



ASX RELEASE

23 April 2024

Funding facility extension

Key Highlights

- The Company has extended its debt finance facility with Partners for Growth (PfG) to \$12.5m.
- The Facility supports the funding of bundled software and hardware contracts, working capital requirements, and Envirosuite's transition to profitability.
- The Company is funded to pursue its organic growth objectives.

Envirosuite is pleased to announce that it has signed a term sheet extending its debt funding facility (Facility) with Partners for Growth (PfG) to \$12.5m. The Facility will support the Company's continued growth and working capital requirements as it transitions to profitability, including funding customer agreements where hardware and software are bundled together into the recurring payments over the contract term, and global inventory requirements.

The original terms allowed for an increase in the Facility through the borrowing formula of 2.5 times of trailing 3-months average monthly recurring subscription revenue. This has been further updated to 3.5 times as part of the revised terms.

Key terms of the Facility:

Limit	Total \$12.5m (increased from \$7.5m)
Interest rate	The greater of the 3-month BBSW rate plus 7.75% pa and 11.75% pa (unchanged)
Term	3 years from 6 October 2023 (unchanged)
Financial Covenant	Minimum unrestricted cash balance of \$1.5m (previously \$3.75m)
Borrowing formula	Up to 3.5 times (350%) of trailing 3-months average monthly recurring subscription revenue (previously 2.5 times (250%))
Purpose	Growth and working capital in the normal course of business, including funding trade finance and equipment finance investments

The terms are summarised in Annexure A in this announcement.

Envirosuite CEO, Jason Cooper said:

"We are pleased to announce the extension of the Facility, which remains strategically aligned with our core business objectives: driving growth, creating long-term customer value, and leveraging the increasing opportunity to bundle hardware and software into our Industrial customer contracts. This extension also funds our global inventory and working capital requirements. With this extension, the Company remains funded to pursue sustainable growth in our focus sectors as we transition to profitability. We currently have no plans to raise further capital to fund our organic growth."

Authorised for release by the Board of Envirosuite Limited.

For further information contact:

Adam Gallagher

E: investors@envirosuite.com

P: 1300 987 009

ABOUT ENVIROSUITE

Envirosuite (ASX: EVS) is a global leader in environmental intelligence and is a trusted partner to the world's leading industry operators in aviation, mining & industrial, waste and water.

Envirosuite is a multi-year Deloitte Tech Fast 50 company and winner of Frost & Sullivan's 2021 Global Digital Twin Technology for Water Entrepreneurial Company of the Year Award.

Envirosuite combines leading-edge science and innovative technology with industry expertise to produce predictable and actionable insights, that allows customers to optimise their operations, remain compliant and manage their environmental impact.

By harnessing the power of environmental intelligence, Envirosuite helps industries grow sustainably and communities to thrive.

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Annexure A: Material Terms of Facility

Facility limit	Up to \$12,500,000 tied to the Borrowing Formula.
Existing facility	Up to \$7,500,000 tied to existing Borrowing Formula.
Additional facility	Up to \$5,000,000 tied to existing Borrowing Formula.
Borrowing formula	Up to 3.5 times (350%) of trailing 3-months average monthly recurring subscription revenue. Updated from 2.5 times (250%).
Purpose	Growth and working capital in the normal course of business, including funding trade finance and equipment finance investments
Term	36 months from 5 October 2023 with no amortising requirement.
Minimum usage	50% of the Facility limit.
Interest rate	The greater of the 3-month BBSW rate plus 7.75% pa and 11.75% pa
Establishment fee	1.5% of the Additional Facility limit
Undrawn facility fee	<p>2% pa fixed rate line fee payable on the undrawn portion of the Facility without double counting the interest cost on the minimum usage of the facility.</p> <p>The interest terms on the Facility stipulate that interest is payable on 50% of the facility regardless of the amount drawn down. The Undrawn Facility fee only applies to the value of the undrawn amount above \$6.25m.</p>
Early Repayment fee	<p>Year 1: 3% of the Facility limit</p> <p>Year 2: 2%</p> <p>Year 3: nil</p>
Security	General first-ranking security charge over the assets of the Company.
Financial Covenants	<p>Minimum Cash Covenant</p> <p>Minimum unrestricted cash balance of \$1.5m (previously \$3.75m) with 100% of this balance held by entities in the following countries:</p> <ul style="list-style-type: none"> • Australia • Canada • Denmark • United Kingdom • United States of America • Spain • Brazil <p>Minimum Revenue Covenant: The Company must maintain a minimum average consolidated Subscription Recurring Revenue (previously monthly revenue) of \$3.5m based upon trailing 12-month period</p>
Treatment of Facility upon acquisition of the Company	In the occurrence of a Change of Control event (where persons or entities acting individually or together beneficially own more than 50% of the shares), the Company, without prior consent of the financier, shall

	repay the facility and applicable termination fees.
Additional Warrants	<p>Warrants to the value of \$500,000 will be issued, at an exercise price of the lower of \$0.055 or a 10% discount to the 5-day VWAP prior to Financial Close with a 5-year term to expiry.</p> <p>PfG may choose cashless exercise such that they will receive the value difference between the total number of shares that may be applied for under the Warrants and \$1,250,000 (including existing Warrants). The value difference is determined based on the 10-day VWAP prior to exercise.</p>
Expiry Date	Five years from 5 October 2023
Additional Put Option	<p>Pro-rata increase of \$500,000 to the existing Put Option (\$750,000)</p> <p>In lieu of exercising the Warrants, PfG has the option to put the Warrants to the Company for \$1,250,000 (including existing Put Options). The Warrant can only be put upon a change of control (including a sale), liquidation or upon expiry.</p>
ASX Listing Rule 7.1	The Additional Warrants will be issued under the Company's placement capacity under ASX Listing Rule 7.1
Appendix 3G	An Appendix 3G in respect of the Additional Warrants will be lodged separately
Assignment	PfG may transfer the Warrants with the Company's consent except where the transfer is to a related/successor PfG entity or where the transfer is related to a remedial default event.
Reorganisation of the Company's issued capital	<p>In the event of a split, subdivision, share dividend or combination with respect to the ordinary shares, the Exercise Price and the number of shares issuable upon exercise of the Warrants shall be proportionately adjusted within the requirements of the ASX Listing Rules.</p> <p>In the event of a reclassification, exchange, substitution resulting in a change of the number and/or class of securities issuable upon exchange or exercise of the Warrants, PfG would be entitled to receive an amended Warrant in the form and substance nearly equivalent to the Warrants for the number and kind of securities that PfG would have received if the Warrants had been exercise immediately before such reclassification, exchange, substitution or other event.</p>
Treatment of Warrants upon acquisition of the Company	In the event of an acquisition of the Company, the Warrants must either be exercised under the Warrant terms or the Put Option exercised.