

# **TELLUS**

## **Tellus Holdings Ltd Shareholder Webinar**

**OCTOBER 2022**



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# What We Stand For

Our purpose explains **why** we do business

Creating a better future  
by safely cleaning up Australia  
of hazardous materials

Enabled by principles that define **how** we do business

Safety | Trust | Passion

# Agenda

## Looking back – the year that past (FY22):

- Summary of the year gone by
- Changes in Management Team
- Safety Update
- Operations overview video
- Financial Results

## Looking Forward:

- Preamble on FY23 and beyond
- Sales Pipeline & Opportunities
- Expansion of Licence to 280ktpa, Chandler, Cell 2
- Current Liquidity Position
- Liquidity events - Independent IPO Analysis
- Close presentation and open Q&A



# Highly experienced management team

## Executive Leadership Team



**Nathaniel Smith**  
Managing Director

- Global executive with operational & B2B sales experience across a broad range of industries, including logistics, warehousing & distribution, technology, financial services, mining, infrastructure & waste management. Previously a Vice President for global logistics and above-ground warehousing giant, UPS
- Led transactions and approvals in more than 60 countries with transactions up to US\$16.7 billion
- Personally finalised Sandy Ridge approvals and maintains key relationships with regulators and stakeholders
- Part of UPS leadership that launched Ware2Go, now generating multi-millions in revenue
- Part of UPS' small leadership team responsible for its largest B2B customer relationship with Amazon, generating US\$11.3bn p.a.
- Holds a Juris Doctor with High Honours from Emory Law School & a Politics Degree with Distinction from University of Virginia



**Nicholas Williams**  
Chief Financial Officer

- 20+ years' experience as a finance executive across a broad range of industries and geographies
- Led syndicated loan deals in Chile, and multi billion dollar US and Euro denominated bond issuances out of London with BHP
- Spent 15 years working in multi-faceted finance roles across the US, The Netherlands, London, Chile and Brazil
- Prior to Tellus, held role of Head of Finance at Pacific National rail logistics. Also spent a decade at BHP focusing on treasury, corporate finance and risk, before working with BG Group & Shell in broader finance and commercial roles
- Holds a Commerce degree from Melbourne University, is CPA qualified and a Grad Dip in Applied finance and Investments



**Michael Ingram**  
Chief Operating Officer

- Geologist with 25+ years of practical experience in mining and mineral production operations, design, engineering, & project management in Australia, Africa & USA
- Contribution to Tellus over 7 years: managed exploration drilling & mineral testwork (kaolin) for Sandy Ridge, & salt processing testwork for the Chandler project; Project Manager for the early development phase of Sandy Ridge, including Scoping & Pre-Feasibility Studies, intimately involved in Government and Community engagement; Management of Operational Readiness for Sandy Ridge, including team recruitment, operational contracts, & development of operational systems
- Currently responsible for ongoing operational management of Sandy Ridge Site operations and Pre-Gate Services, & accountable for Health & Safety at SMT level
- Prior experience include roles at GMA Garnet, WA Kaolin Holdings, HBH Consultants and EPMS



**Corrina Tolomei**  
Head of HSEQC and People

- 25+ years' extensive people and culture strategic and operational experience across a variety of industry sectors
- Previous roles at Seven West Media, BGC Contracting, Accor Group, Burswood International Resort Casino, Royal Perth Hospital
- Corrina has a Bachelor of Commerce (Economics and Marketing) from Curtin University; Graduate Diploma in Human Resources and Industrial Relations from the University of Western Australia; is a Certified Executive and Organisational Coach; and is a Graduate and Member of the Australian Institute of Company Directors.

# Highly experienced management team (*cont.*)

## Executive Leadership Team



**Kavita Paw**

*General Counsel and  
Company Secretary*

- Previously, a senior lawyer at Chevron Corporation
- 10+ years' legal experience across a number of roles and geographies, including Melbourne and New York (USA)
- Previous roles at Davis Polk & Wardell, Sullivan & Cromwell and Jones Day
- Holds a Bachelor of Laws and Commerce from the University of Queensland, and a Masters from Oxford University



**Stephen Hosking**

*Chief Development Officer*

- Project development specialist with over 20 years' experience supporting the delivery of large-scale infrastructure and mine development projects across Australasia, the Middle East and Europe
- Steve has 7 years of service with Tellus. He led the Sandy Ridge bankable feasibility and construction phases and is now focused on operational support (including management of tenders and client projects), value improvement initiatives (including regulatory approval requirements) and future growth projects
- Prior experience include roles at BHP, Newcrest Mining, Atlas Iron, Golder Associates and Halcrow
- Graduate of Camborne School of Mines and a Member of the Australian Institute of Mining and Metallurgy



**Ryan Bloxsom**

*General Manager Government  
Relations*

- Former Chief of Staff to Federal and NSW Government Cabinet Ministers across a range of portfolios
- Senior executive in NSW Treasury, reporting to Treasury Secretary
- Former lawyer practising in financial services, including for major / Big 4 Australian bank
- Qualifications in Arts, Laws, Legal Practice from UoW and an MBA from AGSM at UNSW

# Highly experienced management team (cont.)

## Sales and BD Team



**Darren Mason (NSW)**  
Chief Customer Solutions Officer

- 25+ years' experience in international experience in operations, supply chain and sales. Sales awarded exceed \$1b AUD
- Experienced providing compelling solutions to industries including, waste, oil & gas, chemical, power generation and wide range of specialised manufacturing
- General Manager Toll Chemicals Australia, with experience in contract Logistics, Major Hazard Facilities and Dangerous Goods storage and handling
- International experience includes spearheading the industrial sector sales and development throughout USA, South-East & North Asia
- Developed circular economy implementations from Japanese PowerStation waste streams for use in Europe, USA and the Middle East



**Tim Sheldon-Collins (VIC)**  
Head of Sales

- 20+ years experience working in the waste industry and sales specifically in the area of hazardous waste.
- Has a diverse industry background working in finance and manufacturing providing waste solutions to industries including automotive, stewardship, waste, chemical, power generation and general manufacturing.
- Master of Marketing (Monash Uni) and Graduate Certificate Business (Accounting), completed advanced courses in Kepner Tregoe problem solving and Scotworks negotiating. Previous roles have included Business Development and Sales Management in national roles with ASX top 100 corporations. Tim's technical experience includes Waste to Energy, Chemical Immobilisation & stabilisation and development of customer orientated total waste solutions.



**Jade Ritchie (NT)**  
General Manager Business Development

- As a Gooreng Gooreng woman has over 20 years' experience in the public sector with recent experience as Director of Economic Development and Major Projects based in Darwin.
- Brings extensive experience in stakeholder, trade and investment relationship management including leading initiatives to enhance Aboriginal engagement and leadership capabilities within both the public sector and in remote communities in both Arnhem Land and Central Australia.
- Has qualifications in Business and Aboriginal and Torres Strait Islander Studies, Project Management and Adaptive Leadership.
- Is a member of the CSIRO Indigenous Innovation Alliance Steering Committee and the North Australia Marine Parks Advisory Committee.



**Slade Greenaway (WA)**  
General Manager Sales & Business Development

- 16+ years' experience in Oil & Gas Sales, Operations & Management
- Extensive experience with specialist Oil & Gas Waste Management sector
- Former Country Manager for Major International Oil & Gas Service Provider
- Experienced and successful leader of start-up business' in Australia and Asia Pacific Region

# FY22 – Key accomplishments

In its first full year of operations, Tellus has met or exceeded a number of its key milestones

Safely received >22kt tonnes of waste across various waste streams and accepted the first low level radioactive waste (LLW) at Sandy Ridge for surface storage



Secured additional long-term contracts during FY22, continue to progress others in both the chemical and radiological waste spaces



Continued to build pipeline for FY23 and FY24 to maintain strong ramp up profile  
Grew circular economy capabilities with CRC Care partnership



Bolstered Sales team and brought on Transport GM and Government Relations specialist to assist with political angle of waste contracts  
Established a network of resellers around Australia to expand sales coverage



Continue to drive down unit costs at site via redesign of cell cap (leading to a significant expansion in cell volume) and operational cost efficiencies (primarily through labour productivity and innovation in liquid waste treatment processes)



Refined Sandy Ridge cell two design to halve unit cost of airspace



Progressed Sandy Ridge Expansion to 280ktpa including submission of the Environmental Scoping Document to Government, and material progress on Chandler





# Safest Place for Our People and Hazardous Materials

**Our Values: Safest Place**  
**Trust**  
**Passion**

1. Safety is part of everything we do.
2. It is a Safe place to be you.
3. We are vigilant.



**Positive Safety Culture**  
**One Team**  
**Continuous Improvement**

Key Indicators	12 Months to End of Sept 2022
Lost Time Injuries	1
Restricted Work Injury	0
Medically Treated Injury	1
High Potential Near Miss	0
Near Miss (all types inc. Enviro)	8
Hours Worked (Sandy Ridge)	98,792

**4. We Work Safe so we can go Home Safe every time.**



# Site Video – Overview



# Full year financial update

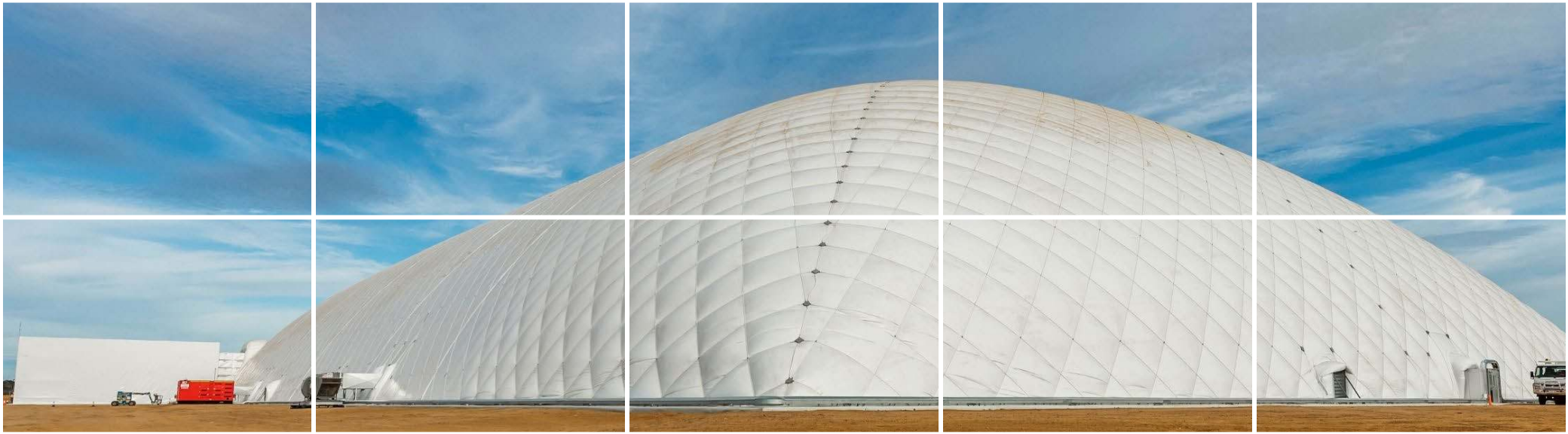
Strong ramp up year on year both in tonnes and revenue, with continued focus on minimizing costs through ramp up

	FY21	FY22	Growth %
<b>Tonnes (t)</b>	9,253	22,653	144.8%
<b>Revenue (\$)</b>	8,474,332	18,845,839	122.4%
<b>EBITDA (\$)</b>	(4,893,463)	(1,586,012)	208.5%

- Material growth from year 1 to year 2
- Logistics playing bigger part in business – also driving revenue
- Cash a key focus approaching the start of cell two construction, likely to occur mid-2023.
- Prioritising opportunities to extend life of cell one
- Costs continue to be managed prudently during ramp up







# TELLUS

Looking Forward >>





# Market & Tellus Outlook

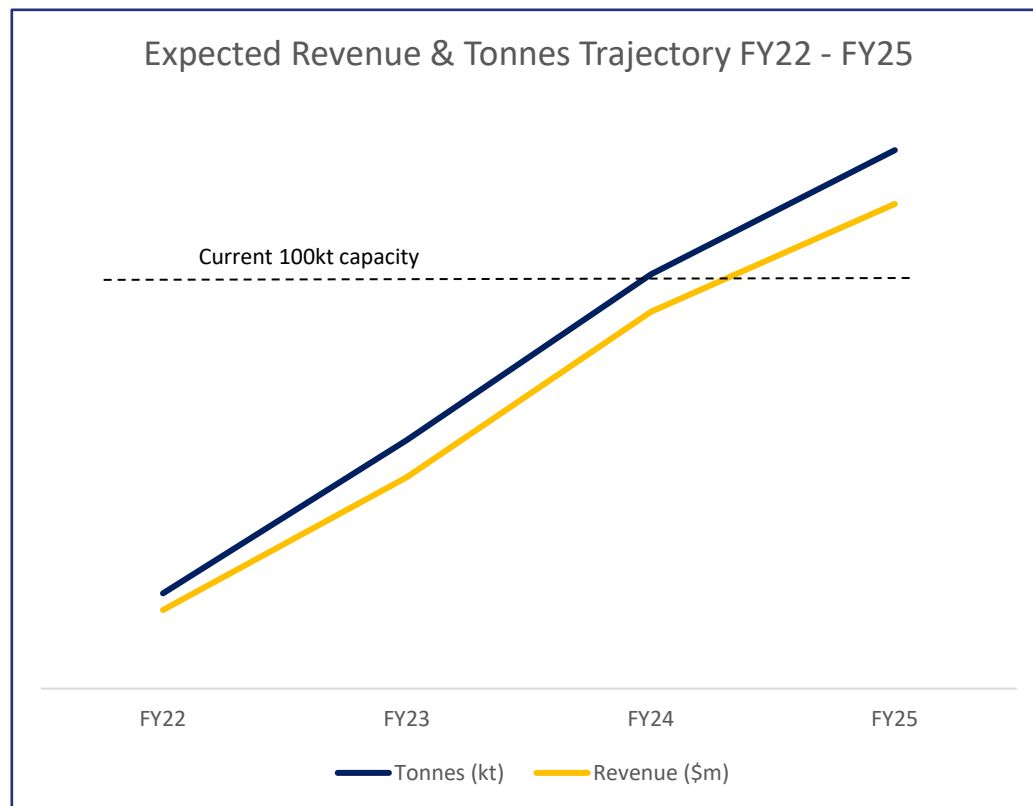
3 Year budget period aims to drive strong growth in Tonnes and EBITDA

## Market Overview

- The hazardous waste market in Australia continues to grow
- Approximately 80% is produced on east coast
- Radiological waste market to grow with WA offshore oil and gas decommissioning set to ramp up in the next 3 years
- ESG tailwinds assisting, however corporate budget constraints and regulatory ability to store on-site in many cases is a challenge

## Tellus Outlook:

- Strong ramp up aiming for tonnes and revenue to double in FY23
- FY23-24 are critical years for operations as ramp up occurs and construction of cell two (and capital outlay) required at same time
- Significant work done on lowering logistics from east coast to make Tellus more competitive in this market
- BD & sales team growing pipeline and contracts, while business is cost conscious during ramp up phase.



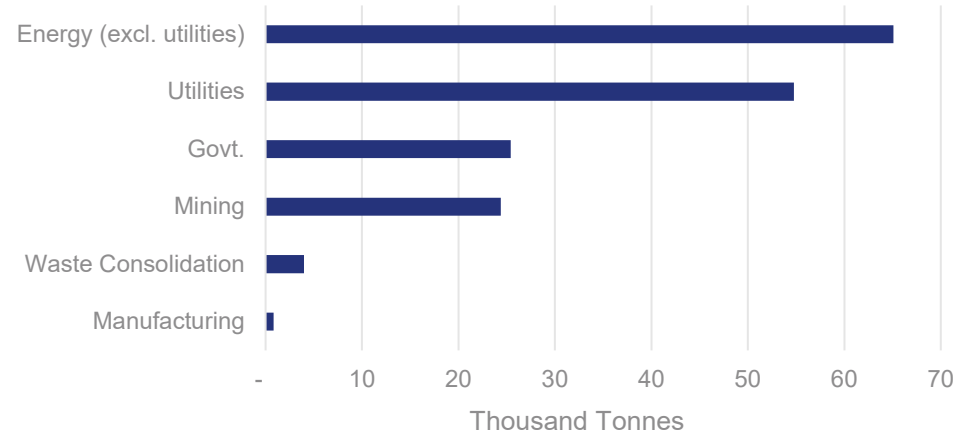
# Pipeline Growth

Strong pipeline growth throughout FY22 and into FY23 to be assisted by larger sales team

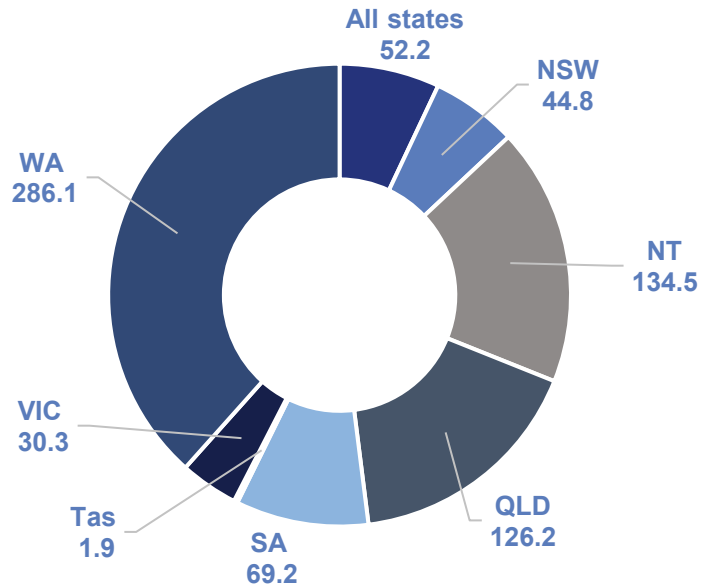
## TOTAL PIPELINE (OPPORTUNITIES)

CRM STATS	VALUES
OPEN OPPORTUNITIES	247
TOTAL VALUE	>\$1000M
MEDIAN REVENUE	>\$35M

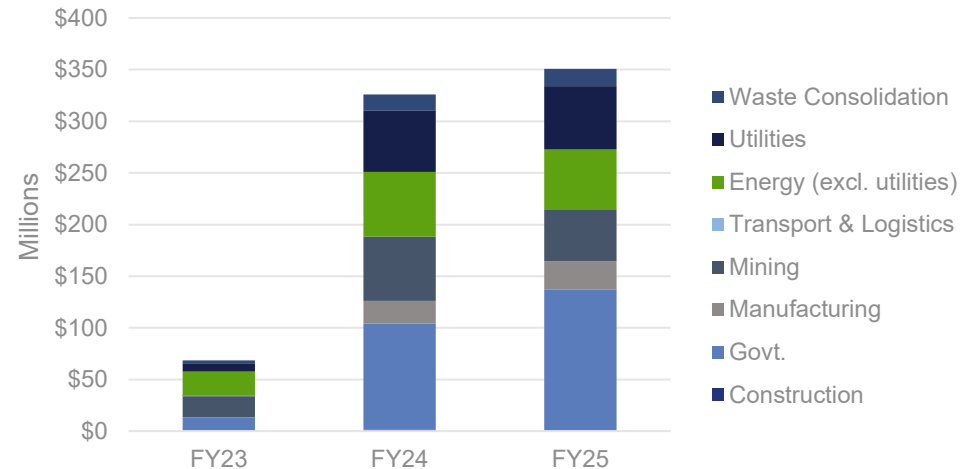
## Pipeline Tonnes (FY23)



## 3 Year Pipeline - Split by State (\$m Rev)



## Annual Pipeline \$m



# Significant mid-term opportunities – EfW

EfW plants generate hazardous waste (APCR) for which Tellus provides a competitive solution. Those EfW plants coming on-line provide significant mid to long-term opportunity for Tellus

## EfW Plant & Circular Economy Opportunities

Opportunity	Region	Investment	Est. Start Date	Est. Hazardous Waste Output p.a. (APCR)	Project Life
Opportunity #1	WA	\$511m	2023	15kt	25 years
Opportunity #2	WA	\$698m	2024	20kt	25 years
Opportunity #3	VIC	\$600m	2025	15kt	25 years
Opportunity #4	NSW	\$170m	2024/25	10kt	25 years
Opportunity #5	QLD	\$400m	2025/26	25kt	25 years
Opportunity #6	VIC	\$650m	2025	25kt	25 years
<b>Total</b>				<b>110kt</b>	

# Development and Growth

Key focus of the development team is to support our operational transition while continuing to identify and assess growth opportunities and capital expenditure efficiencies

## Optimise ramp-up at Sandy Ridge



- **Short term** - Maximise commercial airspace in cell one to extend asset life and defer construction CapEx for cell two.
- **Medium term** - Optimise future cell designs, construction methodologies and contracting strategy to drive down the capital intensity of commercial airspace on a unit cost basis (\$/m<sup>3</sup>).
- **Long term** – Increase the gate acceptance tonnage from 100 to 280 ktpa to provide operational flexibility and maximise installed infrastructure capacity helping to increase margins.

## Review Chandler



- **Re-engagement with NT Government**
- **Further consultation with Titjikala Community**
- **Good progress being made on:**
  - Native Title Agreement
  - Facility Participation Agreement
- **Chandler is a unique world class asset** with immense strategic potential domestically and internationally.

## Expand growth pipeline

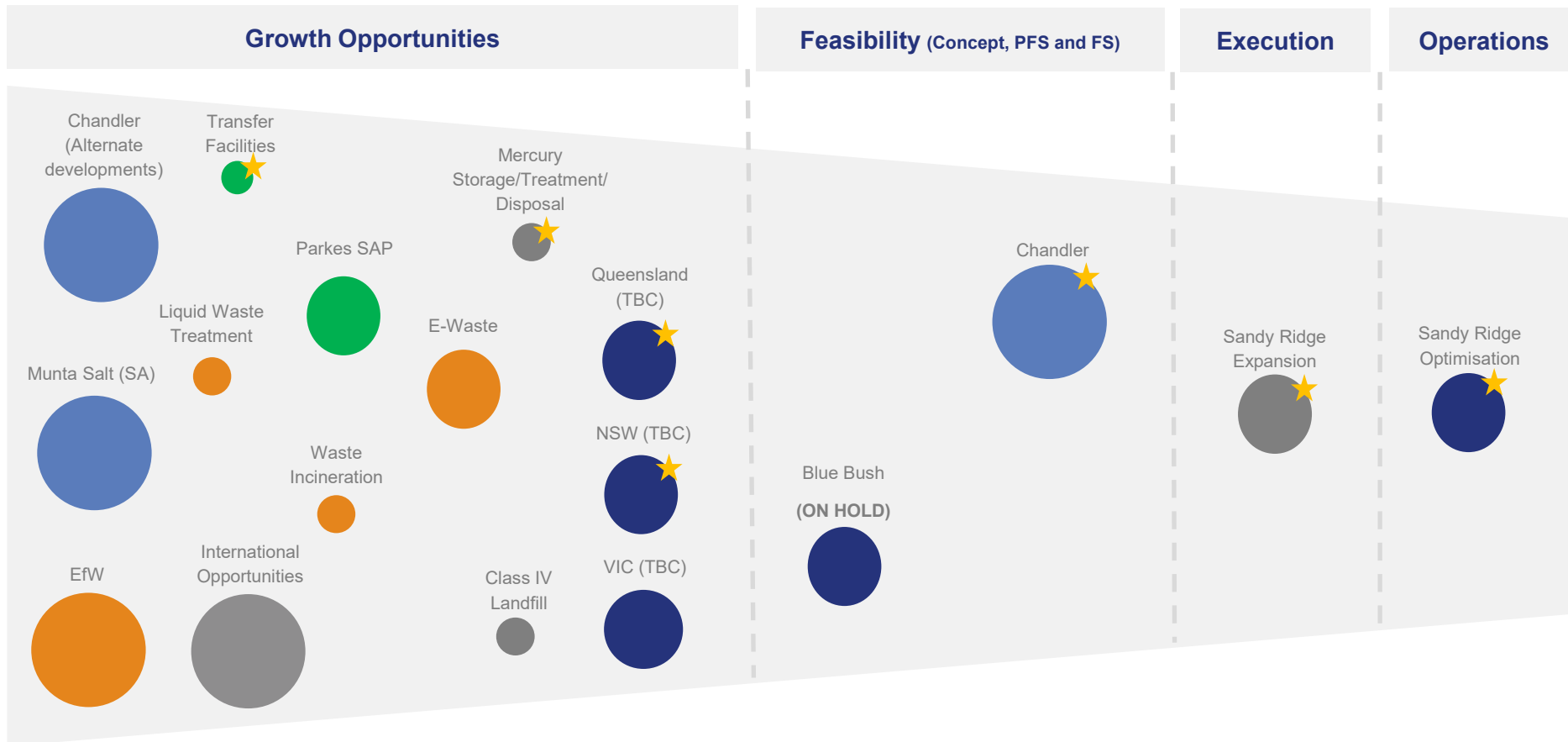


- **East coast repositories** – e.g. Blue Bush. Focus on state government and key client consultation to “define the problem”.
- **Logistics and transport** – Client discussions continuing to support a need for consolidation hub(s) to assist with market linkage and drive down transport costs.
- **Specialist waste projects** – Near term opportunities in specialist waste infrastructure e.g. Mercury.
- **Research and development** – Circular economy partnerships e.g. CRC Care



# Expanding our search for Tellus' next growth project

Tellus has commenced a strategic review of its project pipeline to identify credible options for its next capital investment(s).

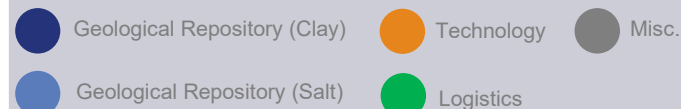


## Capital Expenditure



★ Development and growth priorities

## Project Type



# Current Liquidity Position

Tellus cash position remains comfortable post FY22 with ramp up to continue

	FY21	FY22
Cash (\$)	13,044,162	12,066,733

## Capital Position in FY23

- Business in a stable position with \$12m cash as at start of FY23 year
- Cash to be bolstered by FY22 R&D claim to be received Q1 2023
- Tonnes expected to increase through FY23 with ramp up
- Will consider capital from institutional investor – some interest already received from ESG / Impact investors throughout the year
- Cell two construction later in FY23 next major capex outlay

## FY22 Loan Recap - Reminder

### Tellus Loan Refinancing – July 2021

**A\$135m**



*Upsized amount provides additional flexibility for near-term working capital and capex requirements*

**5 years**



*Provides additional flexibility during Tellus' ramp-up phase*

**Lower interest rate vs. prior facility – interest rate fixed**



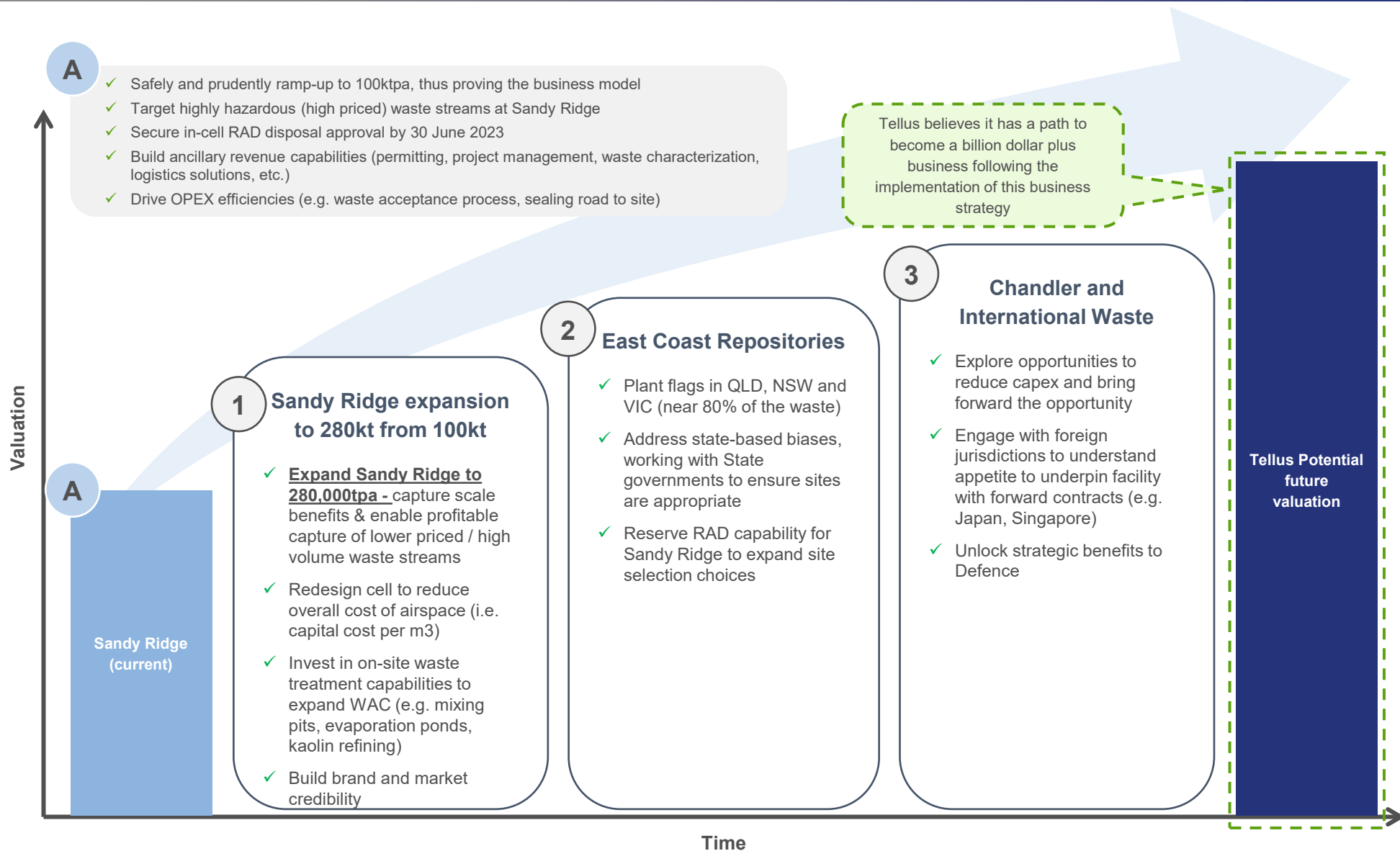
**Covenants not tested until later in the loan period**



## Liquidity for shareholders

- Management and the board are always cognisant of liquidity for shareholders given unlisted company
- Should capital be sourced in the near term, primary capital would be priority, excess funds could be put towards a liquidity event.

# Path to substantial value creation for shareholders



**Thank you & Questions**