

Company announcement

21 December 2022

CEO Update

As we come to the end of another calendar year, it's the perfect time to take a moment to reflect on all that has been accomplished and to express our gratitude for your continued support.

We've been working to restore the health of waterways globally and this year we've made big strides towards our goals.

It has been a busy period, with lots of business development activity, continued applications, expansion of the PET team and brand, local and international visits with important partners and industry visits, all in support of continued progress against our strategic objectives.

Importantly, we also completed critical restructuring and process improvement initiatives which reset the business and helped facilitate a return to trading of the Company's shares.

Commercial activity

On the product front, [Phoslock®](#) applications continued, with some recent lake applications at [Chelsea Ponds](#), Auckland (New Zealand), The Narrows, Perth (Western Australia), and Wolvenvallei and Heemtuin, Rotterdam (Netherlands) as part of the Kralingse Plas treatment.

Activity around [our new product Phosflow™](#) also ramped up, including positive meetings with various utilities and private companies to share developments and showcase its potential water treatment uses. Initial Phosflow sales were made in the ANZ region.

So that we can share more information about the various preparatory and pre-contract works underway around the world, we have created [an interactive online map showing the progress of Open Projects](#) in a new section of our website which will be updated regularly.

Each region continued to develop in-market activities, grow local networks and engage with customers.

In the UK, we established strategic partnerships with [SSI Services](#) and [Aquatic Solutions](#) to ensure a national approach that delivers improved customer engagement, seamless application support and strong technical reach. You can read the [full PET & SSI partnership announcement here](#).

Along with members of our US and EU teams, I attended the North American Lake Management Society Conference 2022 at Minneapolis, USA in November. Derek Johnson, our applications lead in Germany, presented on the [Kralingse Plas project](#), which was very well received by delegates and resulted in several positive discussions, with representatives from New Jersey and Washington State in particular.

Part of this US trip also involved positive meetings with the Green Lake Association for Green Lake in Wisconsin, to talk about employing Phoslock and Phosflow as part of the management approach for the lake. Follow-up with their contract engineers is now taking place. We also spoke with a number of lake managers, government regulators and engineers in Milwaukee.

Our NZ team has engaged strongly over the past few months with the National Institute of Water and Atmospheric Research (NIWA), Environment Canterbury, Dairy NZ, Bay of Plenty Regional Council, Auckland City Council and various local ministers to ensure PET is involved at the right level as the NZ national water management approach is restructured.



HydroScience in Brazil continue to deliver strong sales outcomes for PET, with ongoing treatments across a wide range of locations and waterbodies.

And our China team expect to complete the appointment of selected exclusive distributors in targeted provinces after the Chinese New Year in 2023.

Regulatory

Discussions continue with Canadian regulators regarding the status and rationale for PET product registrations, with progress being made, albeit slow. The PET science team met with the regulators in mid-November.

We have been invited to submit commentary and bear witness to the Standing Committee on Environment and Sustainable Development (ENVI) study of freshwater issues. This is scheduled to start in February 2023 when the Canadian Parliament returns after the New Year break.

Science

Kate Waters-Hart, Group Manager Aquatic Science, is working with the [UK Centre for Hydrology & Ecology](#) on a project for [The Global Environment Facility \(GEF\)](#). The project is [Towards Sustainable Phosphorus Cycles in Lake Catchments \(uP-Cycle\)](#) through the United Nations Environment Programme (UNEP).

PET will join a cross-sector industry technical advisory group to consult on recommendations for reducing phosphorus emissions to freshwater ecosystems, informing global policy and producing industry specific recommendations to support it. A global network of lake restoration is being developed and 63 countries have signed up with over 200 lake restoration examples.

Research & Development

Development activities for additional nutrient control products are focused on nitrogen, with work commenced with partners in the US, specifically at the US EPA. Several other products are being tested and reviewed including activated carbon, zeolite formulations and Zeochar.

Manufacturing

The machinery needed for the second-stage plant development in China was delivered and is currently being installed. This is expected to be completed in Q1 2023.

And while I was in the US in November, I took the opportunity to meet with Wyoming State in Casper about PET's potential future manufacturing site and business development support grants.

People

The PET team continues to grow, with [two new appointments to the US team](#) expanding our regional footprint.

Bush Heathman is General Manager – USA and brings a strong business skillset stemming from military service followed by almost two decades within the North American energy sector. His experience will be invaluable as we continue to grow our presence in the region.

He is joined by Greg Wagner as Technical Sales Representative for the Great Lakes Region. His wealth of knowledge and expertise in the water sector will be of great value to both our existing and new customers.

Please sign up to receive regular company updates, with information also shared via LinkedIn and Facebook. And of course, reach out to any of the [PET team](#) if you have questions or would like more information.



Finally, let me again express my appreciation to the team here at PET for their continued efforts and commitment, during what has been a tough and challenging last couple of years. With those issues now largely behind us, we can remain fully focused on building the business and realising the undoubted potential of our technology and service offerings.

Our shareholders have been patient and understanding as we did the necessary work to address the issues caused by past management and I thank them all for their support and wish all PET stakeholders a safe and happy Festive Season.

Lachlan McKinnon
Managing Director & Chief Executive Officer