



General Meeting

Melbourne - 24 February 2020

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The information and assertions contained in this presentation unless otherwise stated are as at and based on the settlement of the acquisition of EMS Briel & Kjaer Holdings Pty Ltd in accordance with the details announced 17 January 2020.

A global leader in environmental technology

Enabling operational decision support for Industry and Government across Air, Noise & Water



Air

- Air Quality
- Odour
- Dust
- Weather



Noise

- Noise
- Vibration

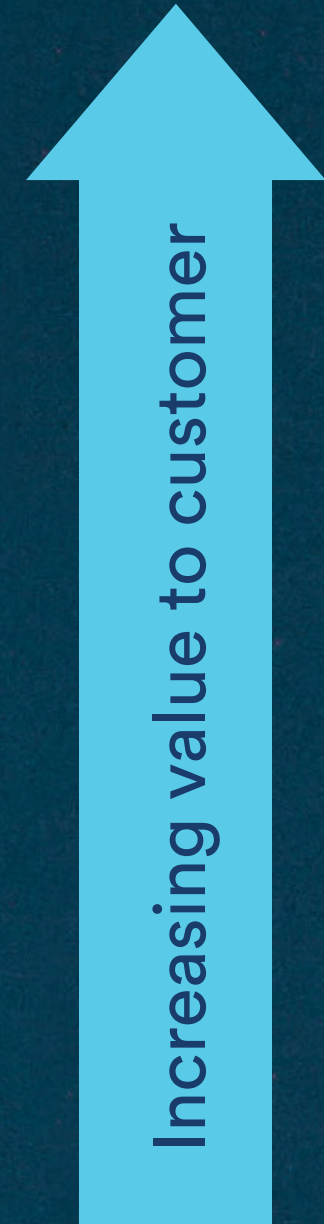


Water

- Wastewater
- Water Quality
- Water Flow
- Groundwater conditions



Value proposition



Optimisation

Predictive solutions used to optimise customer operations

Engagement

Stakeholder engagement enables social licence to operate

Compliance

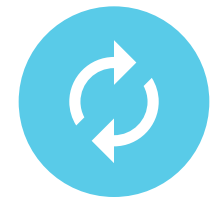
Monitoring and Measurement ensure regulatory compliance



Key fundamentals



Revenue over \$55m



**Recurring Revenue
over \$40m**



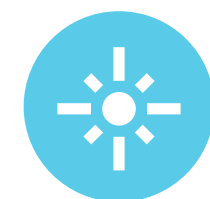
**Extensive portfolio of
blue-chip customers in
over 40 countries**



**Global coverage with
staff in 15 countries**



**\$24m cash at bank at
transaction completion**



**Incentivised referral
partners**

Envirosuite strongly positioned to continue growth

Established Provider

- 30+ years experience in providing environmental solutions
- Leading global provider of technology solutions for Air, Water and Noise
- Global Australian tech businesses enabling industry and communities to co-exist

Global Presence



Scalable Operations

- Staff in 15 countries
- Industry leading scientific research capability across environmental media
- 500+ global customers across 40 countries
- Providing environmental insights for an increasing range of industries and verticals

Focus Industry sectors



Airports

Heathrow
Making every journey better



Cities



Water



Mining

BHP



Industry



Construction



Customer solutions



Envirosuite solutions are typically delivered in a monthly subscription and comprise an architecture of:

- Software solutions via the cloud
- Environmental IOT sensor network
- Proprietary specialised sensors, as well as third-party hardware
- Expert maintenance and support services

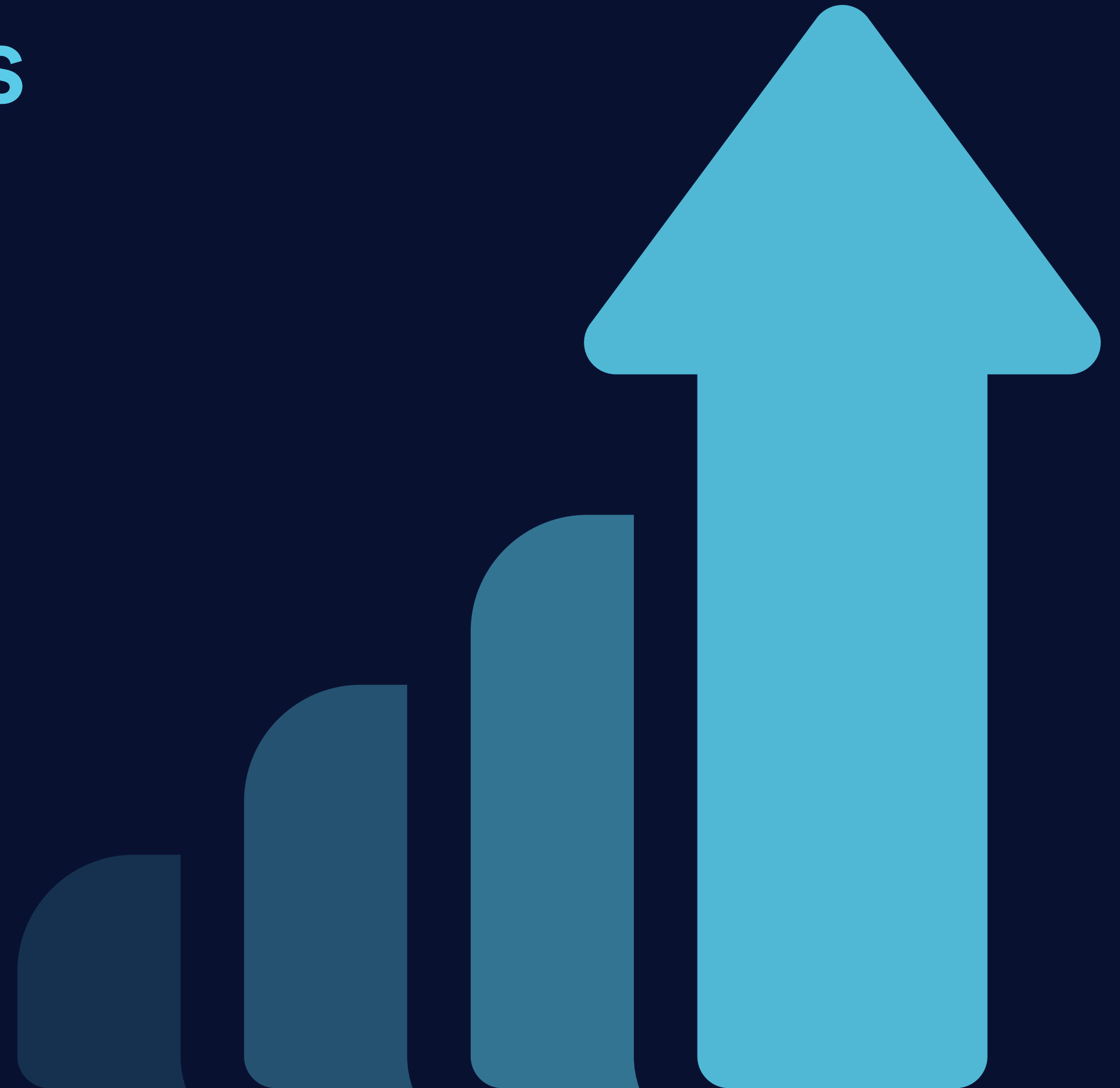


The customer base currently numbers over 500, in the following sectors:

- Over 200 airports
- Over 50 waste and wastewater sites
- Over 25 mines
- Construction companies
- Cities and industrial parks
- Heavy industry
- Ports

Medium term growth targets

- \$100m revenue in FY23 with EBITDA margin 15-20%
- Positive EBITDA by end FY21
- Compound revenue growth 20%
- Revenue diversification across 6 focus sectors



7 growth pillars

1. China market open
2. Investing in innovation
3. Cross sell opportunities
4. Major referral partners
5. Acquisition
6. Business optimisation
7. Increasing regulatory requirements

1. China market open

Macro Drivers

- China is largest market for spend and commitment to Environmental reform
- The Government has committed to spend US \$37b by 2022 on curbing pollution, reducing emissions and improving water quality¹
- This is a key market for Envirosuite services across air, water, noise and vibration as cities and industries look to comply with tightening regulation and improve the efficiency of operations.

Key Market Focus

- 40 key airports requiring new end to end environmental monitoring solutions (air, noise)
- 576² Industrial parks/cities requiring solutions to monitor, predict and alert government to emission sources
- 4,000³ WWTPs' grappling with new water quality and odour standards.

Progress

- Management now in place driving the appropriate strategy including contracting model
- Strategic Partnerships with BHZQ, Sailhero with broad and deep access to environmental market in China
- \$22.5m pipeline across 29 projects for 2020 calendar year
- Minimal disruption in current scoping and contracting phase from Coronavirus

1 - http://www.xinhuanet.com/english/2019-06/26/c_138176209.htm

2 - <https://www.chemanager-online.com/en/topics/industrial-sites/chemical-parks-china>

3 - <https://opus.lib.uts.edu.au/bitstream/10453/52697/1/Current%20status%20of%20urban%20wastewater%20treatment%20plants%20in%20China%20%28ENVINT-D-15-01610%29.pdf>

2. Investing in innovation

Delivering the vision:

1. Producing new solutions that enable Envirosuite to embed further into customer operations. e.g.
 - a. SeweX – helping customers increase asset life and lower operational costs
 - b. Operational system for Wastewater plant operations to lower costs of chemicals and power.
2. Scaling science and data capability to develop our predictive solutions focused on optimising operations
3. New features within existing product portfolio to increase competitive advantage:
 1. Machine learning for sound, air and dispersion model calibration and validation.
 2. Complex flow modelling for urban and industrial applications, weather nowcasting for operational risk management

Real-time and predictive environmental data

Monitor and Visualisation

- Tools to visualise real-time environmental conditions
- Reporting and alerting for compliance and internal OHS
- Corporate Risk Management

Stakeholder Engagement

- Managing stakeholder engagement
- Understand and quantify the effects of environmental media on the community

Optimise Operations

- Use predicative data and analytics to make better decisions about assets, people and risk mitigation
- Drive down operational costs, increase asset life, improve site efficiency

3. Cross sell opportunities

Customer base of over 500

- Envirosuite will have a world leading end to end portfolio (air, water, noise, vibration)
- Customers increasingly demanding access to broader products sets
- Early opportunities highlighting the potential to cross sell e.g.
 - a. Noise monitoring into EVS client mines
 - b. Air quality into EMS client mines and construction sites
 - c. Water contamination in airport operations



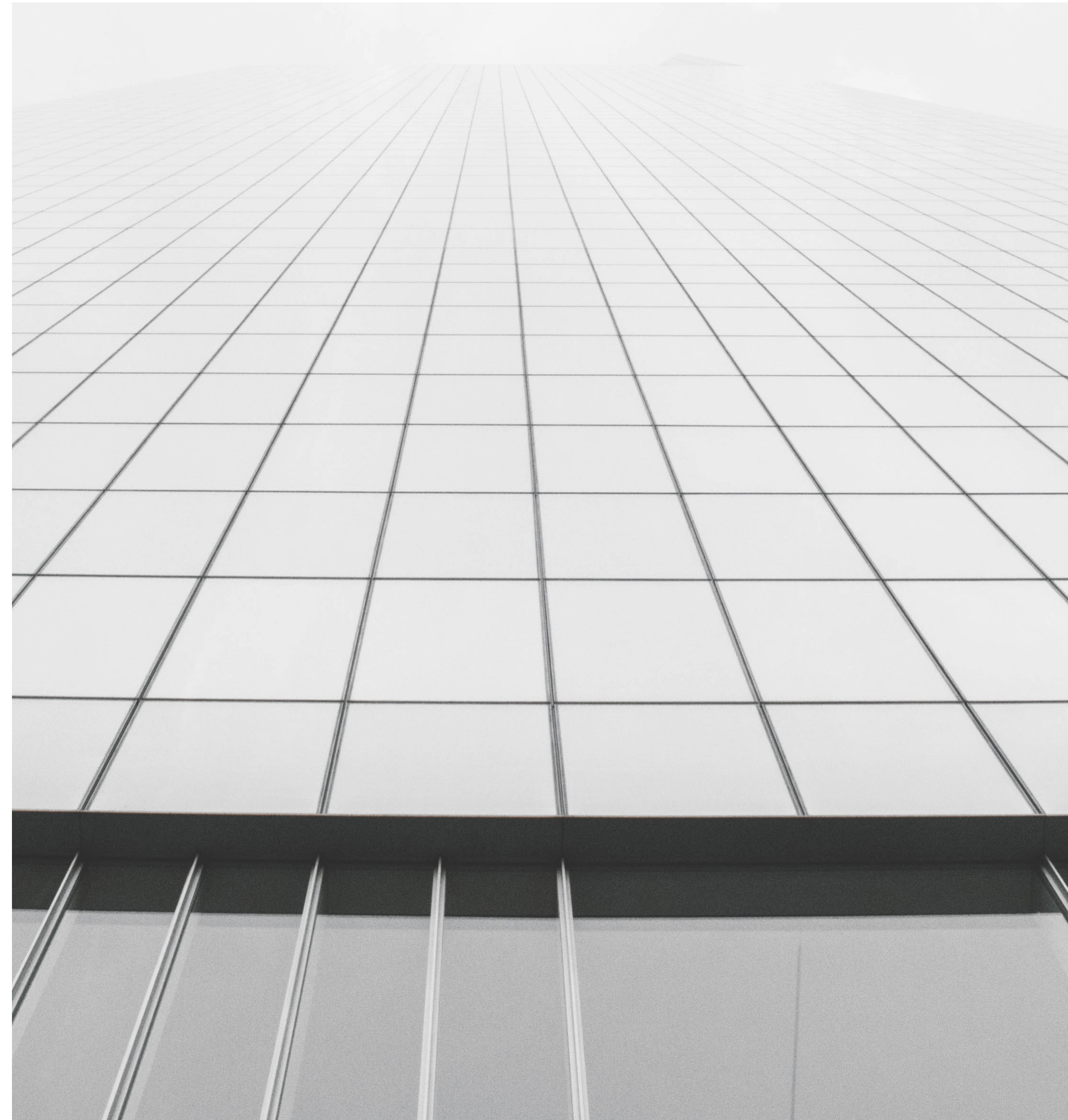
4. Major referral partners

Macquarie

- Largest shareholder, 2 year referral program
- One of the largest infrastructure investment banks in the world as the largest shareholder and go to market partner

ZZL & nominees

- second largest shareholder group subject to achieving minimum performance
- helping Envirosuite to open up Chinese market



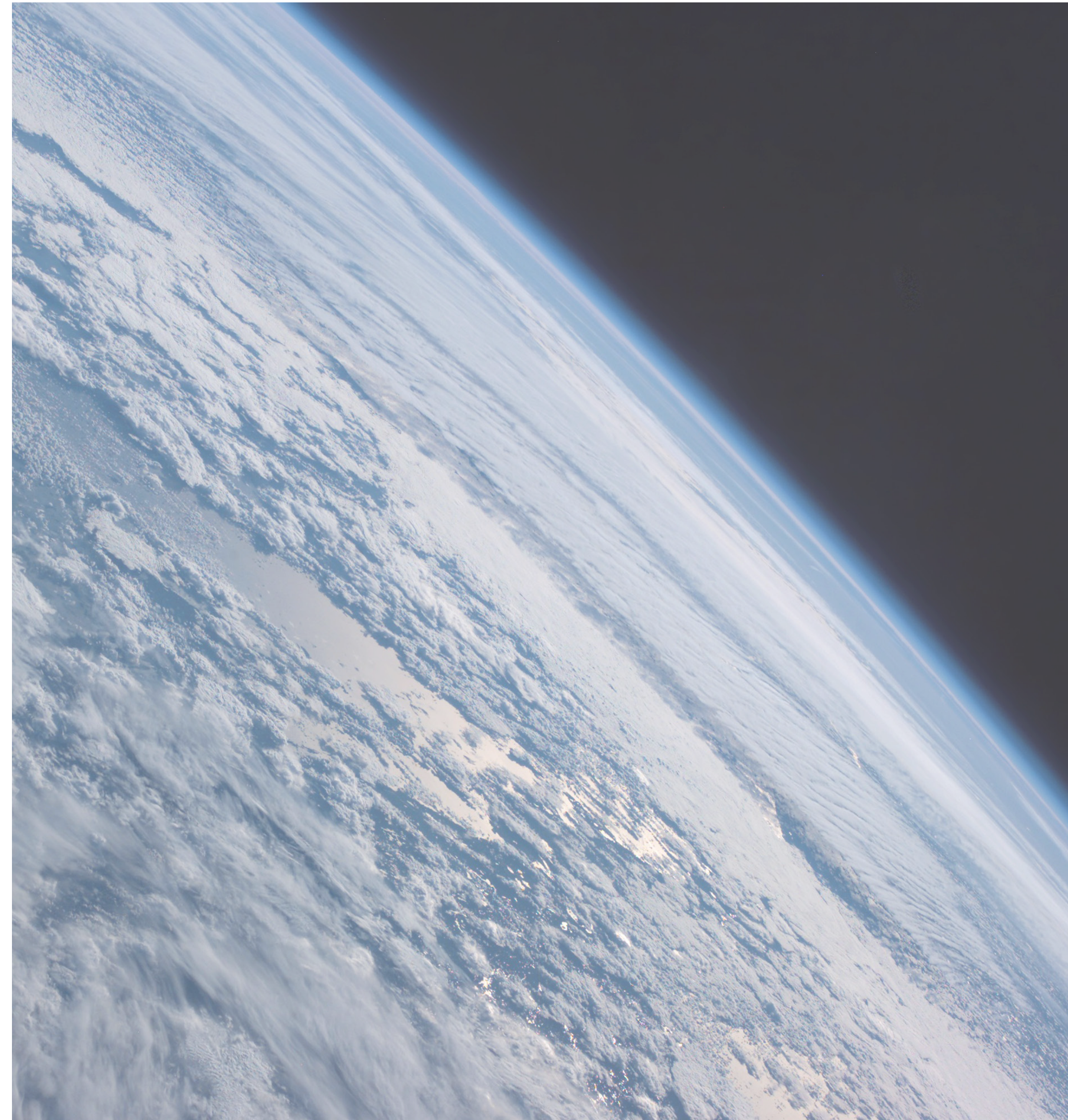
5. Acquisition

- Continued strategic acquisitions to augment organic growth
- Greater ability to optimise WACC with scale and anticipated growth targets
- Target opportunities for greater geographic distribution and adjacent solutions



6. Business optimisation

- Margin growth through increased scale and optimisation of the revenue model
- Optimise business model and organisation structure to increase business efficiency
- Greater local geographic market access with broadened international reach



7. Increasing regulatory requirements

- Countries worldwide are increasing the levels of compliance required for environmental licencing
- This is being driven by increasing pressure on politicians by community activism and is accelerated through the use of social media
- This increasing pressure will help drive an increase in the uptake of environmental technology and solutions
- An example of this is the 'Beautiful China' policy – multi-decade public policy to improve community outcomes in air and water quality
- Climate change initiatives all involve and require monitoring before management



Unaudited Pro Forma P&L for Half Year ended 31 Dec 2019*

	EVS (\$'000)	EMS (\$'000)	Combined (\$'000)
Recurring revenue	2,357	19,566	21,923
Non recurring revenue	1,007	7,620	8,627
Other revenue	357	-	357
Total operating revenue	3,720	27,186	30,906
Cost of revenue	(2,768)	(14,604)	(17,371)
Gross profit	953	12,582	13,535
	26%	46%	44%
Operating expenses			
Sales and marketing	(2,119)	(6,112)	(8,232)
General and administration	(2,229)	(1,984)	(4,213)
R&D Expense	(245)	(3,750)	(3,995)
Share Option Based Payments	(1,846)	-	(1,846)
Transition costs & due diligence	(307)	(518)	(825)
Total operating expenses	(6,746)	(12,364)	(19,110)
EBITDA	(5,793)	218	(5,575)
Depreciation & Amortisation	(655)	(1,112)	(1,767)
Net finance income / (expense)	59	(97)	(39)
Net profit / (loss) before tax	(6,389)	(992)	(7,381)
Adjustment for one-off costs and non-cash items			
Share Option Based Payments	1,846	-	1,846
Depreciation & Amortisation	655	1,112	1,767
Transition costs & due diligence	307	518	825
Adjusted profit / (loss)	(3,582)	638	(2,943)

*Unaudited figures, based on Management Accounts

Integration focus

In the next 60 days an Integration project within the company will focus on:

- Integration of the sales and marketing functions, and of the regional services teams
- Combine all opportunities into one pipeline under a single sales force. Pipeline to be released within 60 days
- Current pipeline as per ASX investor presentation release January 17th
- Finalise transition to EVS of people and contracts from B&K entities around the globe
- Complete the localisation of the proposed China cloud solution (Alicloud)

Summary highlights

Combining EVS and EMS has resulted in:

- A global leader in environmental management technology
- Providing solutions across the Air, Noise, Vibration and Water areas
- With annual revenue over \$55m and recurring revenue over \$40m

Extensive spread of 500 customers over 6 major industry sectors

Expanded executive management and corporate capability capable of further significant growth

Growth Targets for the next 3.5 years:

- \$100 m revenue run-rate by end FY23
- 15-20% EBITDA run-rate margin by end FY23
- EBITDA positive run-rate by end FY21
- Displaying 20% compound revenue growth y-o-y

Incentivised stack holders

- Including Macquarie Capital, one of the largest infrastructure investment banks in the world as the largest shareholder and go to market partner
- Incentivised and aligned board and management

Funded for growth

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