

# ASX Release

Envirosuite announces equity raising to raise approximately A\$14 million to accelerate its investment into growing underlying sales in the EVS Omnis and EVS Water product suites, and prioritising global expansion in the short term to maximise shareholder value in the long term.

24 May 2021

## Highlights:

- 1 for 14.5 pro-rata accelerated non-renounceable entitlement offer and institutional placement to raise approximately A\$14 million
- New shares to be issued at A\$0.085 per share, representing a 19% discount to last close and a 16.9% discount to TERP<sup>1</sup>
- Proceeds from the equity raising will be used to accelerate Envirosuite's investment into growing underlying sales in the EVS Omnis and EVS Water product suites, and prioritising global expansion in the short term to maximise shareholder value in the long term
- Equitable opportunity for all eligible existing Envirosuite shareholders to participate in the entitlement offer on a pro-rata basis while eligible new investors have an opportunity to gain exposure to Envirosuite's growth vision

Envirosuite Limited (ASX:EVS) ("**Envirosuite**" or the "**Company**") is pleased to announce that the Company is undertaking an equity raising comprising a pro-rata accelerated non-renounceable entitlement offer and institutional placement to raise approximately A\$14 million (the "**Offer**").

Envirosuite plans to accelerate investment into growing underlying sales in the EVS Omnis and EVS Water product suites, and prioritising global expansion in the short term to maximise shareholder value in the long term:

- Strategically accelerating the development and distribution of EVS Water to take advantage of the market and increase sales velocity;
- Expediting Envirosuite's product roadmap to increase the Company's capability on a global scale and meet the needs of the Company's customers;
- Investing into the North American region to grow the Company's market position;
- Improving the operating model through investment into transformation projects to improve the delivery and support cost structure, thereby improving the gross margin; and
- Strengthening the balance sheet to support the growth in underlying sales.

1- The theoretical ex-rights price is the theoretical price at which Envirosuite shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Envirosuite's shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to Envirosuite's closing price of A\$0.105 on 21 May 2021. The TERP also includes New Shares to be issued under the Placement

The Offer structure provides an opportunity for all eligible existing Envirosuite shareholders to participate in the entitlement offer on a pro-rata basis. Eligible new institutional investors also have the opportunity to join by subscribing for new shares through the placement.

Envirosuite Chief Executive Officer, Jason Cooper, commented:

*With a record 3rd quarter of new ARR orders of A\$2.1m, the strong customer feedback around the EVS Water product, the increasing interest driven by Environmental, Social and Governance (ESG) criteria, and the US administration's US\$2 trillion proposed investment into infrastructure, we believe now is the opportunity to further invest into the growth potential for the EVS Water product suite, to accelerate our product roadmap, and drive growth in the North American market. As part of the Offer, we will look to also provide greater balance sheet flexibility as the Company continues to grow and invest into transformation initiatives to improve the operating margins of the business. I would like to thank our existing shareholders and welcome any potential new shareholders as we continue on the journey of making Envirosuite a global leader in environmental intelligence, harnessing technology to allow industry to grow and communities to thrive.*

## Offer Details

The ~A\$14 million Offer comprises the following:

- An institutional placement of approximately 94.1 million new fully paid ordinary shares in Envirosuite ("**New Shares**") to raise up to approximately A\$8 million ("**Placement**"); and
- A 1-for-14.5 pro-rata accelerated non-renounceable entitlement offer of approximately 70.9 million New Shares to raise up to approximately A\$6 million ("**Entitlement Offer**").

All New Shares offered under the Offer will be issued at a price of A\$0.085 per New Share, which represents a:

- 19% discount to the last traded price of A\$0.105 on 21 May 2021; and
- 16.9% discount to the Theoretical Ex-Rights Price ("**TERP**")<sup>2</sup>.

The Entitlement Offer provides eligible shareholders the opportunity to subscribe for 1 New Share for every 14.5 existing shares held as at 7.00pm Sydney Time on Wednesday, 26 May 2021 ("**Record Date**"). Furthermore, it is intended that eligible institutional shareholders that bid for up to their pro-rata allocation of New Shares under the Placement will be allotted their full bid, on a best endeavours basis.

Eligible institutional shareholders will be invited to participate in the accelerated institutional component of the Entitlement Offer ("**Institutional Entitlement Offer**"), which is being conducted today, Monday, 24 May 2021, along with the Placement. Entitlements not taken up by institutional shareholders cannot be traded on market or transferred. Eligible institutional shareholders can choose to take up all, part or none of their entitlements under the Institutional Entitlement Offer. Entitlements not taken up by eligible institutional shareholders, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to new and existing institutional shareholders concurrently with the Institutional Entitlement Offer.

<sup>2</sup> Please refer to Footnote 1

The retail component of the Entitlement Offer ("**Retail Entitlement Offer**") will be conducted at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will be open from Monday, 31 May 2021 to eligible retail shareholders with a registered address in Australia or New Zealand, as at the Record Date and is expected to close at 5.00pm (Sydney time) on Friday, 11 June 2021. Eligible retail shareholders who take up their full retail entitlement will also be invited to subscribe for shares over and above their entitlement, up to a maximum of 150% above their entitlement, subject to the overall level of participation in the Entitlement Offer and at the discretion of Envirosuite's Board of Directors.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable. Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value with respect to those entitlements not taken up.

Each New Share issued under the Offer will rank equally with existing fully paid ordinary shares on issue in Envirosuite. The Company will, upon issue of the New Shares under the Offer, seek quotation of the New Shares on the ASX.

Wilsons Corporate Finance Limited and Bell Potter Securities Limited are acting as joint lead managers to the Offer.

#### Offer Timetable

An indicative timetable of key dates in relation to the Offer is detailed below.

EVENT	DATE
<ul style="list-style-type: none"> <li>Trading halt requested and granted (pre-open)</li> <li>Announcement of the Placement and Entitlement</li> <li>Offer – release of investor presentation, Appendix 3B and offer cleansing notice to ASX</li> <li>Placement and Institutional Entitlement Offer commences</li> </ul>	Monday 24 May 2021
Institutional Offer and Placement bookbuild closes	Tuesday 25 May 2021
<ul style="list-style-type: none"> <li>Trading halt lifted - trading in Envirosuite Shares resumes on an ex-entitlement basis</li> <li>Announce results of Institutional Offer and Placement</li> <li>Record Date for determining eligibility for the Retail Entitlement Offer (7.00pm Sydney Time)</li> </ul>	Wednesday 26 May 2021
<ul style="list-style-type: none"> <li>Retail Offer Booklet lodged with ASX</li> <li>Despatch of Retail Offer Booklets and Entitlement and Acceptance Forms to Eligible Retail Shareholders and Retail Entitlement Offer opens</li> </ul>	Monday 31 May 2021
<ul style="list-style-type: none"> <li>Settlement of Placement and Institutional Entitlement Offer</li> <li>Lodge Appendix 2A (prior to 12.00pm)</li> </ul>	Tuesday 1 June 2021

EVENT	DATE
<ul style="list-style-type: none"> <li>Allotment and normal trading of New Shares issued under the Placement and Institutional Entitlement Offer</li> <li>Placement cleansing notice lodged with ASX</li> </ul>	Wednesday 2 June 2021
Retail Entitlement Offer closes (5.00pm Sydney Time)	Friday 11 June 2021
Announcement of results of Retail Entitlement Offer	Thursday 17 June 2021
<ul style="list-style-type: none"> <li>Settlement of Retail Entitlement Offer</li> <li>Lodge Appendix 2A</li> </ul>	Friday 18 June 2021
Allotment of New Shares under the Retail Entitlement Offer	Monday 21 June 2021
New Shares issued under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Tuesday 22 June 2021
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Wednesday 23 June 2021

Note: The timetable above is indicative only and may be subject to change. All times and dates refer to Sydney time. Envirosuite reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Envirosuite reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Offer (either generally or in particular cases) and to withdraw the Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.

## Further Information

Further details of the Offer are set out in the Investor Presentation also lodged on the ASX today. The Investor Presentation contains important information including key risks and foreign offer restrictions with respect to the Offer. For other questions, you should consult your broker, solicitor, accountant, tax adviser, financial adviser, or other professional adviser.

**If you have any queries in relation to this announcement, please contact Simon Hinsley our communications consultants at NWR Communications on +61 (0) 401 809 653.**

Authorised By:

Rachel Ormiston  
 General Counsel and Company Secretary

This announcement is not financial product, legal, tax or investment advice and has not taken into account your objectives, financial situation or needs. You should seek appropriate professional advice before making any investment decision.

This announcement contains certain "forward-looking statements", which can generally be identified by the use of words such as "will", "may", "could", "likely", "ongoing", "anticipate", "estimate", "expect", "project", "intend", "plan", "believe", "target", "forecast", "goal", "objective", "aim", "seek" and other words and terms of similar meaning or by using future dates in connection with any discussion of, among other things, expectations regarding the completion of the Offer and the use of proceeds. The Company cannot guarantee that any forward-looking statement will be realised. Achievement of anticipated results is subject to risks, uncertainties and inaccurate assumptions. See the Investor Presentation for a description of key risks with respect to the Offer. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from past results and those anticipated, estimated or projected. You should bear this in mind as you consider forward-looking statements, and you are cautioned not to put undue reliance on forward-looking statements.

This announcement has been prepared for release in Australia and may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any jurisdiction in which such an offer would be illegal. The securities referred to in this announcement have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the U.S. Securities Act), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements and new shares to be offered and sold in the Entitlement Offer and the Placement may not be offered or sold, directly or indirectly, to persons in the United States or to any person acting for the account or benefit of any person in the United States, unless those securities have been registered under the U.S. Securities Act (which the Company has no obligation to do) or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States. The entitlements and new shares to be offered and sold in the Retail Entitlement Offer may not be offered or sold, directly or indirectly, to any person in the United States or any person acting for the account or benefit of a person in the United States.