebranding; cross selling initiatives introduced
- Toxfree has an experienced management team and systems to manage integration



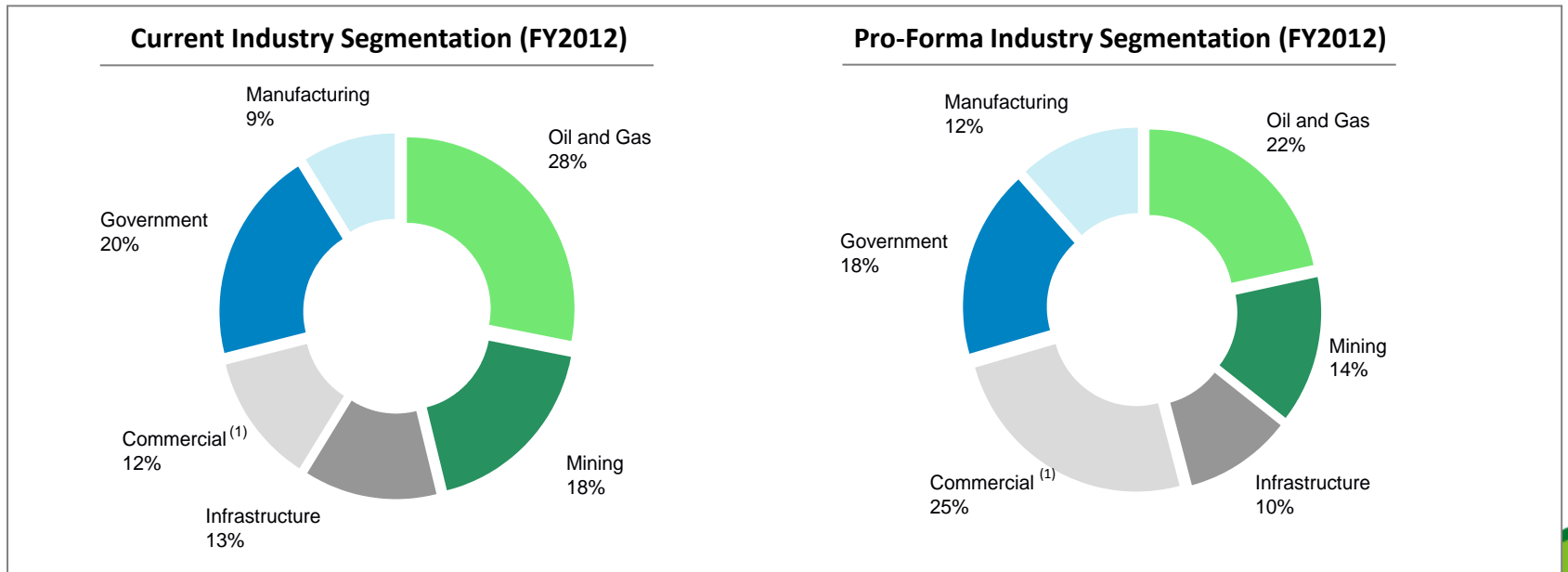
Revenue by Service

- The acquisition of Wanless will significantly expand Toxfree’s Waste Services Division
 - Toxfree’s Waste Services Division includes the collection, resource recovery, recycling and disposal of solid, industrial, municipal and commercial wastes
 - Services are currently provided throughout the Kimberley, Pilbara and South West regions of WA, Gladstone and Roma in Queensland and in the Northern Territory
 - Following the acquisition of Wanless, the Waste Services Division will represent 58% of FY2012 Pro-Forma revenue



Sector Diversification

- Toxfree’s client base is currently weighted towards mining and energy related clients (approximately 46%)
- Following the acquisition of Wanless, exposure to the commercial sector will increase from 12% to 25%



Note

1. Includes retail, agriculture, hospitality & leisure, hospitals, education, and other waste companies



5. Financial Impact

Expected Financial Impact

- Expect EPS accretion of 8% in FY2013 on a full year basis (based on broker consensus for Toxfree) ⁽¹⁾
 - No revenue and/or cost synergies assumed
- Marginally positive impact on EBITDA margins
 - Wanless EBITDA margins historically c. 23-24%, v Toxfree EBITDA margins c. 22% (FY2012)
- Funded on a conservative basis to maintain a prudent capital structure
 - Expect net debt / equity of 41% as at 30 June 2013
 - Excludes any proceeds from SPP raising

Note

1. Adjusted for amortisation of identifiable intangibles. Excludes the expensing of transaction costs

Historical Pro-Forma Balance Sheet

- Pro-forma balance sheet presented on a historical basis, as at 31 December 2012

A\$ Million	Tox Dec-12	Acquisition ⁽¹⁾	Funding ⁽⁴⁾	Pro-Forma Balance Sheet
Cash	18.1			18.1
Goodwill & Intangibles	93.4	57.6		150.9
PP&E and Other Assets	175.6	34.0 ⁽²⁾		209.6
Total Assets	287.1	91.6		378.6
Debt	73.7		49.0 ⁽⁵⁾	122.7
Other Liabilities	45.0	6.6		51.6
Total Liabilities	118.7	6.6	49.0	174.2
Total Equity	168.4	(5.8) ⁽³⁾	41.8 ⁽⁶⁾	204.4

Notes

- Financial position as at 31 Dec 12 on a cash and debt free basis in accordance with transaction terms
- Comprises of \$25.3MM of PP&E, \$7.5MM of receivables and \$1.1MM of other assets
- Represents acquisition costs which will be expensed
- Acquisition funding on the basis of A\$85.0MM acquisition price on a debt and cash free basis plus estimated transaction costs
- Represents debt drawdown net of establishment fee
- Represents net equity raising proceeds (post equity raising fees) and excludes SPP
- Numbers may not add due to rounding



6. Acquisition Funding

Funding Arrangements

- Purchase price of A\$85.0 million
 - All cash consideration
- Transaction costs (including stamp duty on purchase) of A\$6.3 million
- Toxfree to undertake fully underwritten A\$43.0 million institutional placement
 - Toxfree also plans to offer eligible shareholders an opportunity to participate in a Share Placement Plan (SPP) at the same price as the institutional placement
- Toxfree has secured \$50.0 million in committed bank financing with ANZ

Sources	A\$ Million	Uses	A\$ Million
Debt	49.5	Acquisition Price ⁽²⁾	85.0
Equity Placement – Net Proceeds ⁽¹⁾	41.8	Transaction Costs ⁽³⁾	6.3
Total Sources	91.3	Total Uses	91.3

Notes

1. Represents net equity raising proceeds (post equity raising fees)
2. Excludes a working capital completion adjustment under the Asset Sale Agreement
3. Includes stamp duty costs, advisory fees and debt fees

Equity Raising Summary

Equity Raising Details	
Placement Size	A\$43 million
Placement Pricing	Fixed price of A\$3.16 per share 2.5% discount to the 5 day VWAP and 3.7% discount to last close
Shares to be Issued	Up to 13.6 million shares (“New Shares”)
Purpose	To partly fund the acquisition of Wanless
Syndicate	Morgan Stanley is acting as Sole Underwriter and Joint Lead Manager and Evans & Partners is acting as Joint Lead Manager on the institutional placement
SPP	<p>Eligible shareholders in Australia and New Zealand will have the opportunity to subscribe for Toxfree shares pursuant to a non-underwritten Share Placement Plan (SPP)</p> <ul style="list-style-type: none"> • Pricing to be the same as the Institutional Placement • Up to \$10,000 per eligible shareholder • Directors reserve the right to scale back

Equity Raising Timetable



Key Event	Date
SPP Record Date	Monday, 29 April 2013
Trading Halt, Announcement and Institutional Bookbuild	Tuesday, 30 April 2013
Existing Shares Recommence Trading	Wednesday, 1 May 2013
Placement Settlement Date	Monday, 6 May 2013
Allotment and Trading of Placement Shares	Tuesday, 7 May 2013
SPP	Detail, including timetable, of the SPP will be sent to shareholders in the near future



7. Trading Update



Trading and Operational Update

- Trading to date has been positive and the Group is tracking in line with market expectations
- Major contracts are performing well
- Significant new contract momentum
- Recently announced \$30 million industrial services contract with Queensland Alumina Limited (QAL)
- QAL contract demonstrates Toxfree's ability to win major waste services and industrial services contracts
- Complements Wanless acquisition and positions Toxfree for additional growth in the Queensland market

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- (a) to legal entities that are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity that has two or more of (i) an average of at least 250 employees during its last fiscal year; (ii) a total balance sheet of more than €43,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) and (iii) an annual net turnover of more than €50,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- (c) to fewer than 100 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of the Company or any underwriter for any such offer; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

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Offer Restrictions (cont'd)

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- (b) persons who are each required to (i) pay a minimum subscription price of at least NZ\$500,000 for the securities before allotment or (ii) have previously paid a minimum subscription price of at least NZ\$500,000 for securities of the Company ("initial securities") in a single transaction before the allotment of such initial securities and such allotment was not more than 18 months prior to the date of this document.

Offer Restrictions (cont'd)

Singapore

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This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined under section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Key Risk Factors

Reliance on key customers

Toxfree's businesses rely on a number of business relationships and contracted revenue with clients. If these clients amend or terminate the relationship, this may have an adverse effect on the financial performance and/or financial position of Toxfree. In addition, Toxfree may generate its revenue from the provision of services to customers under other agreements. There is potential that Toxfree will not receive payments for the provision of its services if a customer becomes insolvent or fails to provide payment in accordance with its agreement with Toxfree.

Major shareholder risk

Toxfree currently has a number of substantial shareholders on its share register. There is a risk that these shareholders or other large shareholders may sell their shares at a future date. This could cause the price of Toxfree shares to decline.

Operating risks

In the performance of its business, Toxfree may be subject to conditions beyond Toxfree's control that can reduce sales of its services and/or increase costs of both current and future operations. These conditions include, but are not limited to: changes in legislative requirements, abnormal or severe weather or climatic conditions, natural disasters, unexpected maintenance or technical problems, key equipment failures, new technology failures and industrial disruption. An inability to secure ongoing supply of such goods and services at prices assumed within production targets could potentially impact the results of Toxfree's operations.

Economic conditions

Adverse changes in economic conditions such as interest rates, exchange rates, inflation, government policy, national and international economic conditions and employment rates amongst others are outside Toxfree's control and have the potential to have an adverse impact on Tox Free and its operations.

Outsourcing risk

The level of activity undertaken by Toxfree depends to a large extent on the continuation of the current trend towards the outsourcing of non-core functions by potential clients. If this trend does not continue or reverses, it may impact Toxfree's prospects for growth.

Tax risks

Any change to the current rate of company income tax in Australia will impact on financial performance and cash flows, ability to pay dividends and Toxfree's Share price which could in turn impact shareholder returns. Any changes to the current rates of income tax apply to individuals and trusts will similarly impact on shareholder returns.

Capital and operating costs

Toxfree's forecasts are based on the best available information at the time, and certain assumptions in relation to the level of capital expenditure required to maintain their assets. Any significant unforeseen increases in the capital and operating costs associated with Toxfree's operations would impact Toxfree's future cash flow and profitability. Capital and operating costs for Western Australian operations have increased in recent years due to increased labour and contractor costs.

Key Risk Factors (cont'd)

Environmental risks

Extensive Federal, State and local environmental laws and regulations in Australia affect the activities and operations of Toxfree. The laws and regulations set standards which regulate certain aspects of health and environmental quality (including damage caused by previous owners of property acquired by Toxfree), provide penalties or other remedies for any violation of standards and, in certain circumstances, impose obligations to undertake remedial action in current locations where business is conducted. Toxfree will be subject to all the hazards and risks normally incidental to the waste, manufacturing and the industrial solutions industries. Toxfree will be responsible for past and future environmental liabilities relating to both Toxfree and Wanless, including liabilities presently unforeseen or unquantifiable. Compliance or non-compliance with environmental laws or regulations may require Toxfree to incur significant costs and may have a significant material impact on Toxfree's reputation and capability to secure additional work, impacting its financial performance and cash flows. Toxfree minimises these risks by having processes in place to manage compliance with environmental laws and regulations in Australia.

Reliance on key personnel

The responsibility of overseeing day-to-day operations the strategic management of Toxfree is currently, and after the acquisition, will be concentrated amongst a small number of key employees. While it is not currently anticipated, one or any number of these key employees may cease employment with Toxfree. The loss of any such key employees of Toxfree could have the potential to have a detrimental impact on Toxfree until the skills that are lost are adequately replaced. There is also a risk that key personnel of Wanless are unable to be retained by Toxfree or successfully replaced.

Occupational health and safety

Tox Free manages certain risks associated with the occupational health and safety of its employees. Toxfree takes out insurance to cover these risks within certain parameters, however it is possible for injuries and/or incidents to occur which may result in expenses in excess of the amount insured or provided for with a resultant impact on Toxfree's earnings.

Industrial disputes

Industrial disputes may arise from claims for higher wages and/or better working conditions in the industry in which Toxfree operates. This could disrupt operations and impact earnings.

Debt facilities

Whilst it is not currently anticipated, should Toxfree not be able to satisfy the conditions of draw down under its debt facilities with ANZ, Toxfree will need to source funding from alternative sources.

Stock market fluctuations

There are risks associated with any investment in a company listed on the ASX. The value of shares may rise above or below the current share price depending on the financial and operating performance of Toxfree and external factors over which Toxfree and the Directors have no control. These external factors include: economic conditions in Australia and overseas which may have a negative impact on equity capital markets; changing investor sentiment in the local and international stock markets; changes in domestic or international fiscal, monetary, regulatory and other government policies and developments and general conditions in the markets in which Toxfree proposes to operate and which may impact on the future value and pricing of shares.

Key Risk Factors (cont'd)

Liquidity and realisation risk

There may be few or many potential buyers or sellers of Toxfree Shares on the ASX at any time. This may affect the volatility of the market price of Toxfree's Shares. It may also affect the prevailing market price at which shareholders are able to sell their Toxfree Shares that is less or more than the implied share price.

Regulatory risks

Tox Free is exposed to any changes in the regulatory conditions under which it operates in Australia. Such regulatory changes can include, for instance, changes in: taxation laws and policies, accounting laws, policies, standards and practises, environmental laws and regulations that may impact upon the operations and processes of Toxfree, and employment laws and regulations, including laws and regulations relating to occupational health and safety.

Customer preference

Toxfree's products and services are subject to changes in customers' preferences, and therefore market share and pricing competitiveness may vary depending on the popularity of Toxfree's products and services.

Sustainability of growth and margins

Tox Free has achieved strong growth in revenue and profits. The sustainability of this growth and the level of profit margins from operations are dependent on a number of factors outside of Toxfree's control.

Industry margins in the sectors in which Toxfree operates are likely to be subject to continuing but varying margin pressures. There is no assurance that the historical performance of Toxfree is indicative of future operating results. However, Toxfree's business strategies and its diversification across a range of sectors assist in reducing the short term pressures that can occur as new entrants attempt to secure positions in an individual industry sector.

Competition

A number of entities compete with Toxfree in the industrial services and hazardous waste industries, and while Toxfree is the largest supplier of some specific services, in overall size, some of these competitors may have or develop competitive advantages over Toxfree and may be larger on an international or regional basis and have greater access to capital and other resources. The market share of Toxfree's competitors may increase or decrease as a result of various factors such as securing major new contracts, developing new technologies and adopting pricing strategies specifically designed to gain market share. These competitive actions may reduce the prices Toxfree is able to charge for its services and products or reduce Toxfree's activity levels, both of which would negatively impact the financial performance of Toxfree and could materially affect Toxfree's financial performance or cash flows.

Acquisition completion risk

In the event the acquisition does not proceed, the funds raised will be used for growth and general working capital purposes of Toxfree and/or capital management initiatives.

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THANK YOU



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