



A Global Water Treatment & Water Services
Environmental Company



Gold Coast Investment Showcase Conference

20 June 2018


Disclaimer and Important Notice



This presentation does not constitute investment advice. Neither this presentation nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in Phoslock Water Solutions Limited – ABN 88 099 555 290 (the “Company”) - in any jurisdiction. Shareholders should not rely on this presentation. This presentation does not take into account any person’s particular investment objectives, financial resources or other relevant circumstances and the opinions and recommendations in this presentation are not intended to represent recommendations of particular investments to particular persons. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments. The information set out in this presentation does not purport to be all inclusive or to contain all the information which its recipients may require in order to make an informed assessment of the Company. You should conduct your own investigations and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation. To the fullest extent permitted by law, the Company does not make any representation or warranty, express or implied, as to the accuracy or completeness of any information, statements, opinions, estimates, forecasts or other representations contained in this presentation. No responsibility for any errors or omissions from this presentation arising out of the negligence or otherwise is accepted.

This presentation may include forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. These risks, uncertainties and assumptions include commodity prices, currency fluctuations, economic and financial market conditions in various countries and regions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay or advancement, approvals and cost estimates. Actual values, results or events may be materially different to those expressed or implied in this presentation. Any forward looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under applicable law and the ASX Listing Rules, the Company does not undertake any obligation to update or revise any information or any of the forward looking statements in this presentation or any changes in events, conditions or circumstances on which any such forward looking statement is based.

PWS FY17-18 Financial Projections

- 
- 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

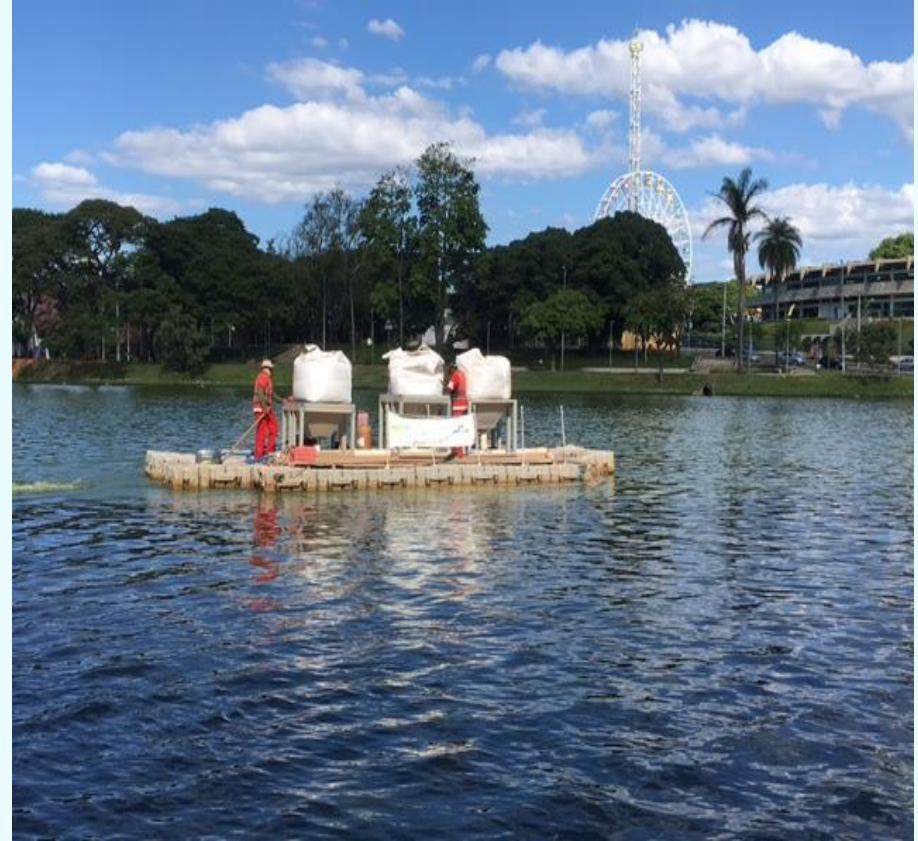
Adding production lines for new PWS products

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



Phoslock Water Solutions Ltd.

Suite 403
25 Lime Street
Sydney NSW 2000
Australia

Tel: +61 2 8014 7611

Web: www.phoslock.com.au

Robert Schuitema – Managing Director

Mobile: + 61 (0) 412 305 442

Email: rs61@bigpond.net.au

Michael Kotowicz – Investor Relations

Mobile: + 61 (0) 416 233 145

Email: michael@wentworthplacegroup.com.au

Laurence Freedman AM – Chairman

Office: + 61 (2) 8999 1999

ASX Code: PHK