



EVZ LIMITED
ABN 87 010 550 357
ACN 010 550 357

11 May 2017

The Manager
Market Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Updated Investor Presentation

EVZ Limited (**Company**) refers to the Investor Presentation lodged with ASX on 11 May 2017 in connection with the Company's placement and renounceable pro rata entitlement offer which was announced on 11 May 2017.

Enclosed is a revised Investor Presentation which shows the correct Use of Funds (refer slide 10) from the proceeds of the placement and renounceable pro rata entitlement offer.

Yours sincerely,

Ian Wallace
Company Secretary
EVZ Limited

About EVZ Limited (ASX: EVZ)

EVZ Limited is an industrial group with a portfolio of specialist businesses in the engineering services sector. EVZ operates in the areas of power generation, bulk storage tank design, engineering and construction and stormwater management through subsidiaries TSF Engineering, Brockman Engineering and Syfon Systems. For further information please visit our website www.evz.com.au

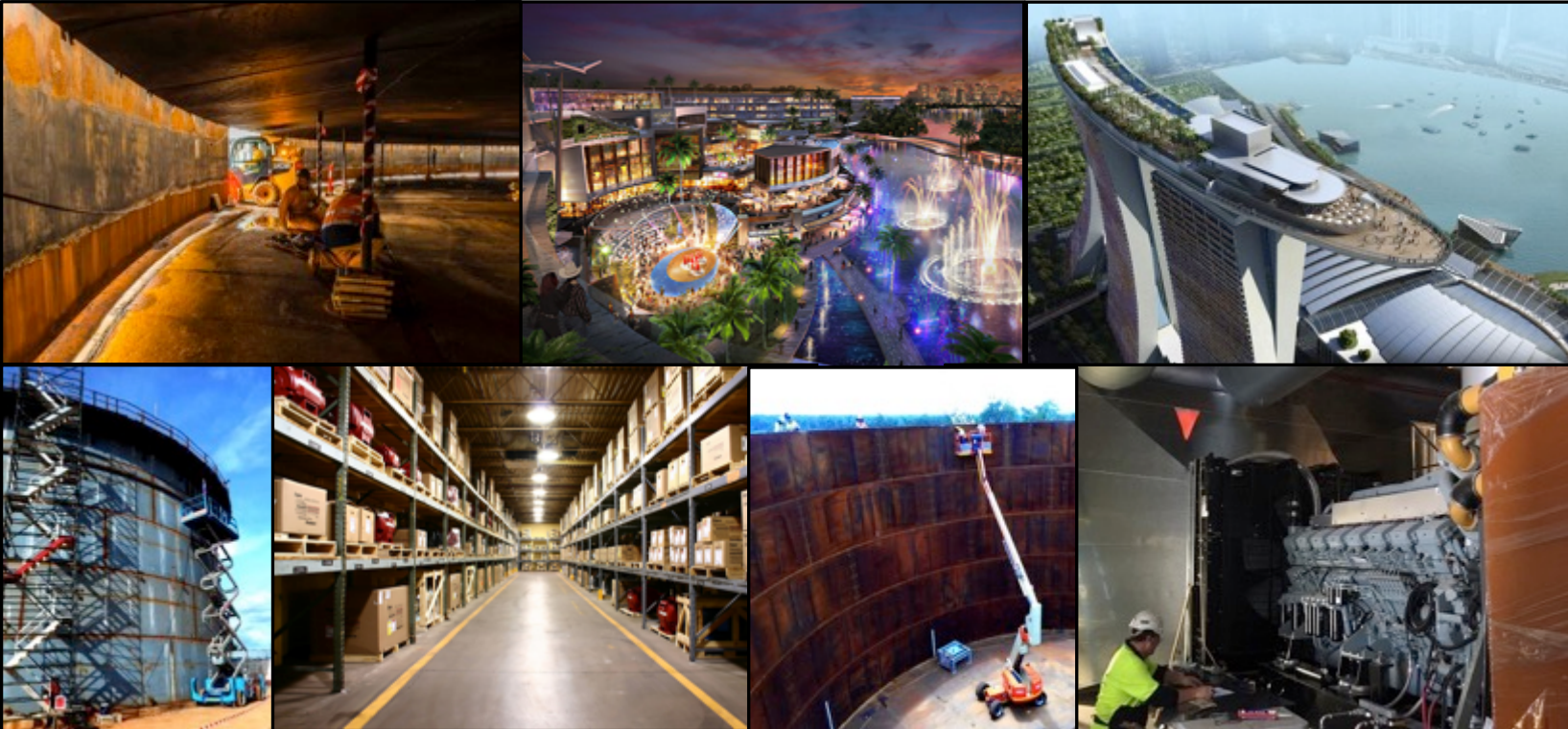
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EVZ LIMITED

CAPITAL RAISING PRESENTATION



MAY 2017

DISCLAIMER



IMPORTANT NOTICE & DISCLAIMER

This investor presentation (“Presentation”) has been prepared by EVZ Limited (ACN 010 550 357) (“EVZ” or “the Company”) in relation to a pro rata renounceable entitlement offer of new fully paid ordinary shares in EVZ (“New Shares”) with retail rights trading (“Entitlement Offer”) to be made to eligible shareholders. In conjunction with the Entitlement Offer, the Company is undertaking a placement of New Shares to certain professional and sophisticated investors (“Placement”). The entitlement offer and the placement are the “Capital Raising”

Summary information

This Presentation contains summary information about EVZ and its activities as at 11 May 2017. The information in this Presentation is of a general nature and does not purport to be complete or comprise all information which a shareholder or potential investor may require in order to determine whether to deal in EVZ shares. It should be read in conjunction with EVZ’s other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

Not an offer

This Presentation is not a prospectus, product disclosure statement or other offering document under Australian law, or any other law. This Presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction. In particular, this Presentation has been prepared for release in Australia and is not for distribution or release in the United States. This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States.

Restrictions

The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws. This Presentation may not be distributed in the United States, or any other jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. The distribution of this Presentation outside Australia may be restricted by law, and persons into whose possession this Presentation comes should observe any such restrictions. Any failure to comply with such restrictions may violate applicable securities laws.

Not financial product advice

This Presentation is for information purposes and does not constitute financial product, investment, legal, taxation or other advice or a recommendation to acquire EVZ shares and has been prepared without taking into account the objectives, financial situation or needs of individuals.

Before making an investment decision, prospective investors should consider the appropriateness of the available information, having regard to their own objectives, financial situation and needs and seek financial, legal and taxation advice appropriate to their jurisdiction. The Company is not licensed to provide financial advice in respect of its shares. Cooling off rights do not apply to the acquisition of EVZ shares.

Past performance

Past performance information, including past share price performance, should not be relied upon as an indication of future performance.

DISCLAIMER



Future performance and forward looking statements

This Presentation contains certain references to forecasts, estimates, assumptions and other forward-looking statements and statements regarding the intent, belief or current expectations of EVZ. The words “likely”, “expect”, “aim”, “should”, “could”, “may”, “anticipate”, “predict”, “believe”, “plan” and other similar expressions are intended to identify forward-looking statements.

Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current conditions.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This Presentation contains such statements, which are subject to risk factors associated with an investment in EVZ. EVZ believes that these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially.

Forward-looking statements involve known and unknown risks, uncertainties and assumptions and other important factors that could cause actual results, performance or achievements of EVZ to be materially different from future results, performances or achievements expressed or implied by such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Presentation. Readers should carefully consider the risks section of this Presentation.

Disclaimer

The Underwriter to the Entitlement Offer, together with its related bodies corporate, shareholders and affiliates and its respective officers, directors, employees, agents or advisers (each a “Limited Party”) have not authorised, permitted or caused the issue, lodgment or dispatch of this Presentation and do not purport to make any statement in this Presentation.

No representation or warranty, express or implied, is made as to the fairness or correctness of the information, opinions and conclusions contained in this Presentation. To the maximum extent permitted by law, no Limited Party, and none of the Company and its related bodies corporate, or their respective officers, directors, employees, agents or advisers, nor any other person, accepts liability for any loss arising from the use of this Presentation or its contents or otherwise arising in connection with it, including without limitation, any liability from fault or negligence on the part of the Company, its related bodies corporate or any of their respective directors, employees, agents or advisers.

Investors acknowledge and agree that determination of the eligibility of investors for the Entitlement Offer is determined by the Company by reference to a number of factors and the Company expressly disclaims any duty or liability in respect of that determination.

Investment risk

An investment in EVZ shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company. EVZ does not guarantee any particular rate of return or the performance of the EVZ shares. Investors should have regard to (amongst other things) the risk factors outlined in the Key Risks section of the Appendix to this Presentation.

Financial data

All references to dollars (\$) and cents are to Australian currency, unless otherwise stated.

This Presentation contains certain pro forma historical information. This information is provided for illustrative purposes only and is not represented as being indicative of EVZ’s views on its future financial performance or position.

EXECUTIVE SUMMARY



EVZ Limited (EVZ) is an industrial group with a portfolio of specialist operations in the engineering services sector. EVZ has three operating divisions:

1. Engineering - Brockman Engineering
2. Water - Syfon Systems
3. Power Generation Maintenance – TSF Maintenance

EVZ is undertaking an Equity Capital Raising of up to ~\$4.7M as follows:

- Placement of \$0.3M
- Pro Rata Entitlement Offer of \$4.4M
- Debt to Equity conversion of TSFC Loan of \$0.6M (subject to shareholder approval)

The ongoing debt structure will comprise:

- Reduction in outstanding debt from \$13.3M to \$6.0M
- New debt facility with CBA for three years on commercial terms

The new equity will be employed to:

- Increase working capital
- Improve financial capacity to deliver larger projects

EXECUTIVE SUMMARY



EVZ is now well positioned to grow revenues and improve profitability by utilising the improved balance sheet to take full advantage of the growing need for:

- Fuel storage and terminal developments across Australia, leading to further sales and profitability in Brockman.
- Commercial and social infrastructure development in Asia creating further opportunity for Syfon Systems to grow revenues and profitability.

EARNINGS GUIDANCE



EVZ Limited reported 1H17 EBITDA of \$0.77M and now provides the following guidance for the full year:

- Revenue for FY17 is expected to be in a range of \$50M - \$52M
- FY17 normalised EBITDA is expected to be in a range of \$0.7M - \$1.0M

EVZ is expecting FY18 to see growth in its order book with current work under advanced tender across the business in excess of \$150M.

Brockman revenues have continued to diversify away from one-off contract wins with a continued focus on recurrent revenue. The Brockman business has grown to ~40%* recurring maintenance earnings and TSF Maintenance is 70%* recurring maintenance revenues.

* Management estimate based on revenue source YTD FY17

EVZ GROUP BRANDS



BROCKMAN ENGINEERING

Brockman Engineering is a specialist fuel and water industry tank design and construction company that also fabricates associated pressure pipework and performs shutdown maintenance.



SYFON SYSTEMS

Syfon Systems are specialist roof drainage engineers with extensive experience in high rainfall areas. The company's unique design and uncompromising attention to detail has firmly established Syfon Systems as one of the world's leading syfonic roof drainage companies.



TSF MAINTENANCE

TSF Maintenance is a specialist power generation maintenance company that improves critical power system reliability and durability for high reliance facilities such as data centres and critical healthcare facilities.

BUSINESS UPDATE

EVZ LIMITED



DEBT RESTRUCTURE

Debt reduction strategy has achieved a gross \$7.285M reduction (in two tranches) in debt to now be \$6.0M. Reduction was achieved through debt forgiveness by CBA.

New three year facility agreement with CBA has been executed providing stability and a platform for growth.

TSFC Loan (\$1.0M) remains current until December 17, a proposed 60% partial conversion to equity to occur with shareholder approval within 90 days of capital raising. The balance of the loan facility to be extended until June 2018.

EQUITY

Capital raising will supplement debt restructure to improve balance sheet by \$11.7M comprising \$7.3M bank forgiveness and \$4.4M of new equity.

Balance sheet will support EVZ to undertake larger tank projects and proceed to push ahead with Syfon Asia expansion into new geographic markets.

KEY OFFER DETAILS



KEY DETAILS

Placement	Share placement raising \$303,190 from institutional and sophisticated investors
Entitlement Offer	20 for 11 fully underwritten renounceable pro rata entitlement offer of New Shares to eligible shareholders to raise approximately \$4.4M
Offer Price	\$0.01 per New Share
Eligibility	Renounceable pro rata entitlement offer is open to all EVZ shareholders with a registered address in Australia or New Zealand as at 7pm, 16 May 17
Entitlement Trading	Entitlements may be bought and sold during the entitlements trading period and any rights not sold and not exercised will lapse
New Share Issue	Placement - 30,319,026 New Shares Entitlement Offer – 437,941,482 New Shares
Gross Proceeds	\$4,700,000 (approximately)
Ranking	New shares issued under the placement and entitlement offer will rank equally with EVZ existing ordinary shares
Lead Manager & Underwriter	Blue Ocean Equities Pty Ltd

USE OF FUNDS



SOURCE OF FUNDS		USE OF FUNDS	
Placement	\$303,190	Trade Creditors	\$3,830,000
Entitlement Offer	\$4,379,415	Working Capital	\$500,000
		CBA Fee	\$50,000
		Offer Costs	\$300,000
TOTAL	\$4,682,605	TOTAL	\$4,680,000

CAPITAL STRUCTURE



Upon completion of Capital Raising

Current Shares	210,548,789
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Placement Shares	30,319,026
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Entitlement Offer Shares	437,941,482
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Unlisted options to Underwriter*	15,000,000
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Total Shares upon completion	678,809,297
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*Options are exercisable at \$0.02 and expire 48 months from the date of issue

OFFER TIMETABLE



EVENT	DATE
Announcement of Entitlement Offer	Thursday, 11 May 2017
Ex Date, Start of Entitlements Trading	Monday, 15 May 2017
Issue of New Shares under Placement	Tuesday, 16 May 2017
Record Date for Entitlement	Tuesday, 16 May 2017 (7pm)
Entitlement Offer Opens	Friday, 19 May 2017
Entitlement Trading Ends	Tuesday, 23 May 2017
Entitlement Offer Closes	Tuesday, 30 May 2017 (5pm)
Settlement Date	Monday, 5 June 2017
Issue Date	Tuesday, 6 June 2017
Trading of New Shares on ASX	Wednesday, 7 June 2017

BANK AGREEMENT



KEY DETAILS

Financier	Commonwealth Bank of Australia
Market Rate Loan	\$6,000,000
Finance Expense	BBSY + 4.95%
Bank Guarantee Facility	\$2,800,000
Finance Expense	3.5% pa
Term	3 years
Establishment Fee	\$50,000
Facility Fees	\$166,666 per annum
Notes	Restrictions on dividends and capex apply, together with certain financial covenants

TSFC LOAN



KEY DETAILS

Secured Loan	\$1,000,000
Lender	TSF Corporation Pty Ltd
Term	Expires 15 December 2017 (rollover optional)
Finance Expense	3.5% pa
Security	TSF Maintenance Services Pty Ltd
Notes	60% debt to equity conversion to occur within 90 days at \$0.01 per share subject to shareholder approval. Remaining 40% debt to be rolled over to 15/6/18

PROFORMA BALANCE SHEET



	<u>At 31 December</u>	<u>Impact of the</u>	<u>Impact of the</u>	<u>Pro-Forma</u>
	<u>2016</u>	<u>Revised Banking</u>	<u>Net Equity</u>	<u>Balance Sheet</u>
		<u>Facility</u>	<u>Raising</u>	
Current Assets				
Cash on Hand	\$1,743,085		\$653,000	\$2,396,085
Trade and Other Debtors	\$10,449,367			\$10,449,367
Inventory	\$1,749,470			\$1,749,470
Total Current Assets	\$13,941,922	\$0	\$653,000	\$14,594,922
Non Current Assets				
Plant and Equipment - WDV	\$4,023,888			\$4,023,888
Trade Debtors	\$1,158,511			\$1,158,511
Deferred Tax Assets	\$4,313,415			\$4,313,415
Goodwill	\$12,072,010			\$12,072,010
Total Non Current Assets	\$21,567,824	\$0	\$0	\$21,567,824
Total Assets	\$35,509,746	\$0	\$653,000	\$36,162,746
Current Liabilities				
Trade and Other Creditors	\$12,669,332		-\$3,700,000	\$8,969,332
Employee Entitlements	\$2,856,628			\$2,856,628
Provision for Tax	\$76,083			\$76,083
Bank Loans	\$13,285,000	-\$13,285,000		\$0
Lease Financing	\$102,411			\$102,411
Other Loans	\$1,011,833			\$1,011,833
Total Current Liabilities	\$30,001,287	-\$13,285,000	-\$3,700,000	\$13,016,287
Non Current Liabilities				
Employee Entitlements	\$249,572			\$249,572
Lease Financing	\$73,252			\$73,252
Provision for Tax	\$46,119			\$46,119
Bank Loans	\$0	\$6,000,000		\$6,000,000
Total Non Current Liabilities	\$368,943	\$6,000,000	\$0	\$6,368,943
Total Liabilities	\$30,370,230	-\$7,285,000	-\$3,700,000	\$19,385,230
Net Assets	\$5,139,516	\$7,285,000	\$4,353,000	\$16,777,516
Equity				
Issued Capital	\$46,088,909		\$4,353,000	\$50,441,909
Reserves	-\$229,983			-\$229,983
Retained Losses	-\$40,719,410	\$7,285,000		-\$33,434,410
Total Equity	\$5,139,516	\$7,285,000	\$4,353,000	\$16,777,516

NOTES

This pro-forma Balance Sheet illustrates the effect of the Capital Raising as at 31 December 2016 on the basis that:

- \$4.7M of new equity is raised less costs being \$4.4M approx.
- Bank debt is reduced to \$6.0M through debt forgiveness by the CBA.

Total cash debt will be \$7.0M, Bank debt (\$6.0M) maturity in May 2020, TSFC loan (\$1.0M) maturity in Dec 2017.

TSFC Loan conversion to equity not shown or part of this pro-forma balance sheet.

Further important notes in relation to this pro-forma balance sheet are provided in the Appendix "Financial Notes"

BUSINESS UPDATE

BROCKMAN ENGINEERING



Brockman is repositioning in the market to be a provider of value added services to the fuel industry.

Current long term agreements:

- Viva Geelong Refinery Mechanical & Tank Maintenance (3 yr)
- Exxon Mobil Services Agreement (5 yr)
- Mobil Altona Refinery Pipework Fabrication (1 yr)
- Caltex Mechanical Infrastructure Services Agreement (3 yr)
- Caltex Tank, Turnaround & Inspections Agreement (3 yr)

Recurrent workload and revenues support ongoing investment into the sector. Long term contracts underpin approximately 40% of ongoing revenues and workload

Fuel industry supply chain restructure driving investment in new terminal infrastructure. \$400M+* new terminal expansion projects in planning to come to market within 3-4 years.

* Management estimate based on known project feasibility studies

BUSINESS UPDATE

BROCKMAN ENGINEERING



Current tank construction workload includes:

- New tank Viva Geelong refinery (\$4M)
- New tank Viva Geelong refinery (\$2M)
- Tank floor replacement Caltex Lytton Refinery (\$2M)
- Tank floor replacement Esso Longford (\$2M)
- Tank floor replacement Viva Geelong (\$1M)

Live and active tenders that Brockman is participating in exceeds \$150M. Further opportunity awaits in the larger terminal development project market.

Capital restructure provides additional financial support needed to be equivalent to competitors to compete for larger projects, \$10M+.

BUSINESS UPDATE

SYFON SYSTEMS



Syfon is market leader in Australia, circa 70%* market share. Syfon is also market leader in Malaysia with circa 80%* market share. Largest opportunity for growth exists in expanding across SE Asia.

Syfon provides a holistic service; product development, design, manufacture, installation and warranty of syfonic roof drainage to large commercial and social buildings across Australia and Asia.

Recent expansion into Vietnam commenced with signing agreement with local products agency (America Indochina Management Ltd) to support Syfon marketing and sales. Vietnam economy entering building and construction boom as population aspire to a wealthier future.

Current contract commitments in Australia exceed \$7.2M in support of FY18. Competitive market in Australia is resisting growth advances.

* Management estimate based on known tenders

BUSINESS UPDATE

SYFON SYSTEMS



Current contract commitments in Asia exceed \$7.8M in support of FY18 and FY19.

Asian growth plan is to approach each country sequentially, Vietnam to springboard off Malaysian headquarters until leading market share is established.

HDPE pipe and fitting supply agency being explored to de-risk supply chain and seek cost advantages over generalist hydraulic contractor substitutions.

All inlets developed in house to maximise hydraulic efficiency and prevent substitution.



BUSINESS UPDATE

TSF MAINTENANCE



TSF Maintenance is a specialist, manufacturer independent, power generation maintenance and operations provider.

Current long term agreements:

- Telstra / Visionstream (5 yr)
- NBN / Broadspectrum (5 yr, annual rollover)
- QUU Biogas Plant (2 yr)

Near term objective is to provide local TSF trade support in all national capital cities to a wider spectrum of clients. Currently have established technicians

Recurrent workload and revenues are supported by the critical nature of the contracted facilities such as data centres, communication networks, healthcare facilities.

Power reliability is becoming a wider social issue and communications and data networks criticality demand a higher order service. Reliance of services becomes an opportunity for our business.

EVZ PROJECTS

SYFON SYSTEMS



MELBOURNE PARK SPORTS PRECINCT – Syfonic Roof Drainage



EVZ PROJECTS

SYFON SYSTEMS



CITY OF DREAMS MACAU – Syfonic Roof Drainage

EVZ PROJECTS

BROCKMAN ENGINEERING



ESSO LONG ISLAND POINT – Two Tank Floor Replacements

EVZ PROJECTS

BROCKMAN ENGINEERING



MELVILLE ISLAND FUEL TERMINAL – Three new tanks constructed



EVZ PROJECTS

TSF MAINTENANCE



480 QUEEN ST, BRISBANE – Standby Power Plant

APPENDIX

FINANCIAL NOTES



BASIS OF PREPARATION OF PROFORMA BALANCE SHEET

To illustrate the effect of the offer on the Company, the consolidated pro-forma balance sheet of the Company has been prepared using the reviewed balance sheet of the Company as at 31 December 2016, adjusted to reflect the following pro-forma transactions:

1. The effect of the revised banking arrangements with the Company's financier, the Commonwealth Bank of Australia,
2. The impact from the expected equity raising.

The revised banking arrangement is comprised of two parts being; the initial debt reduction by the Commonwealth Bank of Australia of \$4.285M, which was announced to the market on 20 February 2017 and the impact of an agreed further \$3.0M debt reduction by the Commonwealth Bank of Australia.

The pro-forma balance sheet does not reflect the part conversion of a Director related loan to ordinary shares in the Company. TSF Corporation Pty Ltd, a company associated with all the Company's Directors and the Chief Executive Officer, has previously loaned the Company \$1.0M. TSFC has made a request to convert part of this loan into fully paid ordinary shares in the Company. It is the intention of the Company to seek shareholder approval to convert \$600,000 of this loan into fully paid ordinary shares in the Company at a conversion rate of 1.0 cent per share. A shareholder meeting will be convened following the capital raising contemplated in this Entitlement Offer Information Booklet seeking the necessary approval for this conversion.

In addition the pro-forma balance sheet does not include the issue of 15,000,000 unlisted options (expiring 48 months from the date of issue and with an exercise price of \$0.02 per option) issued to the Underwriter as partial consideration of underwriting fees. The impact of these options on the pro-forma balance sheet is not considered to be material.

The pro-forma balance sheet has been prepared based on accounting standards and policies normally adopted by the Company. In addition, the pro-forma balance sheet is presented in an abbreviated form, insofar as it does not include all the disclosures required by the accounting standards applicable to financial statements.

The pro-forma balance sheet is not a forecast. The actual financial position of the Company on completion of the equity raising will differ from the position illustrated in the pro-forma balance sheet due to operations from 31 December 2016.

KEY RISKS



SUMMARY

An investment in the Company exposes investors to certain risk factors.

The business of the Company and the industry in which it operates are subject to risk factors both of a general nature and risks which are specific to the industry and/or the Company's business activities. The potential effect of these risk factors either individually, or in combination, may have an adverse effect on the future financial and operating performance of the Company, its financial position, its prospects and the value of the Shares.

This Section describes what the Company considers to be the key risks associated with an investment in the Company. You should carefully consider these factors in light of your personal circumstances and seek professional advice from your stockbroker, accountant, lawyer or other professional adviser before deciding whether to invest.

This Section should not be considered to be an exhaustive list of every possible risk associated with an investment in the Company. The types of risks the Company is exposed to can change over time and vary with changes in economic, technological, environmental and regulatory conditions generally within the industry in which the Company operates.

COMPANY & INDUSTRY SPECIFIC RISKS

The following are the key risks that specifically relate to an investment in the Company and to the engineering services industry in Australia and Asia in which the Company operates.

Market risk

- For the last few years there has been a significant changes in expenditure on the types of goods and services that the Company provides. There is a risk that reduced expenditure will have a material adverse effect on the Company and its earnings.
- The Company's earnings are exposed to production volume and the Directors believe that, despite market conditions, there will be an eventual need for replacement of installed equipment which will support earnings.

Competition

- EVZ faces competition across its range of products and services. A significant increase in competition, including through imports, could materially affect the future financial position and performance of EVZ by putting downward pressure on prices or by reducing EVZ's sales volumes.

KEY RISKS



Financial risk

- Even following the Company's recent successful negotiation of an interest bearing debt reduction with the Commonwealth Bank of Australia, the Company will continue to have debt obligations. The debt facilities contain a variety of material covenants which the Company and its subsidiaries must comply with. Whilst every effort will be made to seek to comply with the covenants, in the event of a breach, the lenders may be entitled to call for repayment of the facilities (and exercise its rights as secured creditor where EVZ defaults on such repayment). This will have a material adverse effect on the ability of the Company to continue its operations.
- EVZ may not be able to access equity or debt capital markets to support its business growth objectives or successfully refinance its debt facilities on commercially favourable terms, or at all.
- If EVZ is unable to manage its indebtedness and the restrictions applicable to it as a result of this indebtedness, its ability to implement its business strategy may be impaired and the results of its operations and financial condition may be adversely affected.

Sustainability of growth and margins

- The sustainability of growth and the level of profit margins are dependent on EVZ's ability to secure new customers and contracts.
- A failure to secure service contracts may have a material adverse effect on EVZ. Additionally, if EVZ experiences strong growth in future years and is not able to properly manage such growth due to labour or capital equipment shortages, its financial performance could be adversely affected.

Operational risk

- Interruptions at the Company's facilities could impact EVZ's ability to supply its customers and could adversely affect its operations, financial condition or results of operations.
- Industrial action between the Company and trade unions could disrupt the Company's operations. A shortage of skilled personnel may increase EVZ's costs and may materially and adversely affect [production levels] and profitability.

Dependence on key customer and supplier relationships

- EVZ relies on various key customer and supplier relationships, and the loss or impairment of any of these relationships could have a material adverse effect on the Company's operations, financial condition and prospects.
- An interruption in electricity, gas or water supply, a deterioration in the quality of raw materials or inputs supplied or an increase in the price of those raw materials could adversely impact the quality, efficiency or cost of products. Any of these events could have an adverse impact on the Company's financial condition and results of operations.
- Depending on the market price of the relevant commodity, some of the Company's customers may determine that it is not economically feasible to maintain current levels of production or to continue commercial production at some or all of their operations or the development of some or all of their current projects, as applicable, and reduce or cease their purchases of EVZ's products and services.

KEY RISKS



Product risk

- The products and services EVZ produces are subject to sales agreements with customers and must meet certain specifications. Despite controls and measures being in place, products and services may fall outside these specifications due to process failures, equipment malfunctions or variability of inputs which could have a material adverse effect on the Company's financial condition and results of operations.
- EVZ is exposed to warranty and liability risks relating to defects in its steel products. If any products it sells are defective or fail to meet the required specifications, the relevant customers may assert claims against the Company.
- EVZ maintains an internal risk management process and also follows quality assurance procedures in relation to the manufacture of its products and materials.

Occupational health and safety

- EVZ's operations are subject to extensive health and safety laws and regulations.
- Failure to comply with the Company's internal health and safety policies and processes and with health and safety laws and regulations could result in enforcement action which could result in monetary penalties. In addition, any significant government investigation or enforcement of health and safety requirements could damage the Company's reputation as a responsible company and employer or could result in suspension or closure of our operations.

Natural risks

- EVZ operates in regions that are subject to unpredictable weather, geological conditions and other natural risks that could result in production delays or disruptions to our operations.
- The negative impacts of climate change could increase the frequency of severe weather resulting in increased natural risks.

Intellectual property

- There can be no assurances that the validity, ownership or authorised use of intellectual property (including technology, know-how, trademarks, designs and patents (both owned and licensed) relevant to EVZ's business may not be challenged.

Litigation and legal matters

- EVZ is exposed to the risk of claims and lawsuits arising in the ordinary course of its business, including claims for damages and commercial disputes relating to its business, products and services, which if successful, could adversely affect its business or financial position.

KEY RISKS



Contractual risks

- EVZ's financial performance is reliant on the revenue produced from the utilisation and productivity of its key assets. To ensure that the productivity of the Company's assets is maximised, where possible the Company engages in short term contracts with its customers and certain suppliers. As in any contractual relationship, the ability for the Company to ultimately receive the benefit of the contracts is dependent upon the relevant third party complying with its contractual obligations.
- Specifically, some of the Company's contracts are able to be terminated by the customer with a short period of notice. Any early termination of existing or future material contracts relating to the Company's assets may adversely affect the financial performance and/or financial position of the Company.
- To the extent that third parties default in their obligations or become insolvent, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.
- The Company has also entered into contracts with third party product and service providers, who the Company may be reliant upon to efficiently conduct its operations. Any non-compliance by these third parties may have adverse consequences on the financial position of the Company.
- In some circumstances where an established relationship exists with a customer, the Company may continue to provide services to the customer beyond the life of the contract, on the assumption that the contractual terms will continue to apply. Disputes may ultimately arise with these third parties to the extent that there is uncertainty over the terms that govern the relationship. These disputes may require legal action which as noted above may prove costly with the ultimate outcome being uncertain.

Risks associated with global operations

- EVZ is subject to political, legal, social and economic policy risks and uncertainties in the countries in which the Company operates. Any deterioration or disruption of the political, legal, social or economic environment and business climate in those countries may have an effect on EVZ's businesses, financial position, results of operations or prospects.
- EVZ provides products and services in a number of countries around the world. Therefore, EVZ is subject to tax and legal regimes of many different jurisdictions and is subject to risks of changes in laws, taxes or interpretation or enforcement.

Insurance

- It is not always possible to obtain insurance against all risks and EVZ may decide not to insure against certain risks as a result of high premiums or other reasons. The occurrence of an event that is not fully covered, or covered at all, by insurance, could have a materially adverse effect on the Company's financial position.

KEY RISKS



Disruption to Business Operations

- The Company's activities are subject to a range of operational risks. Such operational risks include equipment failures, IT system failures, external services failure (including energy or water supply), industrial action or disputes and natural disasters. While the Company will endeavour to take appropriate action to mitigate these operational risks or to insure against them, one or more of these risks may have a material adverse impact on the performance of EVZ.

General Investment Risks

- The value of securities listed on securities exchanges can change considerably over time and the value of your investment can increase and decrease with the value of the security. As with most investments, performance is not guaranteed. These risks may result in loss of all or part of the principal invested.

The Company does not guarantee the return of capital, any rate of return in terms of income or capital gain or investment performance of the Company.

GENERAL INVESTMENT RISKS

Stock market fluctuations

- The value of the New Shares will be determined by the share market and will be subject to a range of factors beyond the control of the Company and the Directors. Share market fluctuations in Australia and other stock markets around the world may negatively affect the value of the New Shares. Factors that may influence the investment climate in stocks may not relate to actual performance of the Company and may include general economic outlook, changes in government fiscal, monetary and regulatory policies, movements in commodity prices, exchange rate movements, interest rates, inflation and political developments.

Market risk

- Share prices and equity investment returns are influenced by market factors. These factors include the change in the economic, legislative and political environment, as well as changes in investor sentiment. In addition, exogenous shocks, natural disasters and acts of terrorism can (and sometimes do) add to equity market volatility as well as impact directly on individual entities.

Liquidity risk

- The Company is a listed entity, however the ability to buy and sell Shares is a function of the appetite and availability of buyers and sellers at a given point in time. An investor in the Company may not be able to buy or sell EVZ shares in the desired quantity

KEY RISKS



Foreign exchange rates and interest rates

- Adverse movements in exchange rates may impact sales proceeds received, product costs and price competitiveness and may impact the operations and financial performance of EVZ. Also, adverse fluctuations in interest rates, to the extent that they are not hedged may impact EVZ's financial performance.

Taxation risk

- Tax laws (including Australian tax laws) are in a continual state of change and reform that may affect the Company and its Shareholders.
- Tax liabilities are the responsibility of each individual Shareholder. The Company is not responsible either for taxation or penalties incurred by Shareholders. Shareholders should consult their own taxation advisers to ascertain the tax implications of their investment under the Offer.

Accounting Standards

- Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are outside the Company's control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in the Company's financial statements.

Force majeure risk

- Force majeure is a term generally used to refer to an event beyond the control of a party claiming that the event has occurred, including acts of God, acts of terrorism, fire, flood, earthquakes, war and strikes. The Company does not have insurance for all force majeure risks, some of which are, in any event, uninsurable. To the extent that any such risks occur, there may be an adverse effect on the operations and profitability of the Company's business.

Legal and regulatory changes

- The operating activities of the Company are subject to extensive laws and regulations. These relate to labour standards, taxes, occupational health, waste disposal, transportation safety and other matters. Compliance with these laws and regulations increases the costs of operating activities. As legal requirements change frequently, are subject to interpretation and may be enforced to varying degrees in practice, EVZ is unable to predict the ultimate cost of compliance with these requirements or their effect on operations. Furthermore, changes in regulations and policies and practices could have an adverse impact on the Company's future cash flows, earnings, and financial position.

General economic conditions

- Both Australian and world economic conditions may negatively affect EVZ's performance. Any slowdown in economic conditions or factors such as the level of production in the relevant economy, inflation, currency fluctuation, interest rates, taxation legislation, supply and demand and industrial disruption may have a negative impact on the Company's costs and revenue. These changes may adversely affect the Company's financial performance and/or financial position