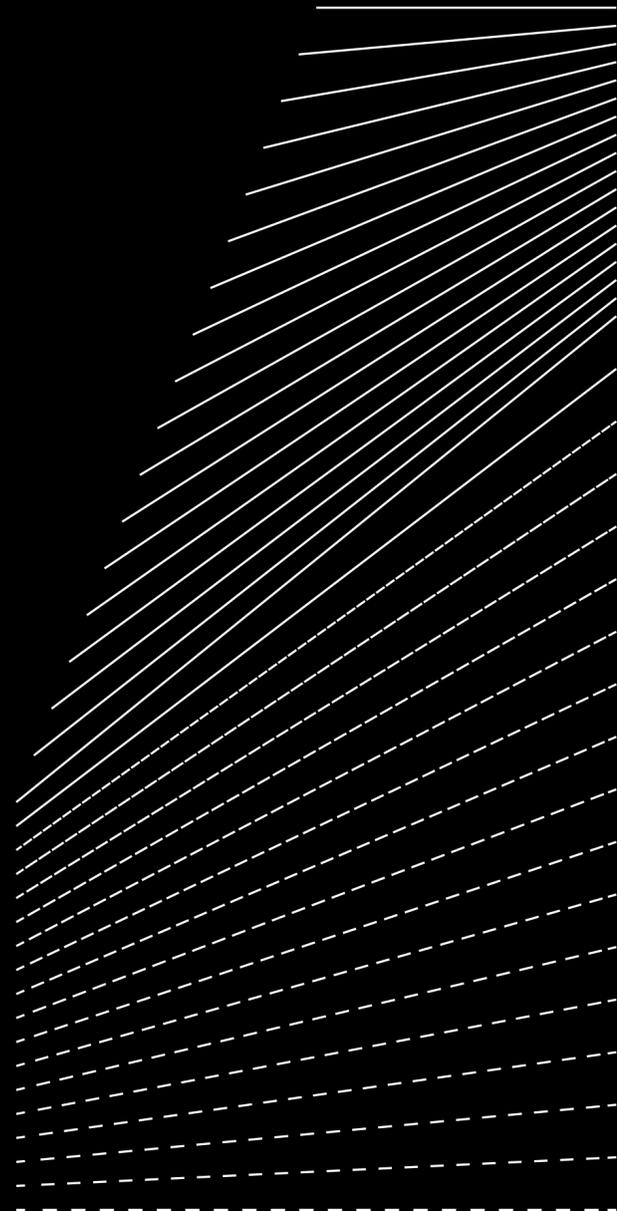




2023 | Annual Report Presentation

ASX: EVS

FY23 Results 22 August 2023





Disclaimer

This presentation provides additional detail on the Annual Report of Envirosuite Ltd ABN 42 122 919 948 and its subsidiaries (the Group) for the 12 months ended 30 June 2023. Therefore, it should be read in conjunction with the detailed information provided in those documents.

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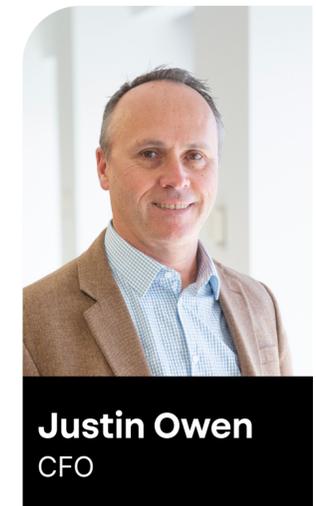
Agenda

01 FY23 highlights

02 Product suite update

03 Financials

04 Q&A

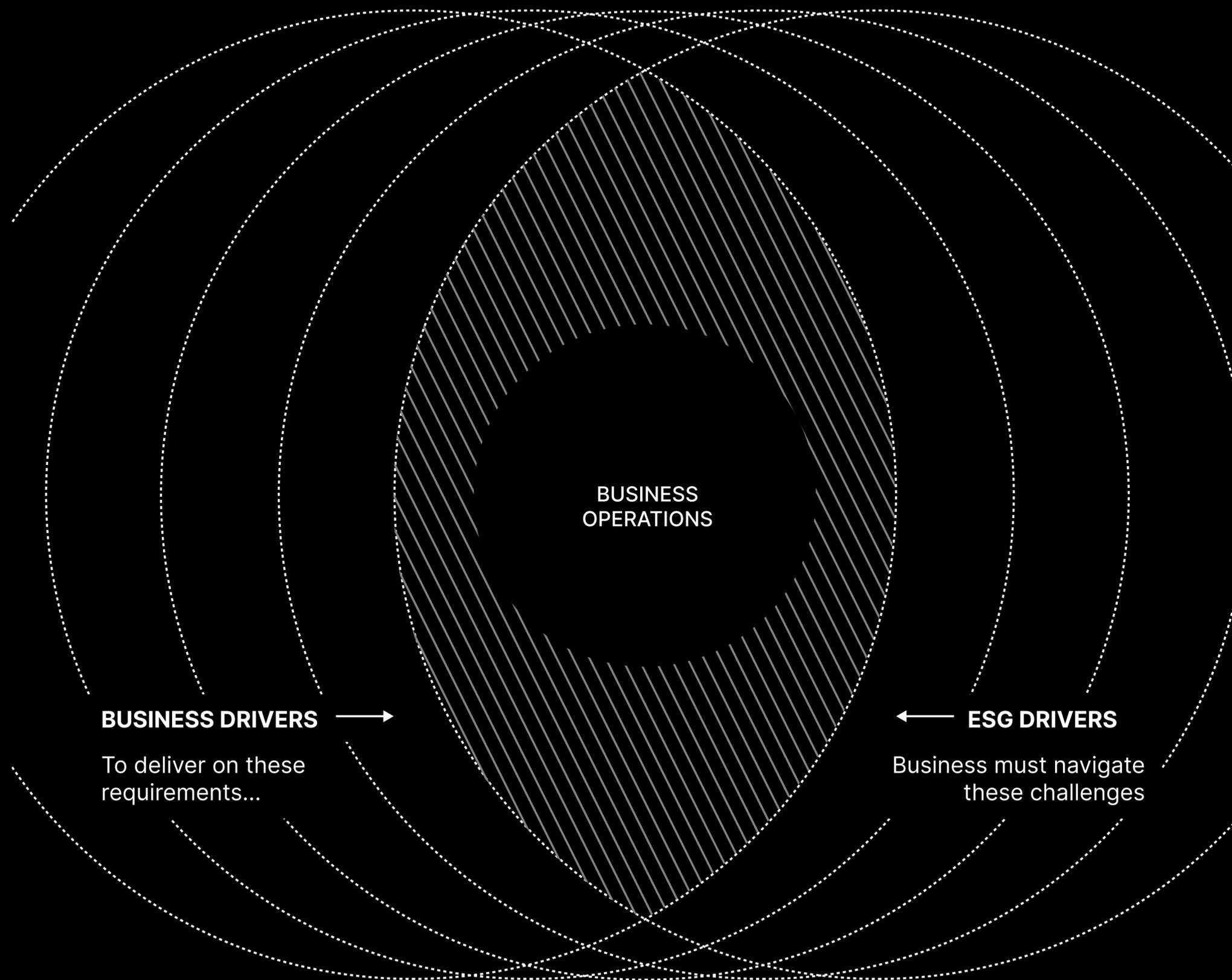




Anyone can achieve compliance, **we take our customers beyond that.**

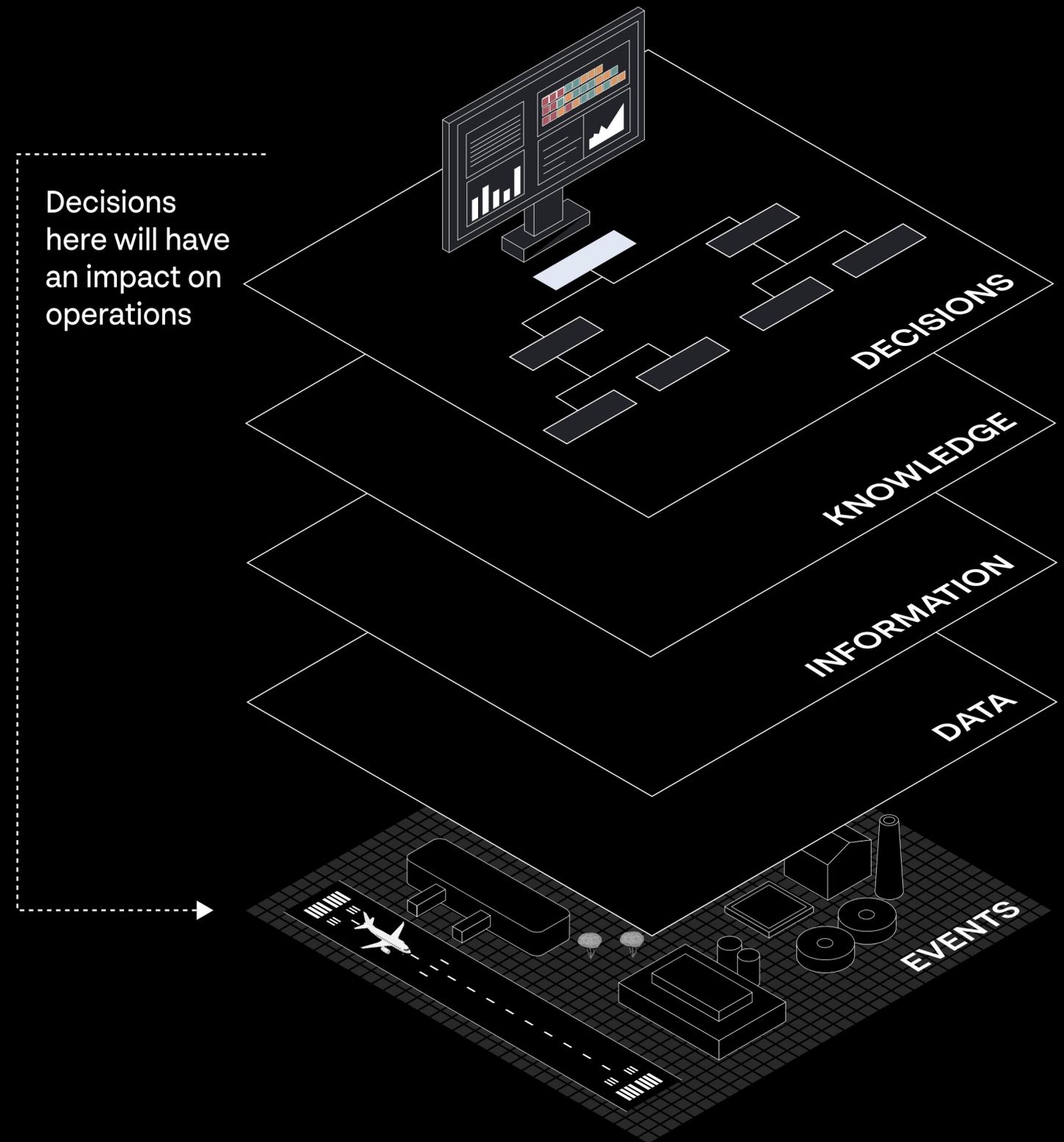


The platforms
required to operate in
our evolving world.



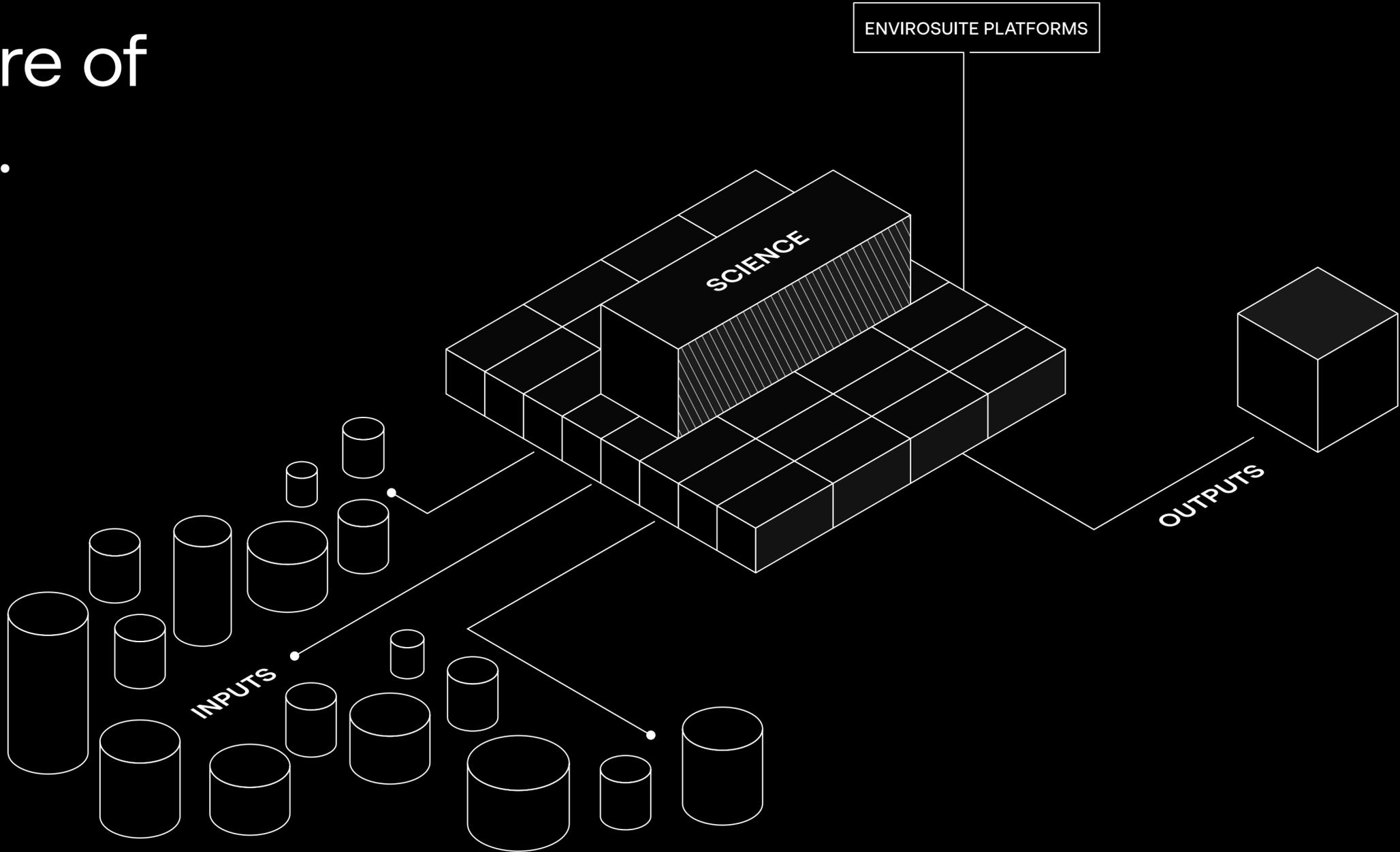


From NASA to BHP,
we are an intrinsic
part of efficient,
modern day
operations, enabling
data to decisions.





Science is at the core of everything we build.



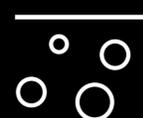


We help companies across
a variety of sectors.

Aviation



Mining



Industrial



Waste



Wastewater



Water
Treatment





Our Purpose

We believe environmental intelligence is the key to improving the wellbeing of people and the planet.



FY23 Review

Q1

*"Q1 Total Sales of \$3.4m
\$55.2m Total ARR up 13.6% PCP,
\$2.1m increase in new ARR up 23.5% PCP"*

\$2.1m new ARR

Q2

*"Record Quarter for EVS Aviation,
Total Group ARR grows 16% PCP to \$56.9m
\$3.0m added in new sales for Q2 FY23"*

\$2.0m new ARR

Q3

*"\$4.2m Sales up 14% on PCP, Company ARR
Grows 15% on PCP to \$56.2m"*

\$2.0m new ARR

Q4

*"Record quarter, \$6.8m new Sales up 13% on
PCP. Total ARR grows 12% on PCP to \$59.4m"*

\$3.1m new ARR

New ARR - \$9.1m¹

 evs aviation	\$4.2m	\$36.4m	7.4%
 evs industrial	\$4.7m	\$21.6m	19.3%
 evs water	\$0.3m	\$1.4m	36.0%
	New ARR	Total ARR	YOY

1 - Number has been rounded



Business snapshot

Envirosuite provides our customers with solutions to accurately measure their environmental and social impact with the data-driven intelligence to make better business decisions.



Managing the most demanding noise, operational and community requirements.

The world-leading platform for airports to demonstrate compliance with local regulations, maintain trust with their communities and support growth initiatives.



Future-proofing the industrial sector to take on a rapidly changing world.

Highly accurate, predictive insights for operators to balance increasing community and regulatory expectations with production goals.



Water is critical to daily life and the world's prosperity, but it isn't limitless.

Powerful digital twin technology for water utility operators and engineers to address increasing business, operational, customer and environmental challenges.



4000+

connected devices providing situational awareness to operations



45+

countries with more engaged communities & sustainable industries



250+

Environauts, elite in their respective fields



30+

years experience



Key Metrics

\$59.4m
Annual Recurring Revenue
+ 12.0% YOY

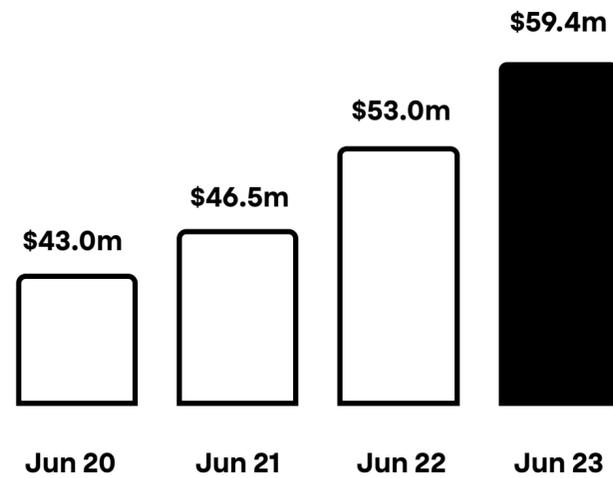
443
Client sites
+ 6.5% YOY

\$57.9m
Statutory revenue
+ 8.3% YOY

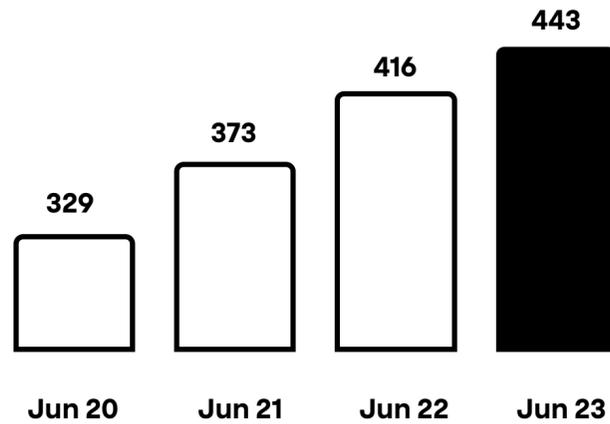
51.6%
Gross profit¹
+ 7.7% YOY

\$0.5m
Adjusted EBITDA profit
Improved \$4.5m YOY

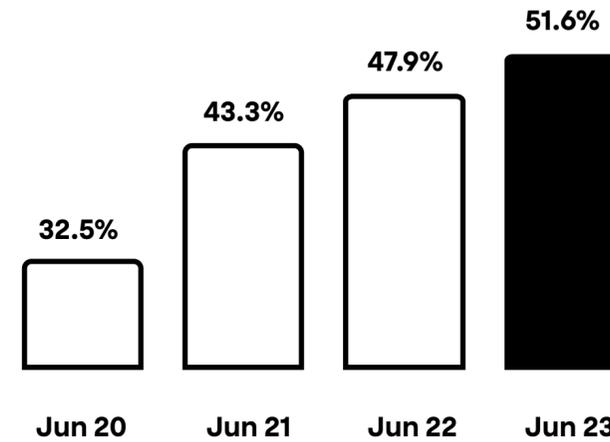
ARR (\$m)



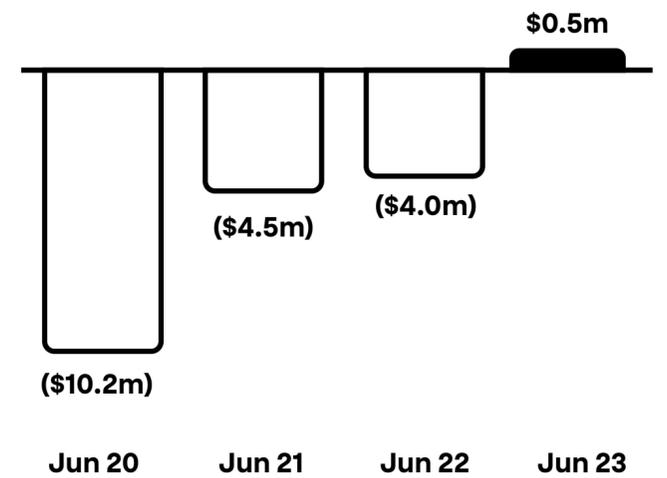
SITES



GROSS PROFIT %



ADJUSTED EBITDA (\$m)



Revenue

\$49.5m

Recurring revenue up 12.8% YOY

Recurring revenue represents 85.5% of total revenue

\$36.4m

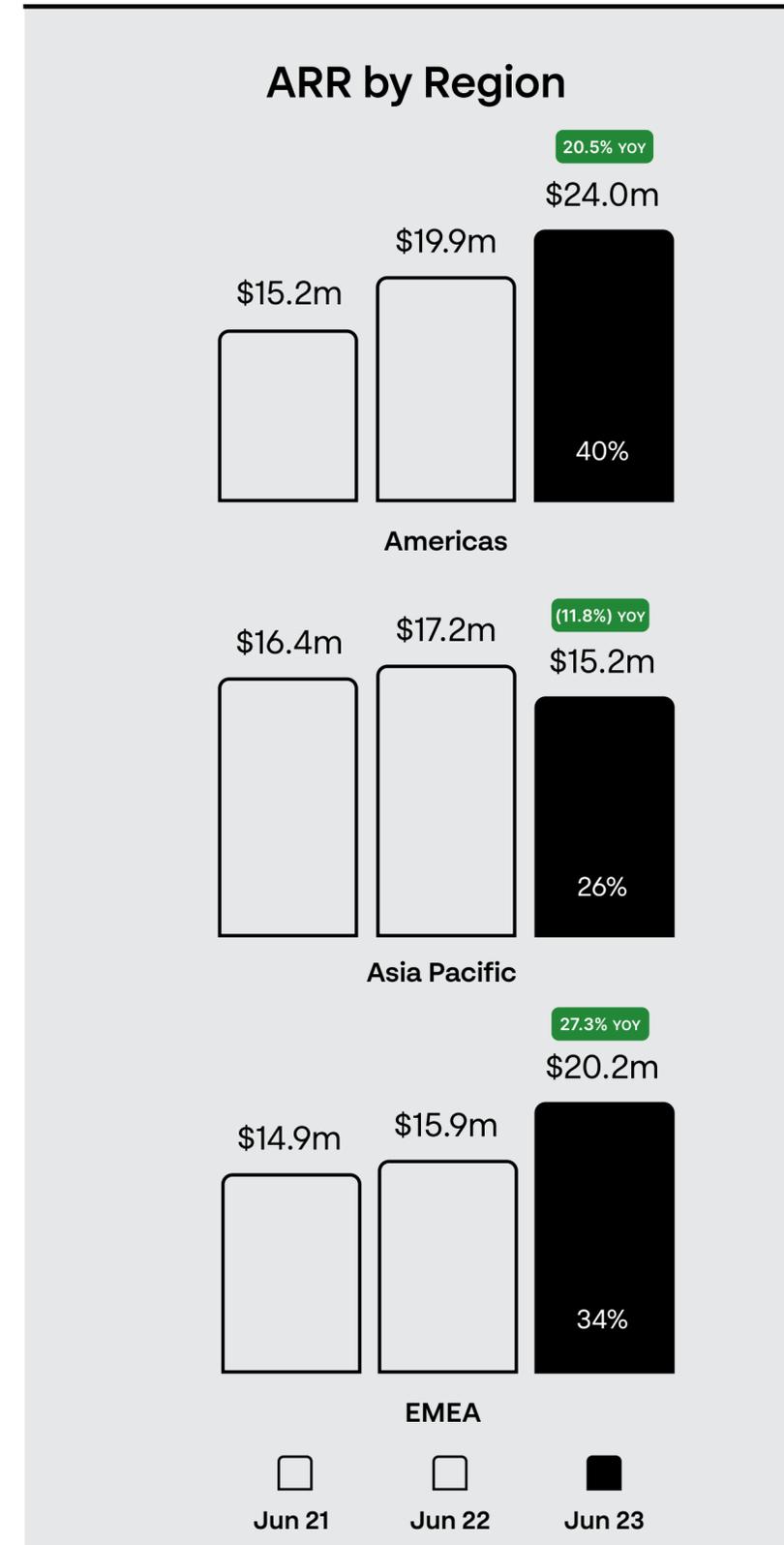
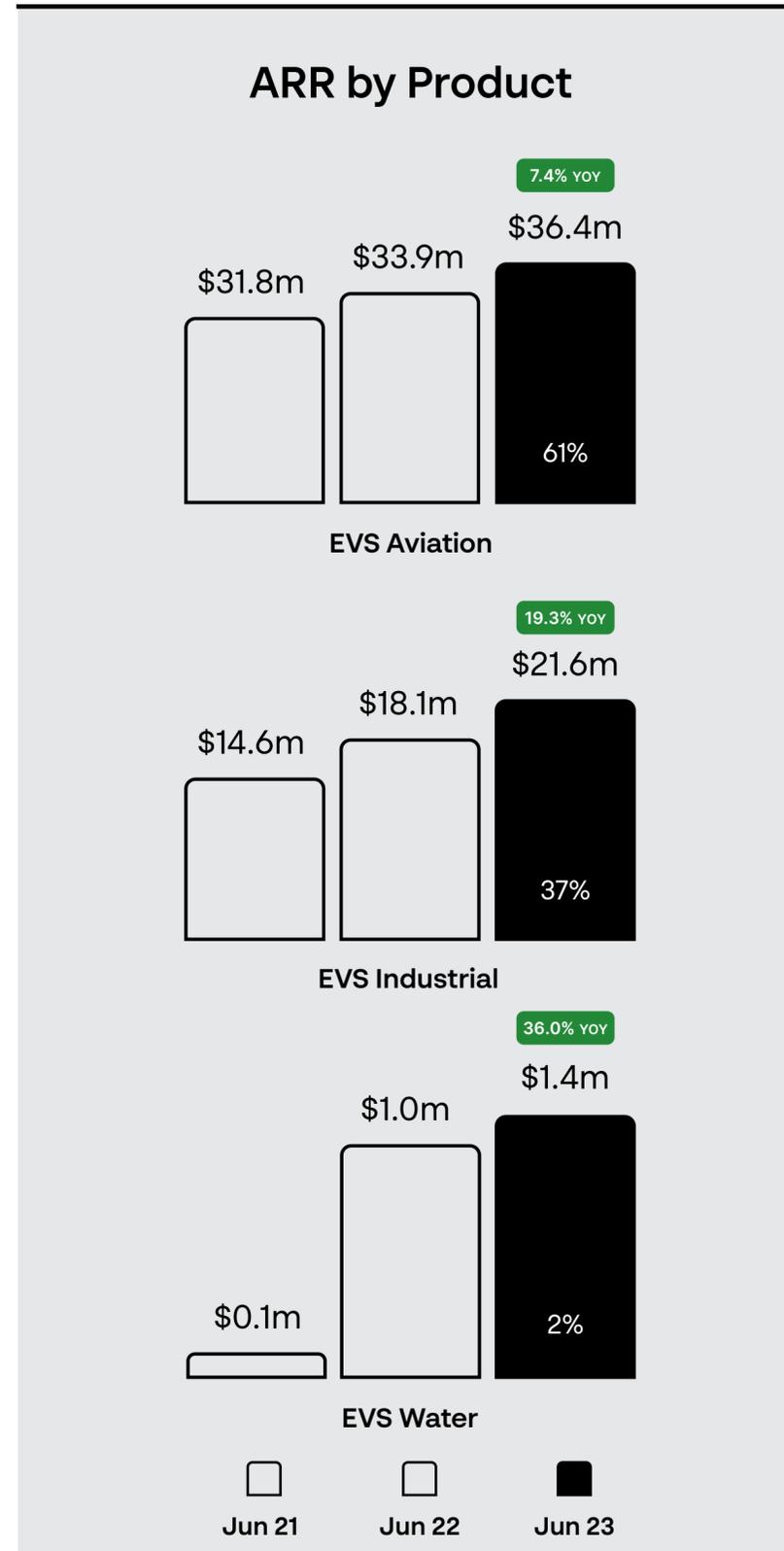
EVS Aviation ARR 61% of total

7.4% growth in aviation represented with \$4.2m new ARR for FY23

\$24.0m

Americas ARR up 20.5% YOY

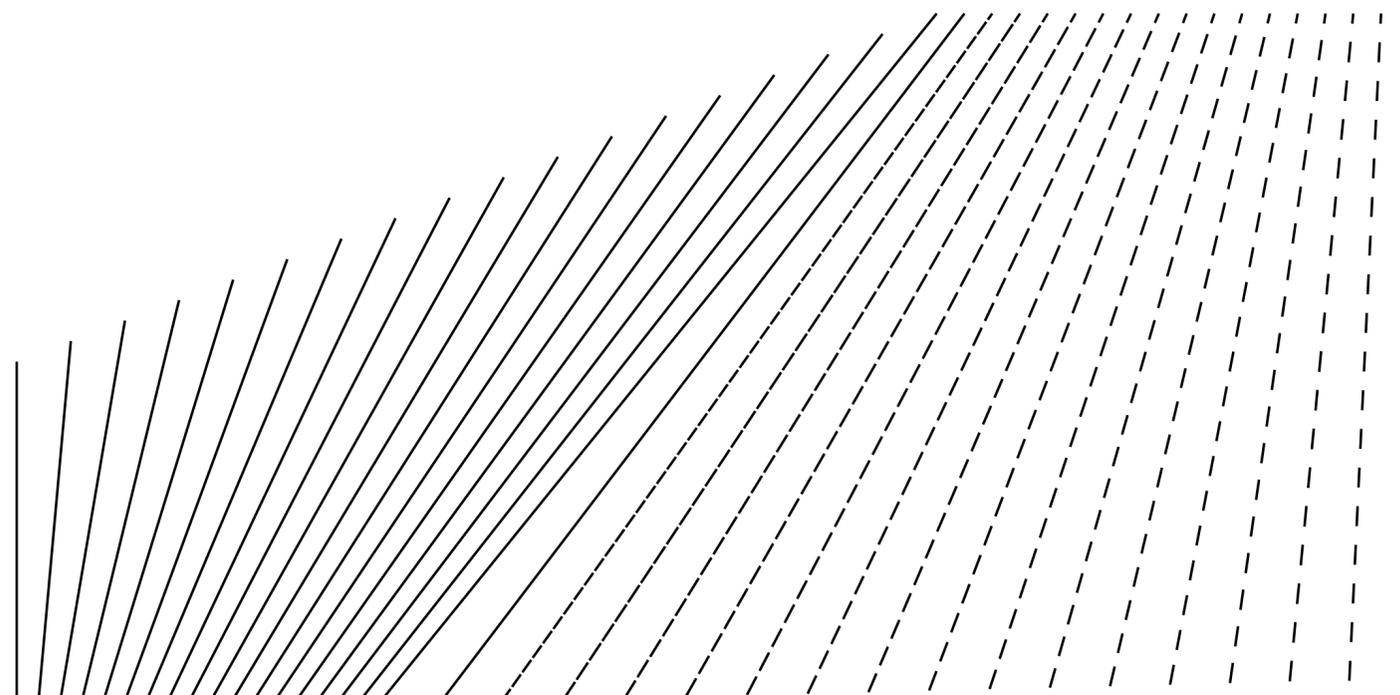
Strong Americas growth continues in FY23 across both EVS Aviation and EVS Industrial product portfolios



Percentage shown in graphs represents Product / Region share of total by period. EVS Water graph not shown to scale.

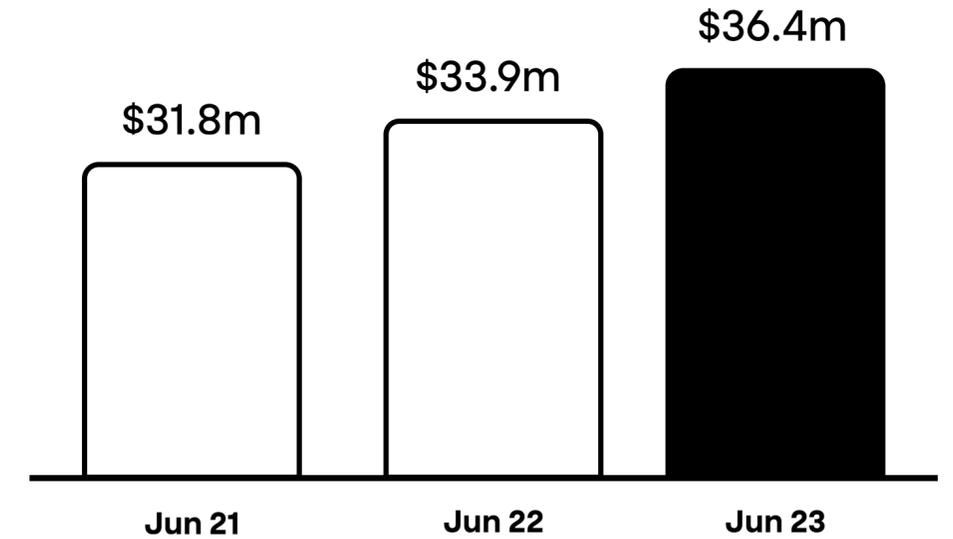


Product suite update





Aviation up and flying again



\$36.4m

Annual Recurring Revenue

+ 7.4% YOY

188

Client sites

+ 9.3% YOY

FY23

- Record sales for EVS Aviation. Airports are investing again, both in pre-pandemic projects and responding to global demand to reduce their environmental footprint while optimising operations.
- 16 new airports signed during the year, including new sites in relatively unpenetrated markets.
- Innovative application of existing EVS Aviation solutions sold to a leading air navigation services provider (ANSP).
- Continued adoption of leading community engagement and carbon emissions modelling technologies strengthening Envirosuite's market leadership position.

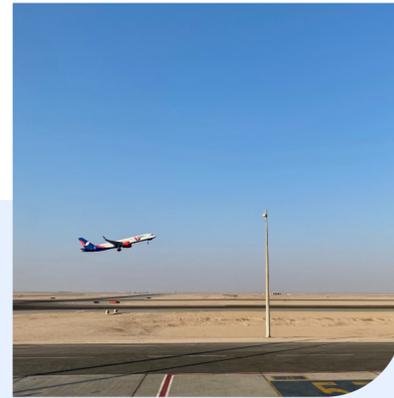
Outlook

- Increased demand for Envirosuite solutions within the Aviation industry expected to continue, with strong opportunity pipeline for FY24.
- Envirosuite is well-positioned to leverage its significant install base, expanding and scaling solutions supporting community engagement, carbon emissions, and operational performance.

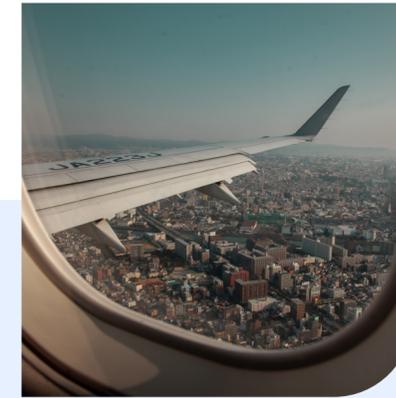


Leading the industry in operational and environmental optimisation

Envirosuite is empowering a world-leading ANSP to increase their progress around operational and environmental optimisation, and demonstrate these proactive improvements to both community and external stakeholders.



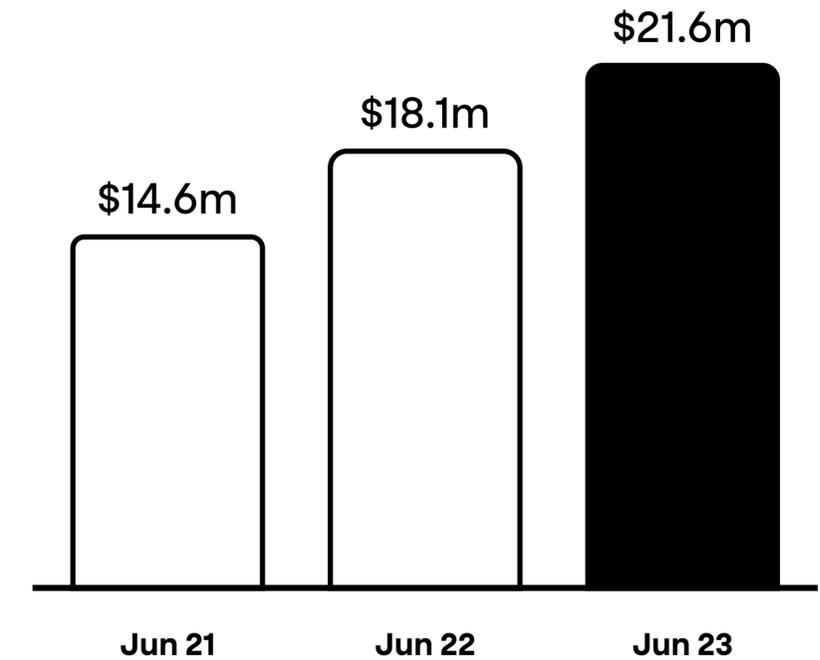
To help Egypt achieve its COP27 commitments, Egyptian Airports Company has selected Envirosuite to help them understand and improve local air quality conditions at and around five of its airports, as well as understand and reduce the aviation noise resulting from operations.



Envirosuite's InsightFull will provide communities around three of Aena's major airports with a self-serve information portal that presents high-quality, location-specific data from ANOMS in easy-to-understand formats. This will be key to helping Aena continue to foster trust and strengthen its community relationships.



Mining, cross-sell headlines exciting growth



\$21.6m

Annual Recurring Revenue

+ 19.3% YOY

238

Client sites

+ 3.0% YOY

FY23

- Land, expand, scale a proven strategy particularly in Mining, with globally significant new sites added and existing solutions expanded.
- Strategic partnership with Byers Scientific continues to deliver success in US Waste market.
- Cross-sell of EVS Industrial air quality management solution to six airports highlighting strategic complementary nature of Envirosuite's offerings.

Outlook

- Strong growth results in EVS Industrial expected to continue on the back of Environmental, Social and Governance (ESG) and Environmental Justice macroeconomic drivers.
- Envirosuite is well-positioned to meet the increasing demand from industrial operators for advanced, deeply integrated operational decision support systems that encompass multiple environmental parameters.



BHP

Following the successful implementation and adoption of an Envirosuite solution at another site in Chile two years ago, BHP have commissioned Envirosuite to deliver this same solution to a large mine and nearby port operation. This solution empowers the sites to optimise operational plans during high-risk periods, maintaining productivity while protecting nearby communities.



BINGO INDUSTRIES

Envirosuite is providing BINGO's Eastern Creek Recycling Ecology Plant with a comprehensive odour, dust and noise management system that supports the site's expansion plans while enabling targeted emission mitigation and control measures.

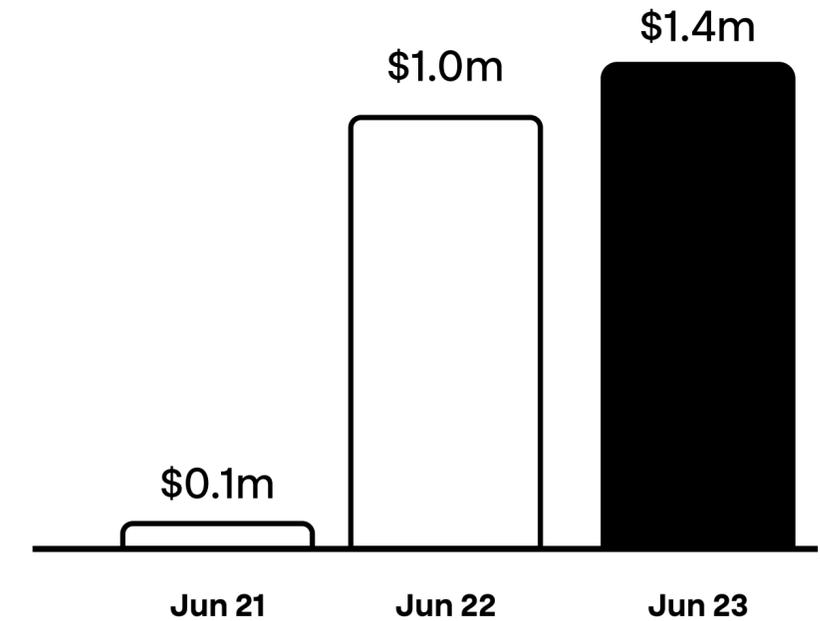


UrbanUtilities

By incorporating continuous odour monitoring data with onsite weather data and predictive risk forecasts using Envirosuite, Urban Utilities has reduced its risk of regulatory investigation and financial penalties, reduced its odour control costs, shortened the investigation time of emission events and community complaints, and digitised previously manual data collection.



Validated value globally, strong opportunity pipeline



\$1.4m

Annual Recurring Revenue

+ 36.0% YOY

17

Client sites*

+ 30.8% YOY

* This number does not include EVS Water Designer sites

FY23

- Landed highly referenceable site within the Middle East, NEOM, where Envirosuite will deliver Plant Optimiser to two existing desalination plants.
- Success with WA Water Corporation instrumental in landing SA Water during the year, and progressing other opportunities within Australia.
- Envirosuite has been laser-focused on delivering strong and quantifiable value to early EVS Water customers, turning them into lighthouse reference cases.

Outlook

- Successful delivery of customer-validated value to early adopters provides local reference cases in every region to accelerate strong pipeline.
- Value validation has allowed Envirosuite to entertain and pursue several channels to market, resulting in strong interest from substantial providers to the Water industry.



Envirosuite empowers NEOM's water department (ENOWA) to develop and optimise its water treatment process designs and capital cost plans at two existing desalination plans, supporting climate change initiatives by simulating net zero technologies and assessing their performance such as Zero Liquid Discharge.



Envirosuite's Plant Optimiser successfully created a digital twin model representing the coagulation, lime dosing, flocculation, and dissolved air flotation (DAF) settling systems of Tai Po Water Treatment Works. The solution identified opportunities to reduce alum dosing by 23% compared to business-as-usual operations.

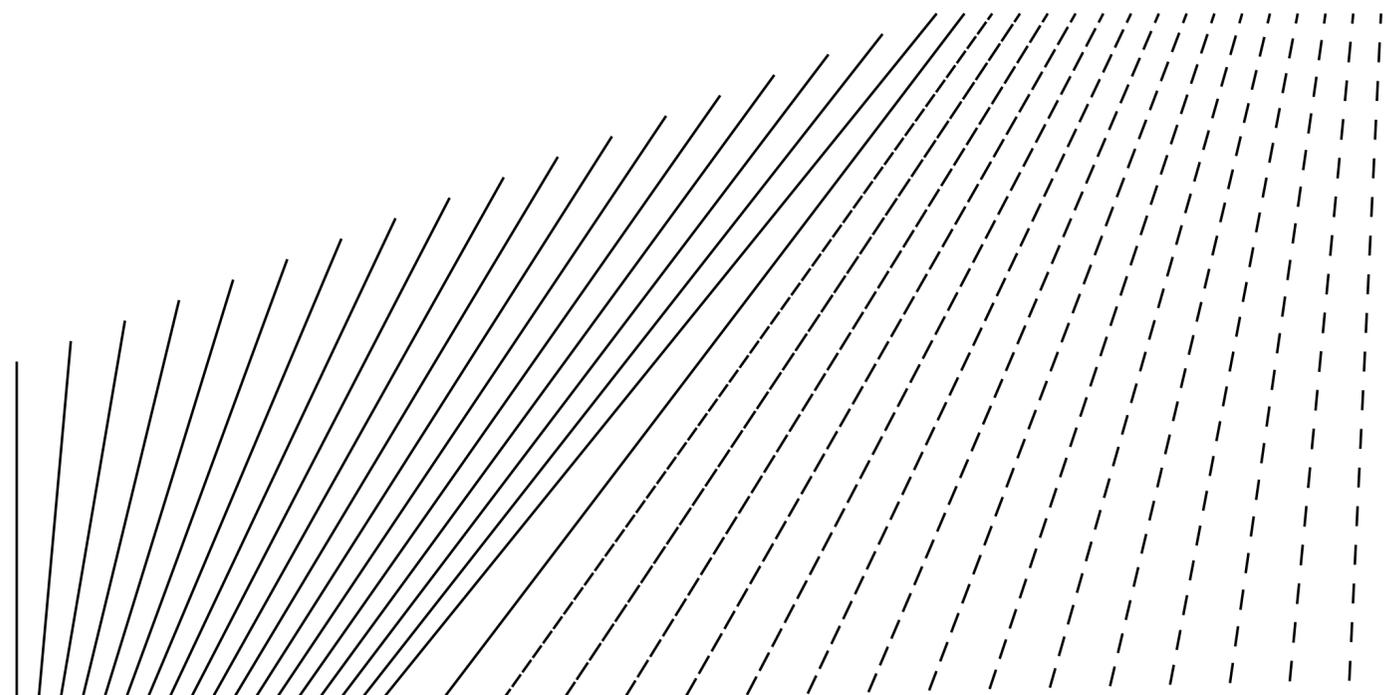


Envirosuite's SeweX delivering quantifiable ROI for customers

Customers have reported multiple examples of strong ROI through Envirosuite's SeweX technology, including determining optimal locations for network dosing stations and concentrations, quickly simulating system replacement and dosing option proposals to identify the best potential option, and simulating scenarios to determine what dosing concentration would be required to meet network objectives.



Financials



FY23 Financial performance

Recurring revenue of

\$49.5m

+ 12.8% YOY

Gross profit improved to

51.6%

+ 7.7% YOY

Adjusted EBITDA improved to a profit of

\$0.5m

Improved 112.1% YOY

Income Statement EBITDA

\$000	Jun 23	Jun 22	Movement \$	Movement %
Recurring revenue	49,487	43,877	5,610	12.8%
Non-recurring revenue	8,123	9,563	(1,440)	(15.1%)
Other revenue	289	19	270	1,421.1%
Total revenue	57,899	53,459	4,440	8.3%
Cost of revenue	(28,048)	(27,852)	(196)	(0.7%)
Gross profit	29,851	25,607	4,244	16.6%
Gross profit %	51.6%	47.9%	3.7%	7.7%
Sales and marketing	(12,073)	(13,033)	960	7.4%
Product development	(8,478)	(6,360)	(2,118)	(33.3%)
General and administrative	(11,056)	(10,722)	(334)	(3.1%)
Total operating expenses	(31,607)	(30,115)	(1,492)	(5.0%)
Other income / (expenses)	143	90	53	58.9%
EBITDA	(1,613)	(4,418)	2,805	63.5%
Adjusted EBITDA	481	(3,962)	4,443	112.1%
Recurring revenue as a % of total revenue	85.5%	82.1%	3.4%	4.1%



Key metrics by product

Strong ARR growth in EVS Industrial and ARPS as benefit of expand and scale is achieved. EVS Water ARPS remains at higher end of expectations.

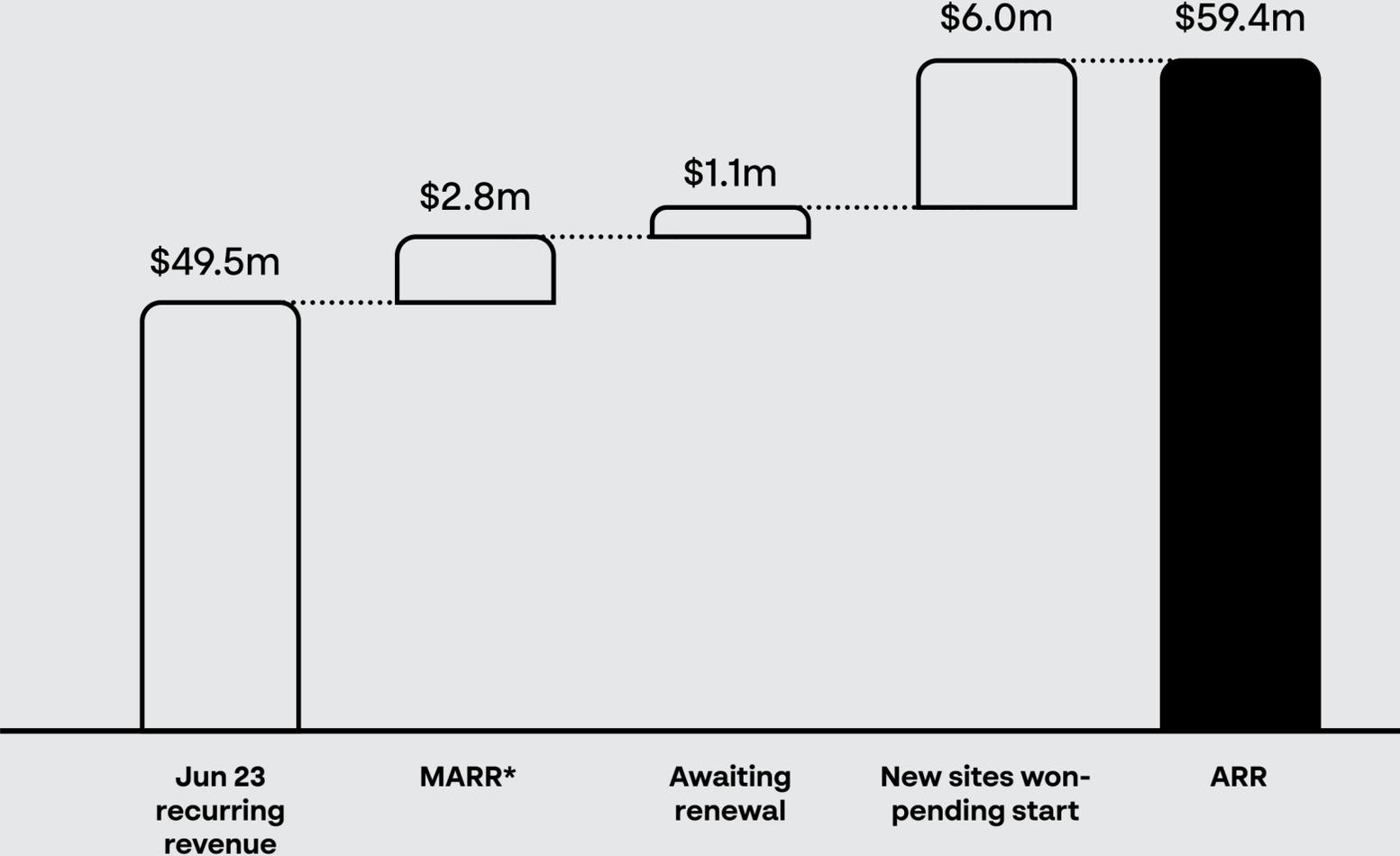
\$000	EVS Aviation	EVS Industrial	EVS Water
ARR	36,434	21,643	1,356
# Sites	188	238	17 ¹
ARPS	194	91	80 ¹
Churn %	10.1%	4.8%	-
ARR Growth %	7.4%	19.3%	36.0%
Statutory revenue			
Recurring revenue	33,052	15,898	537
Non-recurring revenue	4,095	3,881	147
Total trading revenue	37,147	19,779	684
Recurring revenue as a % of total revenue	89.0%	80.4%	78.5%



Annual Recurring Revenue

ARR of \$59.4m

Strong revenue pipeline for FY24 with \$6.0m of contracts in implementation phase.

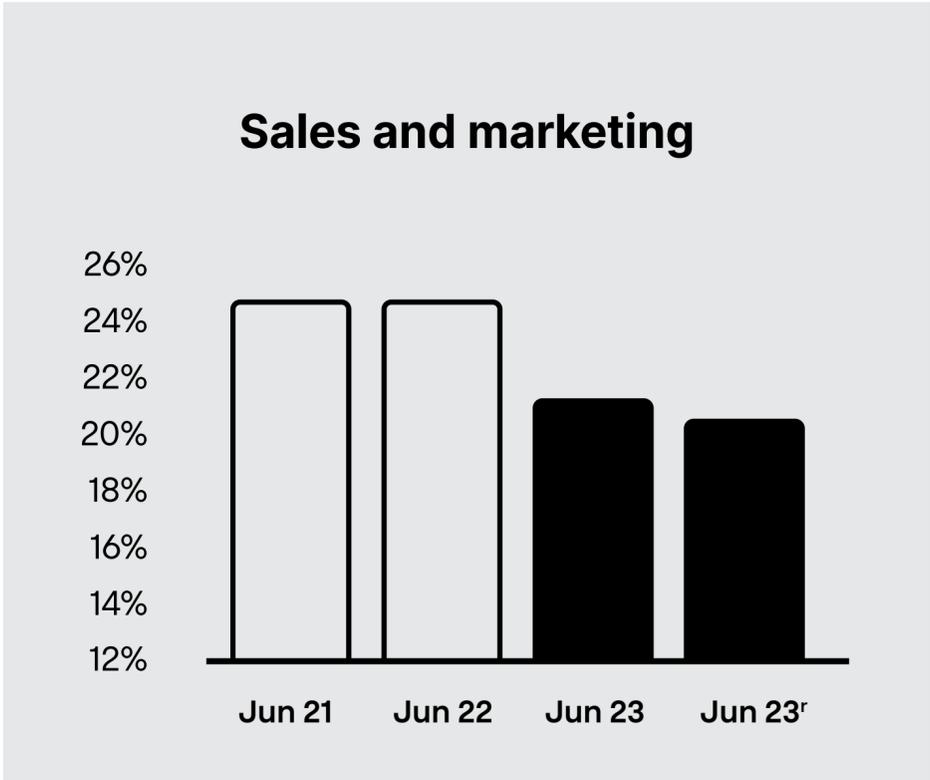


* MARR = Monthly Annualised Recurring Revenue represents the month-to-date recurring revenue booked in the P&L in June multiplied by 12.

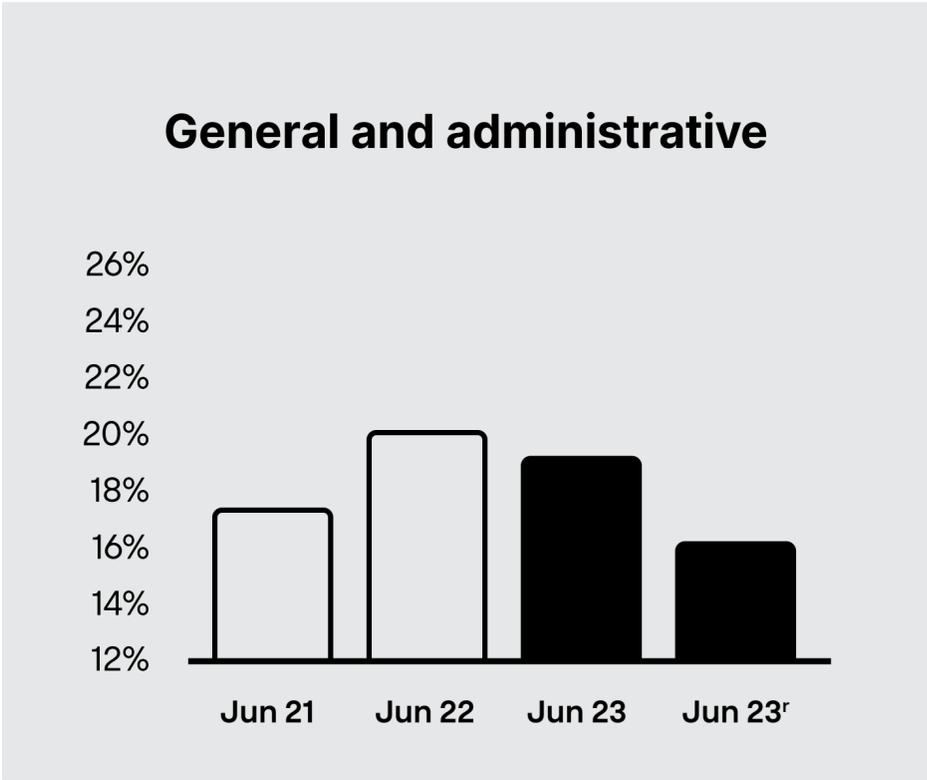


Operating leverage

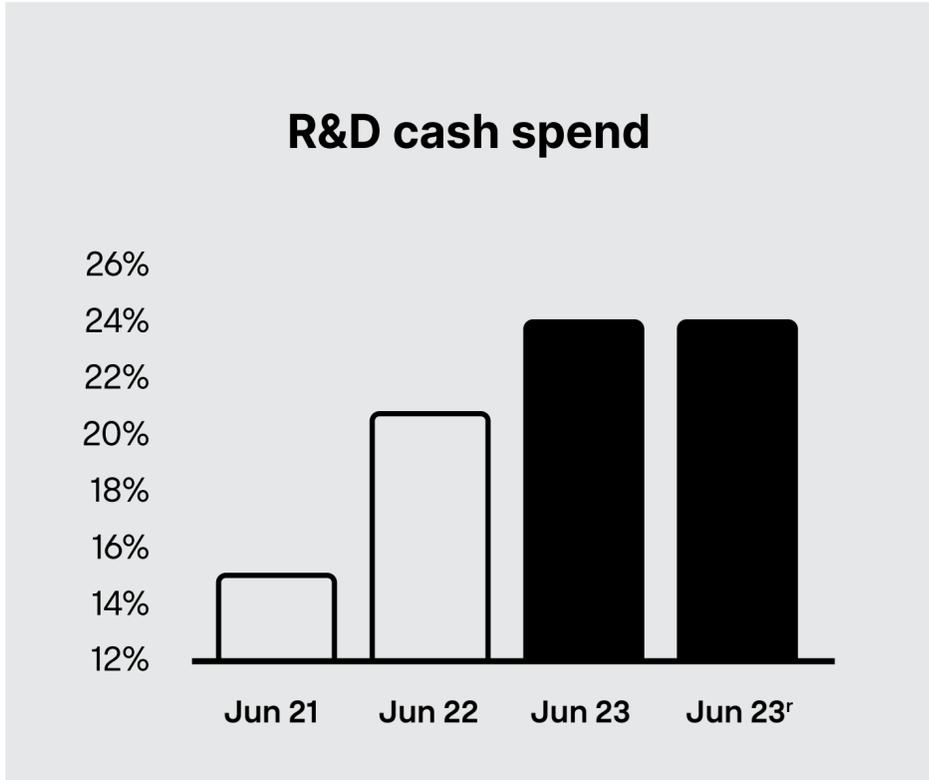
Percentage of revenue



Executing land, expand and scale combined with leveraging global capability has driven effective sales and marketing outcomes.



Impact of cost reduction strategy and leveraging the Philippines centre of excellence has enabled significant improvement in leverage.



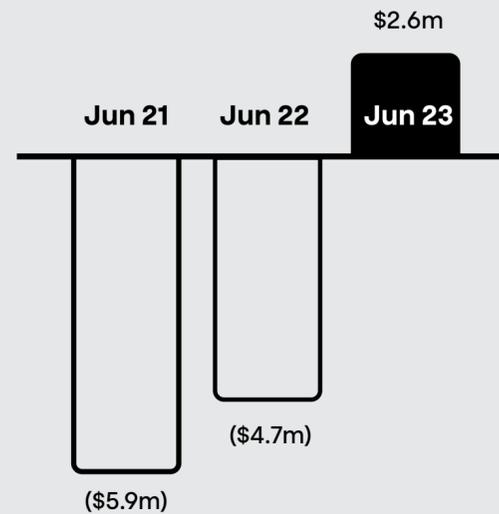
Product roadmap roll out driving improvements across all products including additional modules and enhanced implementation processes.

(r) - FY23 expenses less restructure costs



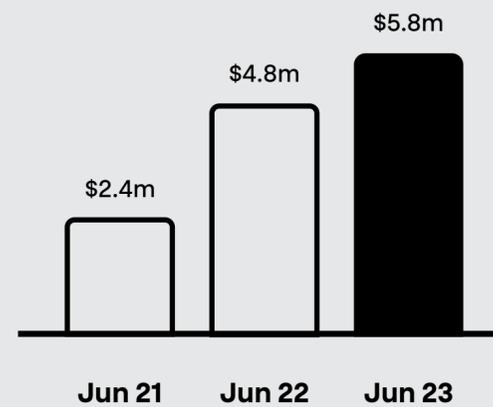
Improvement in cash flow

Adjusted operating cash flow¹



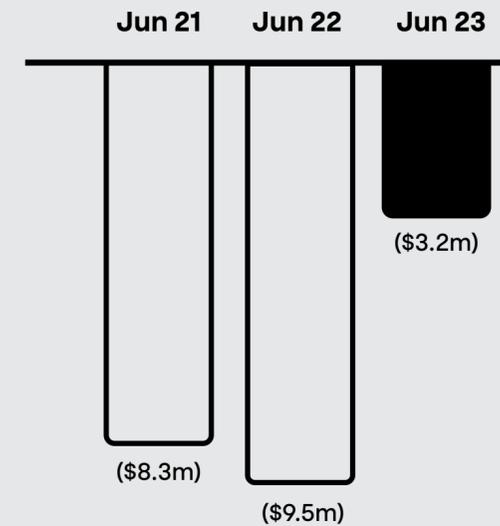
Substantial improvement in adjusted operating cash flow delivered through revenue and gross margin growth along with effective cost management.

Capitalised development costs



Continued investment in product development and roadmap delivery driving increased customer value and adoption.

Management operating cash flow²



Improving \$6.3m or 66.5% demonstrates the improvement in operating cash flow to cover capitalised development costs.



Balance sheet

Optimal cash management and no debt while supporting growth in customer demand for monitoring instrumentation.

Balance Sheet

\$000	Jun 23	Jun 22
Cash and cash equivalents	8,277	16,292
Trade and other receivables	10,962	12,448
Inventories	3,936	2,355
Monitors and sensors ¹	3,237	2,585
Other property, plant and equipment	2,008	923
Intangible assets	107,246	108,652
Other	9,023	7,483
Total Assets	144,689	150,738
Trade and other payables	8,743	8,467
Provisions	5,772	4,687
Other	13,658	11,863
Total Liabilities	28,173	25,017
Net Assets	116,516	125,721
Total Equity	116,516	125,721
Current Ratio	1.21	1.78
Quick Ratio	1.03	1.66

1 - Monitors and sensors largely consist of monitoring instrumentation provided to customers under operating expense contracts



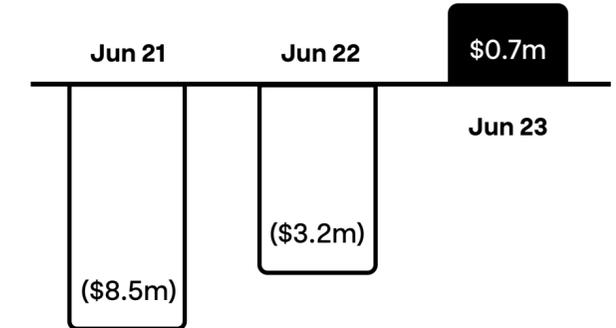
Revenue growth and positive cash flow trend

- Adjusted EBITDA positive in FY23
- ARR and revenue growth
- Continued improvement in gross margin
- Improvement in operating cost leverage within General and Administration cost base
- Continued investment in product development delivering greater customer value

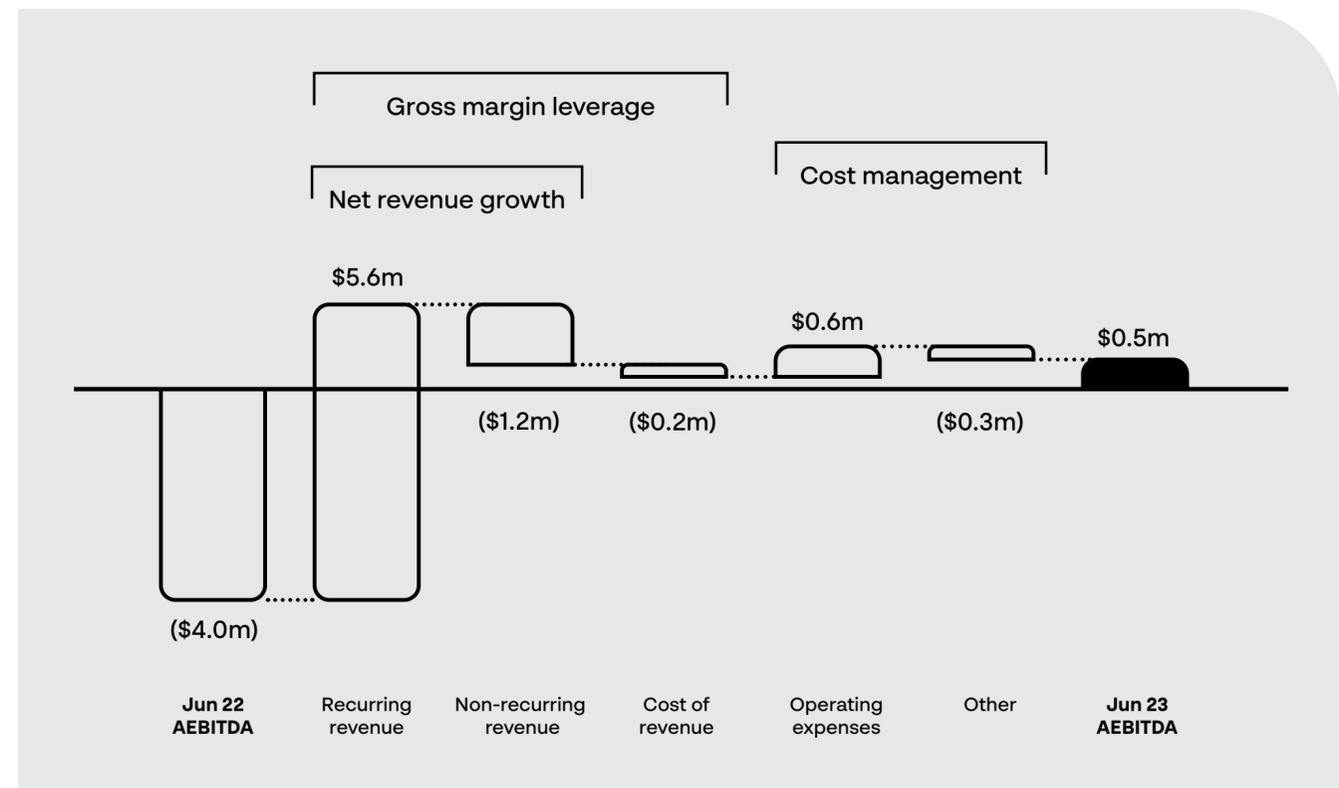
RECURRING REVENUE GROWTH



OPERATING CASH FLOW IMPROVEMENTS

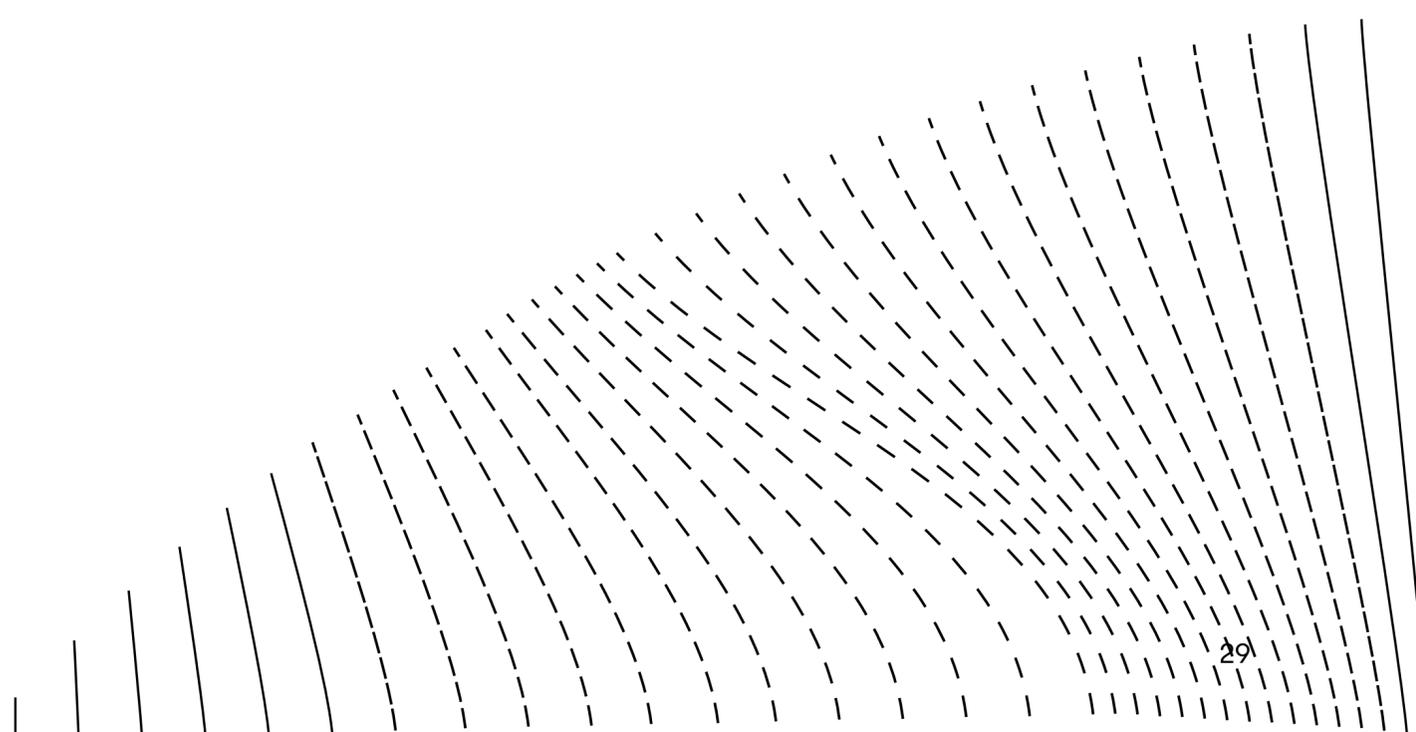


ADJUSTED EBITDA GROWTH





Outlook





Strategic priorities driving financial outcomes



Growth

Drive growth through land-expand-scale strategy.

\$59.4m

Annual Recurring Revenue

+ 12.0% YOY



Product

Innovative science-driven environmental intelligence and cloud-based platforms.

51.6%

Gross profit

+ 7.7% YOY



Customer

Focus on measurable value creation.

443

Client sites

+ 6.5% YOY



Scale

Reinvest in people, technology and processes to rapidly scale.

\$0.5m

Adjusted EBITDA profit

Improved \$4.5m YOY



Q&A



Definitions

ARPS	Average ARR Per Site which is calculated by taking the ARR divided by the number of sites.	Adjusted EBITDA	Earnings Before Interest, Tax and Depreciation and Amortisation adjusted to (a) exclude share-based compensation, which is a non-cash expense; (b) exclude foreign exchange gains/losses, transformation and transition expenses (redundancy payments and integration costs connected with acquisitions) which are deemed to be non-recurring in nature, and (c) add back depreciation and interest connected with leases recognised under IFRS 16 Leases as these are deemed to be recurring operating cash expenses.
ARR	Annual Recurring Revenue represents the monthly recurring revenue at the reporting date that the company expects to receive from customers based on sales orders received net of any churn.	Current ratio	Measures the ability of the group to pay current liabilities with its current assets. It's calculated by current assets divided by current liabilities.
Churn %	The decrease in ARR over the last 12 months as a result of contract cancellations as a percentage of ARR at the beginning of the prior corresponding period. This does not include contracts where the underlying project has been completed.	Quick ratio	Measures the ability of the group to meet short-term obligations with the most liquid assets. It's calculated by current assets less inventory divided by current liabilities.
Site	A separate and distinguishable site (e.g., airport, mine site, waste and wastewater facility, construction site, etc.) at which Envirosuite's environmental monitoring software and/or solutions are deployed. A single customer may have multiple sites which can be through separate contracts or under one master contract with Envirosuite. A site is only counted once it is included within the calculation of ARR.	Environmental Intelligence	Environmental Intelligence harnesses the power of environmental data through proprietary technology to provide analytics, real-time visualisations, predictive modelling and actionable insights so that industry and government can make fast, confident decisions that optimise operational outcomes and improve the liveability of their communities.
Recurring revenue	Revenue that the company expects to continue for 12 months or more based on the term of the contract entered into with the customer or experience with the customer on other similar sites. Once revenue is treated as recurring revenue, it will continue to be accounted for as recurring revenue until the contract is terminated.		



Thank you



Appendix



Net loss after tax to Adjusted EBITDA reconciliation

\$000	Jun 23	Jun 22	Movement \$	Movement %
Net loss after tax	(10,278)	(13,195)	2,917	22.1%
Add back: Tax (benefit) / expense	(960)	410	(1,370)	(334.1%)
Add back: Net finance expense	190	210	(20)	(9.5%)
Add back: Depreciation and amortisation	9,435	8,157	1,278	15.7%
EBITDA	(1,613)	(4,418)	2,805	63.5%
Less: AASB 16 Depreciation & interest	(1,191)	(1,688)	497	29.4%
Add back: Share based payments	743	1,477	(734)	(49.7%)
Add back: Foreign currency (gains) / losses	(82)	(202)	120	59.4%
Add back: Restructuring cost savings	1,833	112	1,721	1,536.6%
Add back: Transaction and integration costs	671	-	671	-
Add back: Philippines set up costs	159	245	(86)	(35.1%)
Add back: Property make good provisions	(39)	512	(551)	(107.6%)
Adjusted EBITDA	481	(3,962)	4,443	112.1%



Cash flow

Reconciliation of Statutory to Adjusted operating cash outflow.

Adjusted operating cash flow

\$000	Jun 23	Jun 22	Movement \$	Movement %
Cash from / (used) in operating activities (statutory)	746	(3,188)	3,934	123.4%
Less: Repayment of AASB 16 lease payments	(1,292)	(1,878)	586	31.2%
Non-recurring				
Add back: Restructuring cost savings	1,833	112	1,721	1,536.6%
Add back: Transaction and integration costs	671	-	671	-
Add back: Philippines set up costs	159	245	(86)	(35.1%)
Add back: Property make good provisions paid	473	-	473	-
Cash from / (used in) operating activities excluding capitalised development costs	2,590	(4,709)	7,299	155.0%
Less: Capitalised development costs	(5,760)	(4,750)	(1,010)	(21.3%)
Adjusted operating cash outflow	(3,170)	(9,459)	6,289	66.5%