



A Global Water Treatment & Water Services
Environmental Company

Gold Coast Investment Showcase Conference

20 June 2018


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PWS FY17-18 Financial Projections

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- Revenue for December Half Year \$6.2m – Up 226%
 - NPBT of \$1.0m
 - **Full Year 17-18 Projection: Revenue of \$15-17m and NPBT of \$3-4m***
 - * excludes non cash accounting effect of May 2016 option issue
 - Strong operating margins
 - Contracted work not completed as at 30 June, 2018 - \$10m; to be booked in FY18-19
 - Forecast Balance Sheet as at 30 June, 2018
 - A\$3m in cash plus
 - Receivables/Inventory of \$12m;
 - Debt Free;
 - Net Assets close to \$15m

PWS Environmental Group

ASX listed (Code: PHK) Water Engineering & Water Treatment Materials Environmental Group

Businesses:

- **International Water Treatment Business**

Using Phoslock® and other products to treat lake and rivers;
Eight licensees representing PWS in over 20 countries



- **China Water Treatment Business**

Offices in four Chinese cities; now using a range of products and movable plants to treat highly polluted canal/rivers/lakes, including “black odorous water”



- **China Engineering & Implementation Business**

25 professionals in Beijing office providing design, engineering and implementation services for canals, river and wetland projects



=> **75% New Business; 25% Maintenance Business (reoccurring)**

Current Year in Review

First year of Phoslock Beijing

- secured over \$20m of project work
- \$10-12m of project work booked in FY17-18; balance in FY18-19
- Beijing wetland project (\$15m) on target to meet 45% completion by 30 June, 2018 - 60,000 tons of materials delivered to site
- Beijing canal project (\$5m initial project plus ongoing maintenance) progressing well
- Deep and growing pipeline of large projects for FY18-19 and beyond in Beijing and throughout China

International Business – sales close to \$5m; significant projects in Brazil; Canada; US; UK; Poland; Netherlands; Belgium; Australia

- Solid pipeline on new and repeat projects

PWS Group growing rapidly; expanding business coverage in China and Internationally

PWS Directors and Senior Management in PBEE Beijing Office



Major Chinese project – \$15m project-Wetlands

Works commenced in April with scheduled finish during 2018

Providing zeolite; other materials & engineering services



Photo of a constructed Wetland site as an example of what a finished wetland project may look like.

The Beijing wetland projects will be significantly larger in size.

Delivering 130,000 tons during 2018 of zeolites and other materials to construct Wetlands



First Wetlands site currently under construction

60,000 tons of zeolites & other materials scheduled to be delivered by 30 June 2018



Recent Projects – Beijing Canal Works (Nov 2017)

Project value \$5m plus \$1-2m pa maintenance contract



Beijing Canal Project (June 2018)

Phosphorus down 80%; Nitrogen down 70%; Dissolved Oxygen up



PWS Materials used in treating “Black Odorous Water”

Ministry of Environmental Protection has launched supervision of severely-polluted regions to ensure:

- Over 80% of the country's water meets at least the industrial but not drinking water use (Level III) standard by 2020
- Focusing on the treatment of "**black odorous water**" and drinking water sources



PWS Materials used in Mobile Treatment Plants to process Polluted Water from canals& rivers



Changxing Factory

Multi purpose factory in Changxing
producing a range of products

Readily scalable:

- Current capacity 15,000tpa = \$40-50m sales pa
- 2nd production line can double production

Video of Changxing Factory

www.phoslock.com.au/site/what-we-do/production-facility

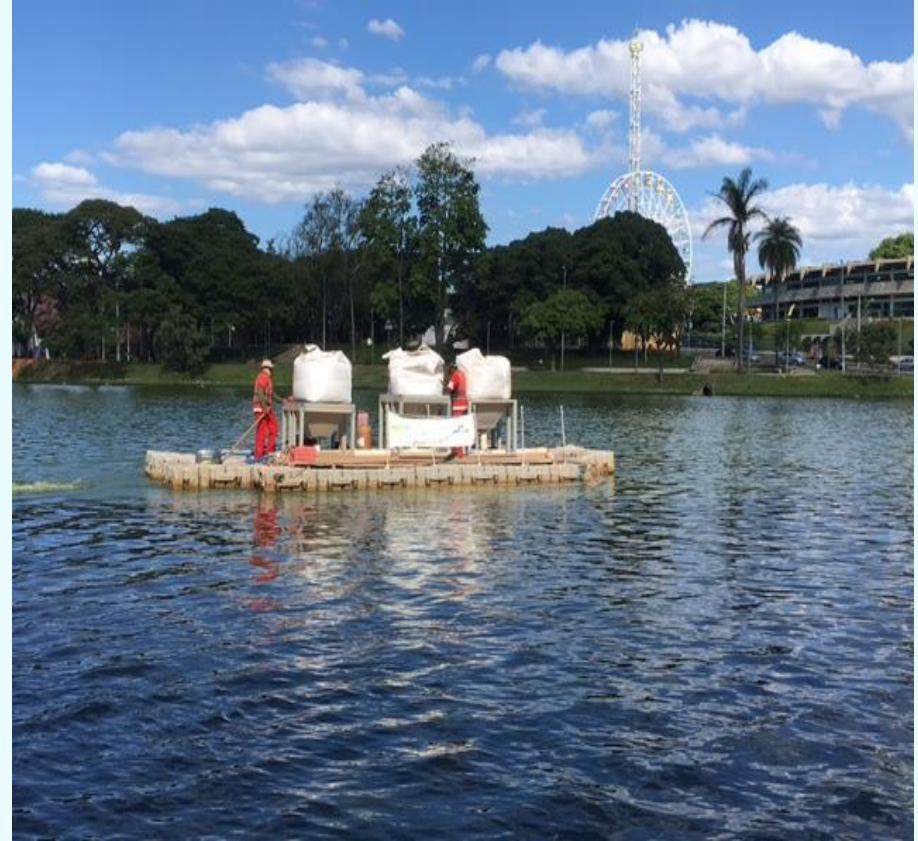
Adding production lines for new PWS products

Looking at manufacturing products for other
overseas environmental companies in China



Projects – Pampulha, Brazil - extended

Project value \$4m completed; 4 year maintenance contract commencing



Finalised Projects – Bromont, Canada

Project value \$600,000



Finalised Projects – Goldap, Poland

Project value \$1.3m



Outlook for FY18/19



Start FY18/19 with large on-going projects > \$10m revenue plus strong project pipeline throughout China and Internationally

- Focusing on further growing Contracting & Materials business throughout China
- Conversion of Medium & Large Projects in International Materials in North America, Latin America, Europe and Asia
- Maintain strong operating margins
- Using Changxing Factory to manufacture Phoslock plus other products
- China R&D projects used in commercial applications
- Further registration of *Phoslock* Patent in key markets
- Strong balance sheet; growing profitability
- Potential Future Option Revenue of \$7m over next 3-12 months

Capital Structure



Capital Structure (19th June, 2018)

Company Name:	Phoslock Water Solutions Limited
ASX Code:	PHK
Current Price:	37 Cents
Trading Range: (last 12 months)	16 – 39 Cents
Total Issued Shares:	481.8m
Total Issued Options:	65.0m*
Market Capitalisation:	A\$178m
Options*:	65.0m @ 10.5cps Exp 20/12/19



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