

## **Chairman's Address to EVZ Ltd AGM**

Ladies and Gentlemen - On behalf of the Board of Directors and the Management Team - I welcome you to the 2016 Annual General Meeting of EVZ Limited. May I please introduce myself?. I am Graham Burns and have been a director of EVZ for eight years. It is my commitment to act effectively as your Chairman. My thanks to Max Findlay as retiring Chairman. Max remains with us on the EVZ board.

EVZ's 2015-16 trading performance was an improvement on the prior year. We remain focused on returning to sustainable profitability as soon as possible while maintaining the market share of the two principle operating divisions – Syfon Systems and Brockman Engineering.

We are focused on improving our balance sheet, particularly relating to existing debt levels. The adverse financial issues that arose mid contract in delivering to Melbourne Airport our innovative power generation technology solution are I think behind us, with an expected completion of this contract in the next two weeks. During this phase, we have concentrated on quality and culture change at TSF Maintenance, the systems maintenance arm of TSF Engineering. This exciting smaller enterprise shows much opportunity for growth.

Chief Executive Officer Scott Farthing will address the specific performance of each of our businesses. I would like to concentrate on the Corporate position.

Two key outcomes have been achieved in the current financial year which should underpin our push to return to overall profitability in addition to current profitable operations;

Firstly, our financier CBA has continued to support EVZ by extending its finance facility to 31 December 2017, significantly reducing overall funding interest and fee costs plus removing principal repayment obligations through to that maturity date.

The reduced funding costs will have a significant positive impact on the EVZ Group's result for 2016-17 and together with the moratorium on loan repayments will also assist Group cash flows.

Whilst banking facilities have been extended to 31 December 2017, it is accepted that the current debt levels of the Group are too high. Directors and Management have commenced pursuing appropriate strategies to reduce the debt levels. We will continue to keep shareholders advised via the ASX on these strategies as they progress.

Secondly In a show of support for the EVZ Group strategy going forward, your Directors and the Chief Executive Officer have advanced the Group \$1 million to assist the Group's

working capital. This advance matures on 15 December 2017 and will be secured, subject to shareholder approval, by security over one of the Group's businesses, TSF Maintenance Services Pty Ltd.

The formal matter of security will be dealt with in resolution 2 of today's AGM. This is because the lenders are regarded as related parties.

Both of these matters are financially significant and as a result EVZ is in a better financial position to deal with market conditions and opportunities on their merits.

Finally, I would like to sincerely thank all shareholders for their ongoing support.

I will now hand over to the CEO, Scott Farthing.