



ASX Code: **PET**

Share Price: **A\$0.49**

52 Week High: **A\$1.60**

52 Week Low: **A\$0.29**

Issued Shares: **620m**

Market Cap: **A\$303m**

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PHK BLOG on Water Issues:

www.phoslock.com.au

ASX ANNOUNCEMENT

Tuesday 5th May 2020

Transformative Share Purchase Plan raises \$15m

Phoslock Environmental Technologies Limited's (ASX: PET) Share Purchase Plan has closed, with subscriptions of some \$17m received from nearly 1,200 shareholders. This follows the \$12m institutional placement at the same price of 50c per share.

Given this unprecedented level of demand, PET's directors have decided to allocate to shareholders the vast majority of their applications for the strategic reasons listed below.

All shareholders who applied for up to \$5,000 will receive 100% of their application. Shareholders who applied for more than \$5,000, will receive 90% of their application.

The Company will issue approximately 30 million shares under the SPP on Thursday 7th May 2020.

As a result of the Institutional Placement, the SPP and the \$3m Placement to Directors & Senior Executives (to be voted on at the AGM on 25 May) net funds raised will be \$30 million.

The net proceeds of the capital raisings will be used in part to:

1. Further strengthen the Company's Balance Sheet to manage any unforeseen financial impacts occurring as a result of COVID-19.
2. Take advantage of additional projects and opportunities in our existing global markets.
3. Accelerate commercialisation in targeted international markets and ongoing Research & Development activities.

Chairman Laurence Freedman AM commented:

"We are delighted with the unprecedented level of support for the SPP, which is the highest in the history of the Company. This, together with the broad-based institutional take-up is a transformational transaction for the Company. Added to this is the commitment of Directors and Officers to subscribe for a further \$3m of shares."

“With some \$55m in cash and receivables and NO DEBT, our balance sheet is well fortified. This unique level of financial security, together with our substantially increased depth of corporate management, enables us to expand our growth parameters, both geographically and corporately.”

This announcement has been approved for release to the ASX by the Chairman, Managing Director and CEO.

Mr Laurence Freedman AM
Chairman

Mr Robert Schuitema
Managing Director

Mr Lachlan McKinnon
Chief Executive Officer

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PHOSLOCK ENVIRONMENTAL TECHNOLOGIES LIMITED (PET)

Phoslock Environmental Technologies Limited is listed on the Australian Stock Exchange (ASX Code: PET).

Phoslock Environmental Technologies Limited (ASX: PET) is an international environmental company specialising in engineering solutions and water treatment products to remediate polluted lakes, rivers, canals and drinking water reservoirs.

PET has its headquarters in Sydney, Australia with offices in Brisbane, Beijing & Changxing, China, and Manchester, UK. PET is represented by licensees, distributors, and agents in ten other countries including SePRO Corporation in the United States and HidroScience in Brazil. PET has several marketing and co-operation agreements in China with various environmental companies and government agencies.

In 2017 Phoslock (Beijing) was formed to help remediate the massive Chinese algae and water pollution problem. This 100% owned subsidiary undertakes design, engineering, and implementation of rivers, canals, reservoirs, and lakes, along with construction of wetland areas. The significant broadening of the historical PET business allows for work on a greatly increased array of projects both in China and elsewhere.

PET owns the patent for Phoslock[®], a unique water treatment product that permanently binds excess phosphorus in the water column and sediments. This in turn inhibits the growth of Harmful Algal Blooms (HAB) that lead to detrimental effects to both aquatic and human life.

Phoslock[®] is certified to be used in drinking water in North America, Europe, UK, Brazil, Australia and China.

Along with Phoslock[®] PET also supplies:

- 1) Zeolites - a porous, natural material that can be applied to heavily polluted water to absorb nutrients such as nitrogen. Nitrogen is an important food source for the growth of harmful algae.
- 2) Bacteria. - Specialised types of bacteria can break down contaminants and organic matter that pollute water and cause human and water-borne diseases.

PET has a large multi-purpose factory in Changxing, Zhejiang province, China, 150km inland from Shanghai, which manufactures its patented technology, Phoslock[®], along with nutrient binding materials zeolites and bacteria. It also has an engineering and physical water management division.

The Changxing Factory recently received ISO accreditation from TUV Rheinland, a German engineering accreditation agency for:

ISO 9001 – Quality Control and Documentation Certification.
ISO 14000 – Environmental Management Standards Certification; and
OSHA 18000 - Health and Safety Management Systems.

PET has secured the exclusive global licence to manufacture, sell and distribute a unique new product which, after removing phosphorus from polluted water, can be reused. PET has established a development team to advance the product to full commercialisation. It is anticipated that commercial quantities of the new product will be available in later 2020.

For more information on the company, recent news and blogs, please visit our website:
www.PHOSLOCK.com.au