



24 MARCH 2022

Full Year 2021 Results & Outlook

World leaders in water remediation



Disclaimer

Statements contained in this presentation, particularly those regarding possible or assumed future performance, estimated company earnings, potential growth of the company, industry growth or other trend projections are or may be forward looking statements. Such statements relate to future events and expectations and therefore involve unknown risks and uncertainties. Actual results may differ materially from those expressed or implied by these forward looking statements.



Today's topics



Welcome and Introduction

Financials and Key Impacts

2021 in Review

- China
- COVID Impacts
- Projects Update
- Commercial Platforms
- Manufacturing / Supply Chain
- Research and Development
- People, Performance and Culture
- ASX relisting

Outlook

- Business outlook
- Key areas of focus



2021 Full Year Results

- Audited



Key impacts on Full Year financials

Revenues continue to be impacted by COVID-related issues and project delays

Continued elevated expenditure on interim management; restructuring, legal and audit costs

Higher freight costs contribute to lower gross margin (57% v 60% in FY20)

Settlement secured to all outstanding receivables involving BHZQ in China

Non-cash adjustment to lease liabilities



Key financial results	12 months to 31 December 2021	12 months to 31 December 2020
Revenues	\$6.3 million	\$6.9 million
Gross Profit	\$3.6 million	\$4.1 million
Underlying EBIT ¹	(\$7.9 million)	(\$7.3 million)
NPAT ²	(\$3.9 million)	(\$25.5 million)
Net Operating Cash Flow	(\$6.9 million)	(\$12.6 million)

Key balance sheet metrics	12 months to 31 December 2021	12 months to 31 December 2020
Cash at bank	\$23.0 million	\$30.4 million
Receivables	\$2.8 million	\$2.7 million
Inventory	\$3.3 million	\$4.0 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 Operating Profit/(Loss) after Tax

Key issues impacting business in FY21



COVID-19 pandemic

- Travel restrictions, lockdowns, project funding restrictions, increased freight costs

China reset and improved systems and governance

- Significant management resources allocated to addressing legacy issues
- Restructuring, comprehensive business review and new go-to-market strategy in China
- Improved systems and processes and higher governance standards implemented across entire business; Board renewal

Implementation of new growth strategy

- Review and restructure of global commercial operations
- Reviews of R&D program, manufacturing and supply chain strategy
- People, performance and culture review

Update on legacy issues



Thorough and independent investigation of all matters

Independent market review undertaken in China – appropriate changes to sales structure and product offerings

New risk framework operating well – governance appropriate

Significant resources deployed with senior management changes

Focus on China debt collection and contract management

Continued cooperation with the Australian Federal Police

Legal proceedings will be pursued against certain individuals – preparatory work underway



Europe

Excellent progress in European market development

Kralingse Plas (Rotterdam) completed late November

Application at Lyngsø Lake in Silkeborg, Denmark

Opportunities developing in other Scandinavian countries

Commercial and Science Leads in place, application support Germany

Several western Europe projects planned early 2022 (incl Scotland), further Kralingse Plas treatments

Development of Spain and France market opportunities

China

Business restructured and reset

Overhaul of Manufacturing and channel to markets

Expanding our product portfolio to seize new market opportunities

South America

Consistent Business in Brazil , ongoing projects and new opportunities

Opportunities in other South American countries- particularly Uruguay and Ecuador

Australia & NZ

Completed works in Western Australia and Queensland

City of Auckland application on hold due to COVID, will be treated April / May 2022 pending travel restrictions

Potential projects developing in both countries, with NZ distributor, sales agent, applicators and marketing support in place

Canada

Significant interest in Phoslock treatments pending resolution of regulatory issues – will take time to resolve

Strong confidence in future prospects with ongoing market development activities

USA

Did not meet our expectations in 2021

Distribution expansion well underway – Sepro agreement ceased end of 2021

Positive response from distributors, leading to orders

Enhanced commercial structure with additional resources

FY21 project summary & ongoing opportunities

Kralingse Plas The Netherlands

Kralingse Plas is an important recreational lake in the city of Rotterdam and represents the largest remediation project undertaken by PET in Europe



- Applied 1,000 tonnes of Phoslock® to the 100 ha lake in less than four weeks
- Approximate contract value of \$4 million
- Successful application with excellent support and cooperation from the City of Rotterdam
- Early positive results in independent lake testing
- Significantly raising profile of PET in Europe
- Other lakes / projects are planned as a result





Growth Strategy Key Drivers

PET is building a platform of sustainable and profitable growth by **expanding market access across multiple geographies and products.**

In support of that strategy, the company has undertaken reviews across key areas of the business.

Customer &
Commercial



Manufacturing
& Supply Chain



Research &
Development



People,
Performance &
Culture





Strengthen commercial platform

Building the sales teams in Europe and USA

Travel restrictions easing - important for in-market access for sales and management teams

China sales model reviewed and restructured

Pipeline of new product and service offerings, with a strong commercial emphasis on R&D program





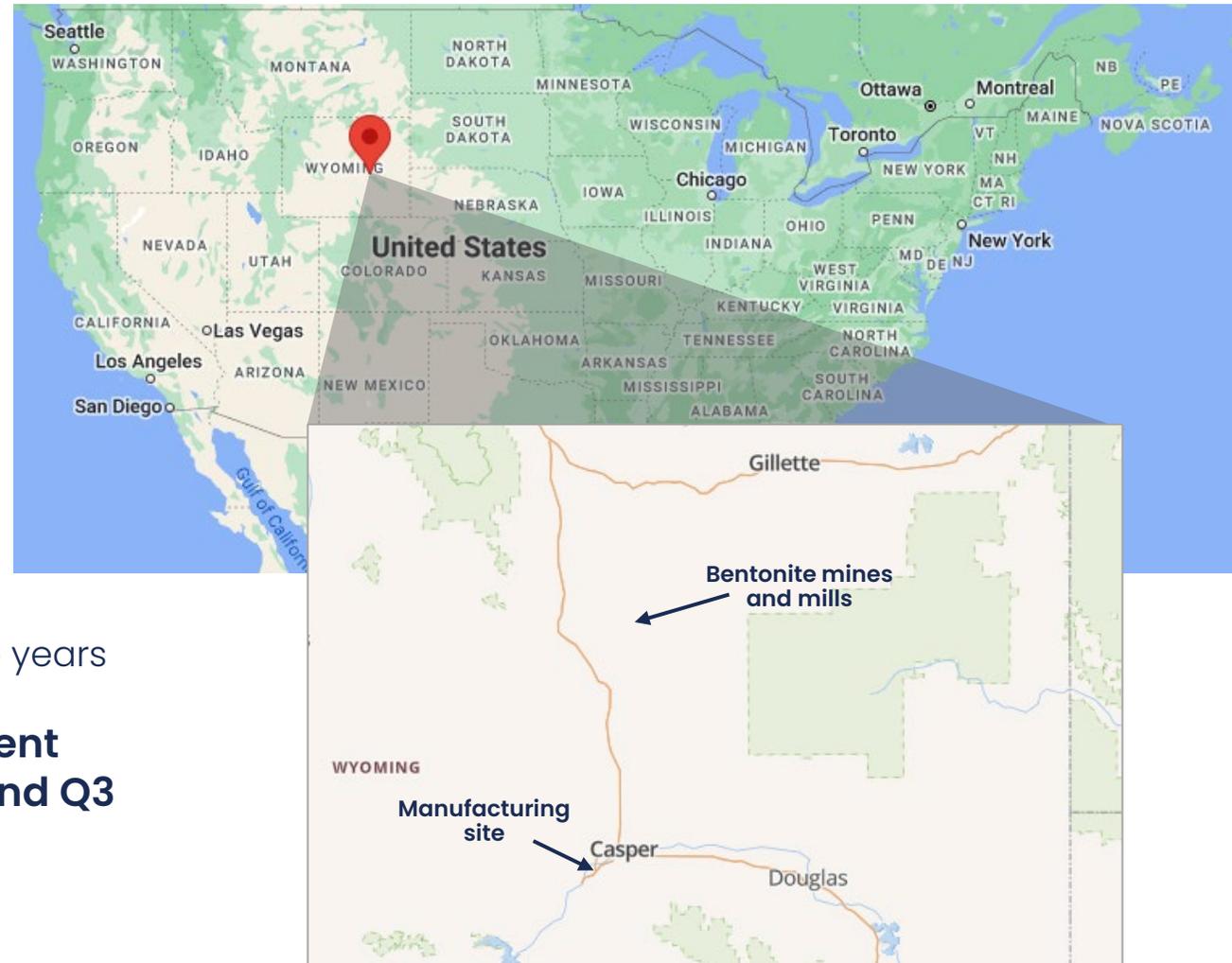
Manufacturing & Supply

Casper in Wyoming, USA is the preferred location for a second manufacturing plant

- A site has been identified
 - Adjacent to Bentonite supplies
 - Low cost of production and supply
 - Supportive business environment
 - Close to key freight hubs
- Detailed design work to continue in Q2
- Purchase option to be secured while final assessments are concluded
- Project commitment contingent on firming up forecast volume requirements over future years

Improvements to China plant environment management systems planned for Q2 and Q3

Supply and Operations Planning improvements implemented in Q1



Focused R&D program

Highlights

- 4 Priority projects progressed
- New US collaboration for products for flowing water
- New Group Executive Product Solutions appointed
- New research collaboration has commenced. PhD project to start mid-year

Core

2 projects to enhance Phoslock effectiveness, affordability and ease of use and expand to new / underserved markets

Phoslock Enhancement



Phoslock Eco, a lower cost product for the China market is under testing. Phoslock Plus, a higher efficiency product is under development

Phoslock Market Expansion



Development of new distribution channels underway in both Europe and US

Transformative

2 projects that, if successful, would enable phosphorous and other nutrients to be removed from flowing water.

ZEEP



Trial quantities produced successfully. Extended field trials scheduled for mid 22

New Technology Contaminant Binder



In collaboration with US partner, about to start trials of new high capacity P adsorption pellet to treat stormwater and agricultural run off

Adjacent

1 project to cross-sell products and services that address a key customer pain-point – harmful algal blooms.

Mechanical Restoration Remedies



Opportunities to be evaluated



People, Performance & Culture

Clear aspiration +
Diverse capability +
Networked culture = Unlocked potential

Then

Now



Aspiration

Largely one off remediation projects for Phoslock product and water treatment.

Re-envisaged contribution to the growing environmental problem of water eutrophication. Clearer value proposition in terms of benefits to economy, community, and natural ecologies.



Capability

Structure shaped to a large extent around the capabilities of current people.

Structure and capabilities designed around business needs and talent sourced. Significant lift in the diversity of skills and experience available.



Culture

Emphasis on entrepreneurial growth although with weak controls. Culture not identified as a priority.

Board and Leadership developed PET's 3C's Culture – Care, Collaborate and Be Courageous.





ASX relisting

Timing impacted by 2020 and 2021 audit and other matters

- Corporate governance requirements
- Board make-up and renewal
- Comprehensive independent investigations
- Financial outlook
- Operational improvements and strategic initiatives

Very high priority for PET Board and Management

Awaiting ASX review of submission and audited accounts of 11 March

Outlook



FY22 expectations

Another challenging year as we rebuild sales pipeline and continue execution of growth and diversification strategy

Positive sales growth, with EU and USA major drivers

Some legacy issue costs to continue



Key areas of focus

ASX relisting

Commercial enhancement

Funding opportunities for treatments

Canada regulatory work

R&D – new products to be launched in 2022

Progress manufacturing expansion assessment

Normalised business operations

China plant upgrades

Litigation and legacy issues managed

Confidence basis

Clear competitive advantage

Large and growing market opportunity

Diversification strategy

Successful recent applications with positive customer feedback

Company remains well capitalised



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