



Capital Raise Investor Presentation
May 2021



Important Notice and Disclaimer

The following notice and disclaimer applies to this investor presentation **(Presentation)** and you are therefore advised to read this carefully before reading or making any other use of this Presentation or any information contained in this Presentation. By accepting, accessing or reviewing this Presentation or attending an investor presentation or briefing, you represent and warrant that you are entitled to receive this Presentation in accordance with the restrictions, and agree to be bound by the limitations, contained within it.

This Presentation has been prepared by Envirosuite Limited (ABN 42 122 919 948) **(Envirosuite)** and is dated at 18 May 2021. This Presentation has been prepared in connection with Envirosuite's proposed equity raising (Offer) of new ordinary shares in Envirosuite **(New Shares)**, comprising:

- A placement of New Shares to institutional and sophisticated investors **(Placement)** under section 708A of the Corporations Act 2001 (Cth) **(Corporations Act)**
- A pro rata accelerated non-renounceable entitlement offer of New Shares to certain eligible Envirosuite shareholders **(Entitlement Offer)**.

The Entitlement Offer is being made to:

- eligible institutional shareholders of Envirosuite in Australia and New Zealand **(Institutional Entitlement Offer)**; and
- eligible retail shareholders of Envirosuite in Australia and New Zealand **(Retail Entitlement Offer)**,

under section 708AA of the Corporations Act 2001 (Cth) **(Corporations Act)** as modified by the Australian Securities and Investments Commission **(ASIC)** Corporations (Non-Traditional Rights Issues) Instrument 2016/84, and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73.

Summary Information

This Presentation: (i) contains summary information about Envirosuite and its activities current as at the date of this Presentation; (ii) is for information purposes only and is not, and does not comprise all of the information which would be required to be disclosed in a prospectus, product disclosure statement or other offering document under Australian law or any other law and will not be lodged with ASIC or any foreign regulator; (iii) does not and will not form any part of any contract for the acquisition of New Shares; and (iv) should be read in conjunction with Envirosuite's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange **(ASX)**, which are available at www.asx.com.au.

Market and industry data

Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. None of Envirosuite, its representatives or advisors have independently verified any such market or industry data provided by third parties or industry or general publications.

Not an offer

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 which it would be unlawful. This Presentation is not a prospectus, product disclosure statement or other disclosure document under the Corporations Act (and has not been lodged with ASIC) or any other law. The Retail Entitlement Offer will be made on the basis of the information contained in the retail offer booklet to be prepared for eligible retail shareholders in Australia and New Zealand **(Retail Offer Booklet)**, and made available following its lodgement with ASX. Any eligible retail shareholder in Australia or New Zealand who wishes to participate in the Retail Entitlement Offer should consider the Retail Offer Booklet before deciding whether to apply for New Shares under the Retail Entitlement Offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Offer Booklet and the Entitlement and Acceptance form.

The distribution of this Presentation in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. By accepting this Presentation you represent and warrant that you are entitled to receive such presentation in accordance with the above restrictions and agree to be bound by the limitations contained therein.

Not for release or distribution in the United States of America

This Presentation may not be distributed or released in the United States or to any person acting for the account or benefit of a person in the United States. This Presentation and the information contained herein does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such offer would be illegal. The securities referred to in this Presentation have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States unless the securities have been registered under the Securities Act (which Envirosuite has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities

Act and applicable securities laws of any state or other jurisdiction of the United States.

Not investment or financial product advice

This Presentation is not financial product or investment advice or a recommendation to acquire Envirosuite shares or accounting, legal or tax advice. Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Envirosuite and the impact that different future outcomes might have on Envirosuite. Information in this Presentation is not intended to be relied upon as advice to investors or potential investors 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 information having regard to their own objectives, financial situation and needs and seek financial, legal and taxation advice appropriate to their jurisdiction. Envirosuite is not licensed to provide financial product advice in respect of the New Shares. Cooling off rights do not apply to the acquisition of the New Shares.

Financial data

All dollar values are in Australian dollars (A\$ or AUD) unless stated otherwise. This Presentation includes certain historical financial information as at 31 December 2020 unless stated otherwise (Financial Information), being:

- the historical consolidated statement of financial position as at 31 December 2020, the historical consolidated income statement and historical consolidated statement of cash flows for the 6 months ended 31 December 2020, and the recurring revenue for each 6 month statutory reporting period ending 31 December 2017, 30 June 2018, 31 December 2018, 30 June 2019, 31 December 2019, 30 June 2020, and 31 December 2020 (the **Historical Financial Information**);
- the historical consolidated quarterly recurring revenue, non-recurring revenue and Adjusted EBITDA for the 3 months ending 30 June 2020 (Q4 FY20), 30 September 2020 (Q1 FY21), 31 December 2020 (Q2 FY21), and 31 March 2021 (Q3 FY21) (the **Historical Quarterly Financial Information**);
- the proforma balance sheet as at 31 December 2020 assuming the completion of the Offer (net of transaction costs) (the **Pro Forma Historical Financial Information**).

The Historical Financial Information, Historical Quarterly Financial Information and Pro Forma Historical Financial Information are collectively referred to as **Financial Information**.

Important Notice and Disclaimer

The Financial Information has been included in this Presentation in relation to the Offer and should not be used for any other purpose. The Financial Information is intended to present investors with information to assist them in understanding the underlying historical financial performance and position of Envirosuite. The Directors of Envirosuite (the **Directors**) are responsible for the preparation and presentation of the Financial Information.

The Historical Financial Information was derived from the consolidated financial statements of Envirosuite for the years ending 30 June 2018, 2019, and 2020, which were prepared in accordance with Australian Accounting Standards (AAS) and were audited by PKF in accordance with Australian Auditing Standards and on which an unqualified audit opinion was issued, and for the half-year ending 31 December 2017, 2018, 2019, and 2020 which were prepared in accordance with AAS and were reviewed by PKF.

The Historical Quarterly Financial Information is prepared based on management's internal monthly financial results prepared in accordance with Australian Accounting Standards. The Historical Quarterly Financial Information is unaudited, has not been subject to a review by an independent third party and is presented to provide greater details into the financial performance of the Company.

The Pro Forma Historical Financial Information has been derived from the historical consolidated statement of financial position as at 31 December 2020 and adjusted for pro forma adjustments relating to the Offer less transaction costs as if they had occurred as at 31 December 2020.

The Pro Forma Historical Financial Information has been prepared by Envirosuite in accordance with the requirements of AAS other than it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they had occurred as at 31 December 2020.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by the AAS, the International Financial Reporting Standards (including the interpretations of the International Financial Reporting Interpretations Committee) (**IFRS**) and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The Pro Forma Historical Information provided in this presentation is for illustrative purposes only and is not represented as being indicative of Envirosuite's views on its future financial condition and/or performance.

Certain financial measures included in this Presentation are (i) "non-IFRS financial information" under ASIC Regulatory Guide 230: "Disclosing non-IFRS

financial information" and (ii) non-GAAP financial measures under Regulation G of the U.S. Securities Exchange Act of 1934, as amended. These measures include Adjusted EBITDA, Annual Recurring Revenue (ARR), Average Revenue per Site (ARPS), and Customer Lifetime Value (CLTV). While Envirosuite believes that this non-IFRS financial information provided, and these non-GAAP financial measures provide, useful information to users in measuring the financial performance and conditions of Envirosuite, non-IFRS and non-GAAP financial measures do not have standardised meanings prescribed by AAS or IFRS, may not be comparable to the calculation of similar measures of other companies and, as presented, may not be permissible in a registration statement under the U.S. Securities Act. Therefore, you should not place undue reliance on any non-IFRS financial information or non-GAAP financial measures included in this Presentation or construe them as alternatives to other financial measures determined in accordance with AAS or IFRS.

Subsequent events

The Financial Information has been prepared based upon conditions existing at 31 December 2020 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed as at 31 December 2020. No adjustments have been made to the Pro Forma Historical Financial Information as at 31 December 2020 for events that occurred post 31 December 2020 other than pro forma adjustments relating to the Offer less transaction costs as if they had occurred as at 31 December 2020.

This Presentation contains pro forma financial information (including a pro forma balance sheet). Investors should note that the pro forma financial information included in this Presentation is for illustrative purposes only, is not represented as being indicative of Envirosuite's views on its future financial condition or performance, and any pro forma historical financial information included in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

Effect of Rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding.

Future performance and forward looking statements

This Presentation may contain certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. The words "expect", "likely", "should", "could", "may", "will", "aim", "intend", "propose", "believe", "opinion", "consider", "predict", "plan", "scenario", "project", "outlook", "guidance", "forecast", "anticipates", "target" "estimate" and other similar expressions within the meaning of securities laws of applicable jurisdictions are intended

to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements include statements regarding Envirosuite's expectations about the financial and operating performance of its businesses, statements about the plans, objective and strategies of Envirosuite's management, statements about the industry and markets in which Envirosuite operates (including without limitation the potential impact and duration of the COVID-19 pandemic) and statements about the timetable and the outcome of the Offer and the proceeds thereof.

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 market conditions. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

Any forward-looking statements, opinions and estimates in this Presentation speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Envirosuite or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this Presentation will actually occur. Actual operations, results, performance, targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Except as required by law or regulation (including the ASX Listing Rules), Envirosuite disclaims any obligation or undertaking to update forward-looking statements in this Presentation to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or conditions on which any statement is based.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and significantly volatility, uncertainty and disruption caused by the outbreak of COVID-19.

Any such statements contained in this Presentation are not indications, guarantees or predictions of future performance and involve known and unknown risks, contingencies and uncertainties and other factors, many of which are beyond the control of Envirosuite, and may involve significant elements of subjective judgment and assumptions as to future events, which may or may

Important Notice and Disclaimer

not be correct. Forward-looking statements may also assume the success of Envirosuite's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Envirosuite's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statements may have been prepared or otherwise. Refer to the key risks in in the "Key Risks" section of this Presentation for a non-exhaustive summary of certain general and company-specific risk factors that may affect Envirosuite.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of the COVID-19 pandemic, the Australian and global economic environment and capital market conditions and other risk factors set out in this Presentation. Investors should consider the forward-looking statements contained in this Presentation in light of those risks and disclosures. The forward-looking statements are based on information available to Envirosuite as at the date of this presentation.

Past Performance

Past performance and historical financial information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of Envirosuite's views on its future performance or condition. Investors should note that past performance, including past share price performance, of Envirosuite cannot be relied upon as an indicator of (and provides no guidance as to) future performance of Envirosuite including future share price performance. The historical financial information contained in this Presentation is, or is based on, information that has previously been released to ASX.

Investment Risk and other risks

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Envirosuite. Envirosuite does not guarantee any particular rate of return or the performance of Envirosuite nor does it guarantee any particular tax treatment. Investors should have regard to the "Key Risks" section of this Presentation when making their investment decision. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of shares in Envirosuite (including New Shares) in the future. There is no guarantee that the New Shares will make a return on the capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the New Shares in the future.

Disclaimer

No party other than Envirosuite has authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation or makes or purports to make any statement in this Presentation.

To the maximum extent permitted by law, each of Envirosuite and its respective affiliates or related bodies corporate, and each of their respective advisers, directors, officers, partners, employees and agents (each a **Limited Party**):

- expressly exclude and disclaim all responsibility and liability, including, without limitation, for negligence or in respect of any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by way of negligence or otherwise; and
- make no representation or warranty, express or implied, as to the fairness, currency, accuracy, reliability or completeness of information in this Presentation or any constituent or associated presentation, information or material, or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, implied by, the information in this Presentation or any part of it, or that this Presentation contains all material information about Envirosuite, the Offer or that a prospective investor or purchaser may require in evaluating a possible investment in Envirosuite or acquisition of New Shares.

The Limited Parties make no recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning the Offer. There is no statement in this Presentation which is based on any statement by any Limited Party. You represent, warrant and agree that you have not relied on any statements made by a Limited Party in relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any Limited Party. You undertake that you will not seek to sue or hold any Limited Party liable in any respect in connection with this Presentation or the Offer (to the maximum extent permitted by law).

Investors acknowledge and agree that determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Envirosuite. Envirosuite and each of its affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Statements made in this presentation are made only as at the date of this presentation. None of the Limited Parties have any obligation to update the

statements in this Presentation. The information in this Presentation remains subject to change without notice. Envirosuite reserves its rights to withdraw or vary the transactions described in this presentation without notice.

Withdrawal and cooling-off

Envirosuite reserves the right to withdraw, of vary the timetable for, the Offer without notice. Cooling-off rights do not apply to the acquisition of New Shares.

International Offer Restrictions

This document does not constitute an offer of new ordinary shares (**New Shares**) of Envirosuite Limited (**Company**) in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

An aerial photograph of a winding asphalt road cutting through a dense, dark forest. The road curves from the bottom left towards the upper right. A few small white cars are visible on the road. The lighting is dim, suggesting dusk or dawn, with a soft glow on the horizon. The text "How will industry use technology today, to manage environmental impact on tomorrow?" is overlaid in white, sans-serif font in the upper center of the image.

How will industry use technology today,
to manage environmental impact on tomorrow?

Why us?

Our Purpose

We believe Environmental Intelligence is the key to improving the wellbeing of people and the planet.

Our Vision

We harness the power of Environmental Intelligence so industries grow sustainably and communities thrive.

Our Mission

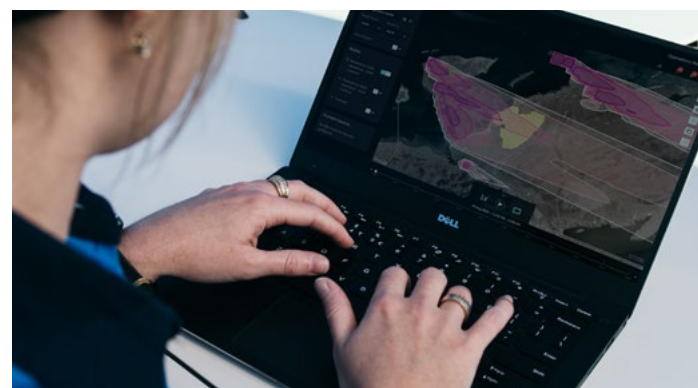
We are driven to create world-leading, science-based technology to help our customers act faster, perform better and realise their full potential with Environmental Intelligence.

Business snapshot

Envirosuite (ASX:EVS) is a global environmental technology company providing industry with **Software as a Service** (SaaS) and **Solution as a Service** in managing and mitigating their environmental impacts on communities in relation to noise, vibration, odour, dust, air quality and water quality.

EVS solutions are founded in science and help businesses unlock value beyond compliance, allowing them to engage with communities and to make real-time decisions around operations to minimise operational costs.

EVS operates across three software product suites...

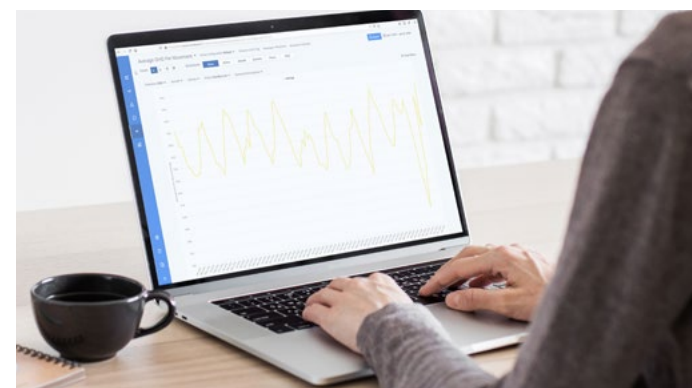


evs omnis

📍 190 sites

Market:

Mining & Industrial,
Waste & Wastewater



evs aviation

📍 161 sites

Market:

Airports



evs water

📍 2 sites

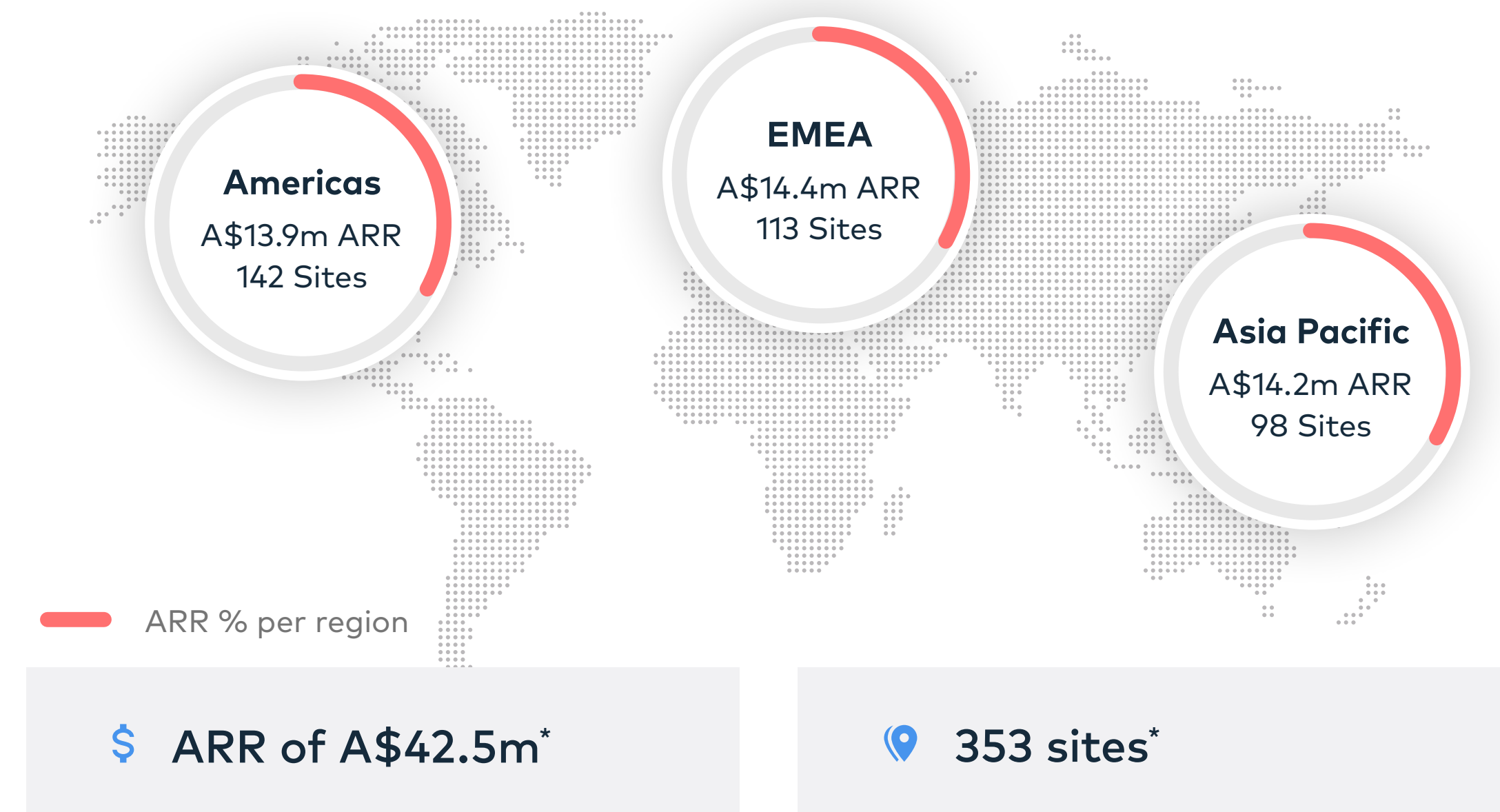
Market:

Water Treatment
(Launched November 2020)

evs instrumentation

IoT sensors, monitoring odour, noise,
vibration, dust & air quality

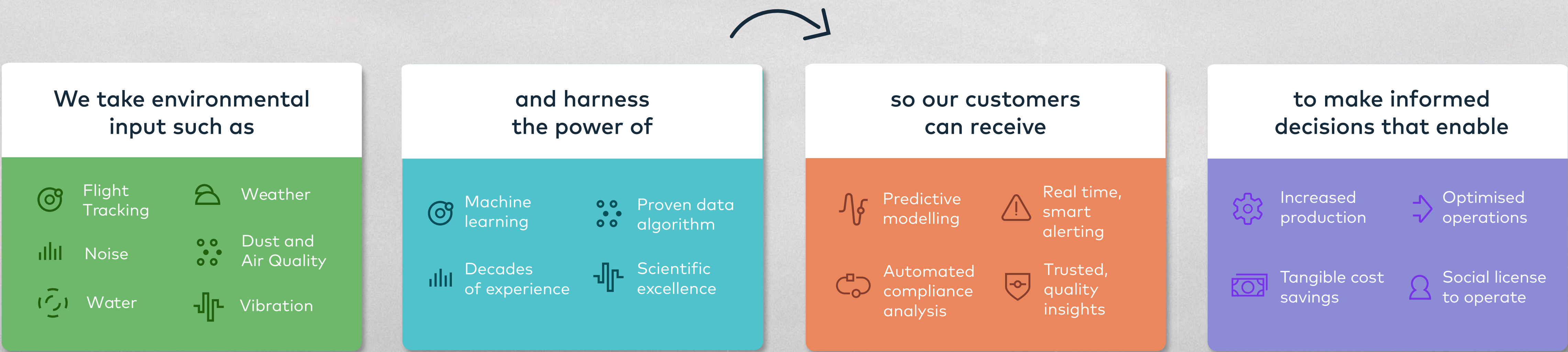
in three target regions:



Refer to Appendix for definition of terms

* Figures current as at 31 March 2021

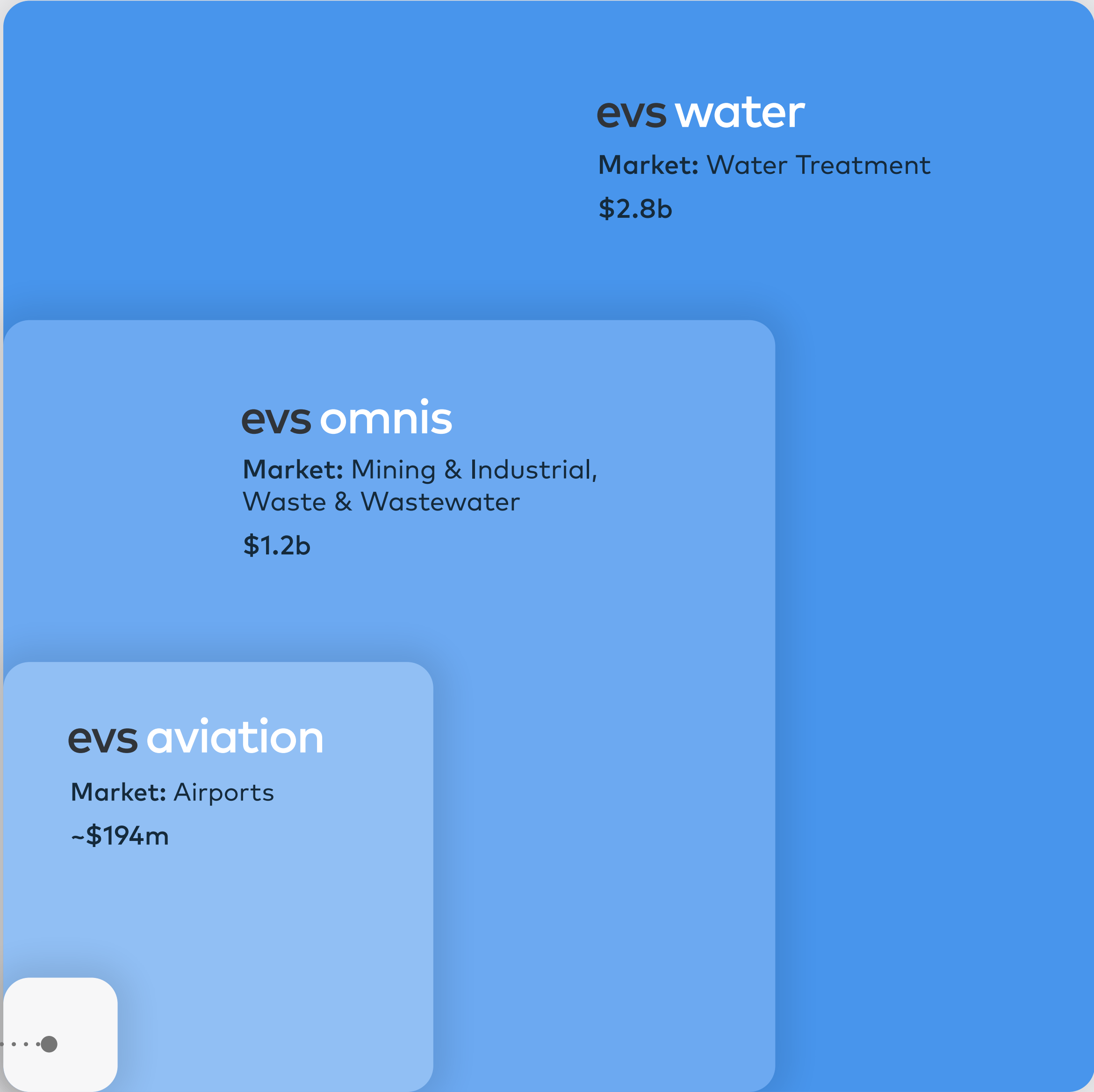
What is Environmental Intelligence?



Serviceable addressable market (SAM)

The SAM represents the size of the market that we serve with our technology and business model today. The diagram serves to present the growth potential of the company under current conditions, that is, offering the products that we have defined to our focus sectors.

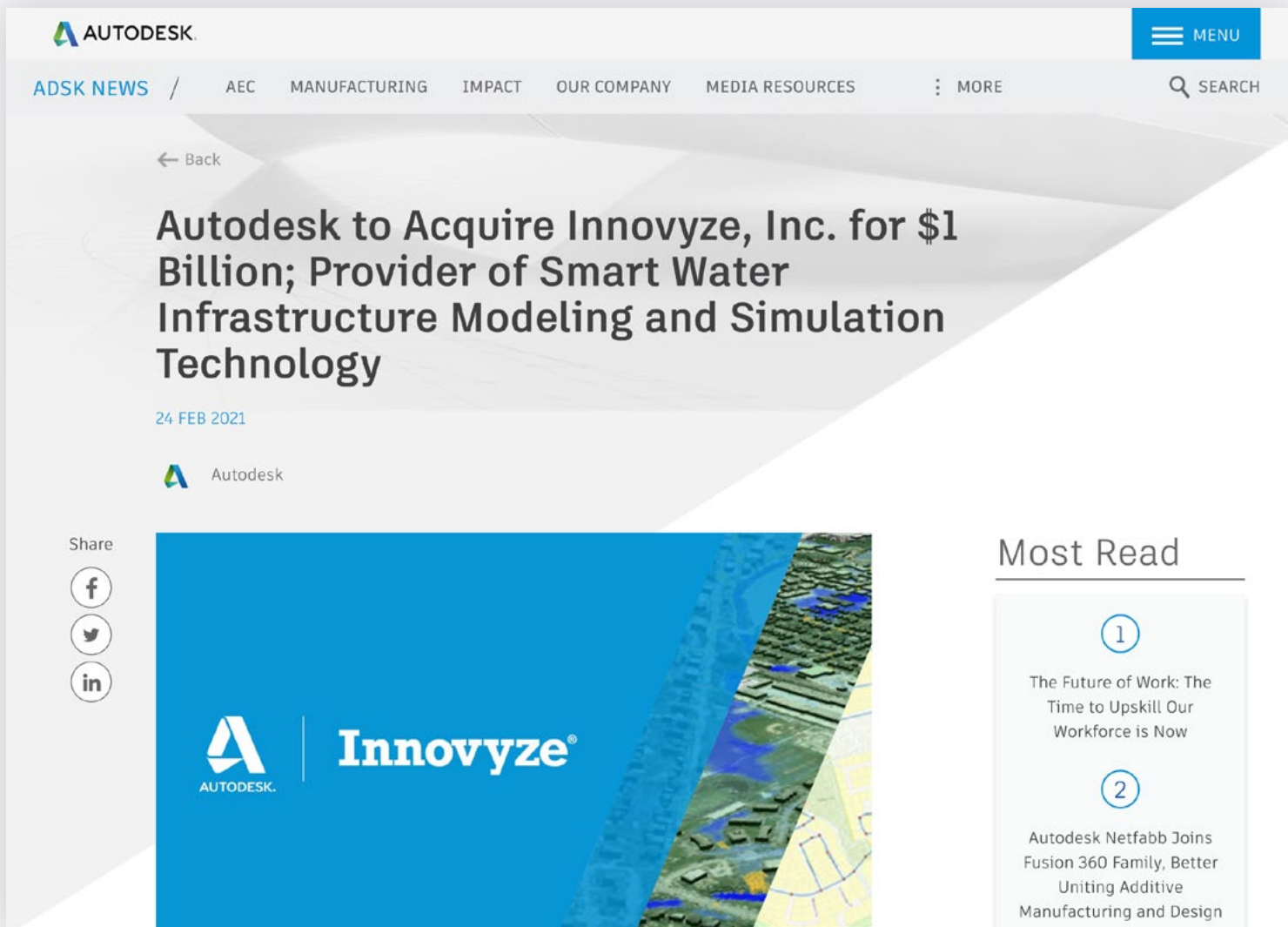
Current Envirosuite sites●
\$42.5m ARR



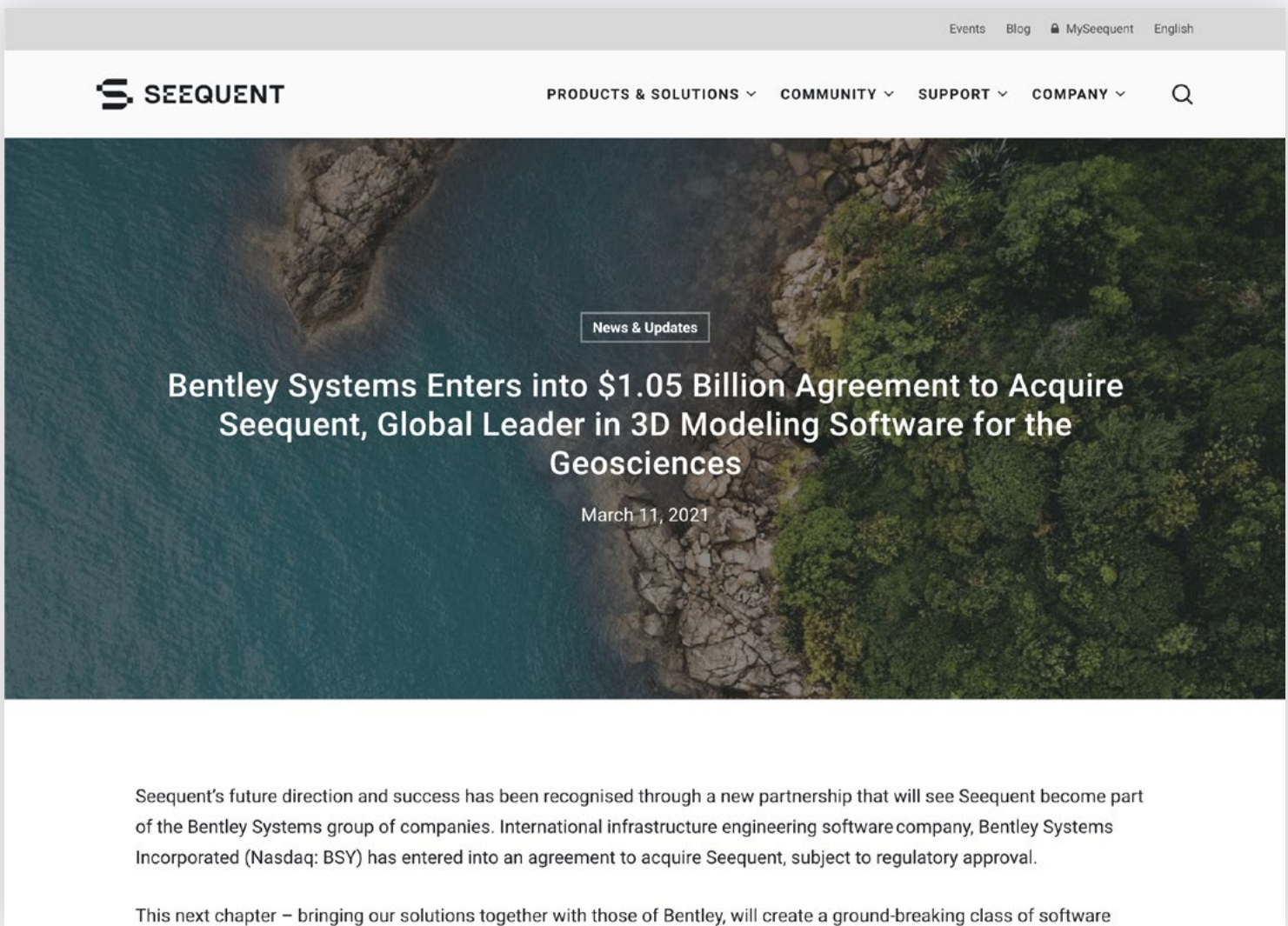
Current service addressable market across our product portfolio is ~\$4b

The smart water market is fast growing and shows signs of being the highest opportunity space within the focus sectors

Recent acquisitions and strategic partnerships have highlighted the increasing investment interest in the Industrial and Water sectors. Over the past five years, Bluefield Research has identified almost 675 water-related transactions for technology, equipment, and services companies ⁽¹⁾.



Feb 2021



March 2021



March 2021

EVS Business Advantage

- › **First mover**

A global first mover in Environmental Intelligence (EI) software and IoT

- › **Product Market fit**

Relationships with sector-leading customers that transition from transaction to enterprise

- › **Global Presence**

Established physical representation and operations in growth markets

- › **Switching barriers**

Deeply embedded into customer operations and their digital ecosystems

- › **Importance of Problem Statement**

Growing focus on environmental impact due to ESG, SDG and social licence to operate (refer to page 15 & 29)

- › **Low Churn**

Long-term customer relationships, approximately 2% churn

EVS Technology

- › **Product-led growth**

Focus on product as the main vehicle to acquire, activate, and retain customers

- › **Science built-in**

Highly complex scientific modelling across our technology

- › **Power of Machine Learning**

Embedded in our software to provide customers actionable insights

- › **Results-driven workflows**

Operational processes are embedded and automated enabling operational efficiencies

- › **Technology creates value**

Turning data into EI to help reduce risk, optimise operations and create a sustainable future

- › **Innovation through expertise**

In-house domain experts help drive innovation with real world EI experience



After the successful integration of EMS, we are continuing our transformation journey

Customer

- ✓ Commenced 'One Customer' program to create one end to end customer view uniting our data and systems to relentlessly focus on our NPS
- ✓ Appointment of Alberto Calderon (former CEO of Orica Group) in an advisory role to provide insights and advice, particularly in accelerating sales across Mining, Water and Wastewater

Technology

- ✓ Built out our new common AWS cloud landing zone including new security tooling across our product sets to increase release times, reduce costs, and shorten our innovation cycle
- ✓ First customer migrations to new AWS environment to occur in H1 FY22

Operating Model

- ✓ Consolidated our regional structure combining our South and North America teams, as well as our Asia Pacific team with China
- ✓ Commenced our offshoring of resources to lower cost locations in South America

Product

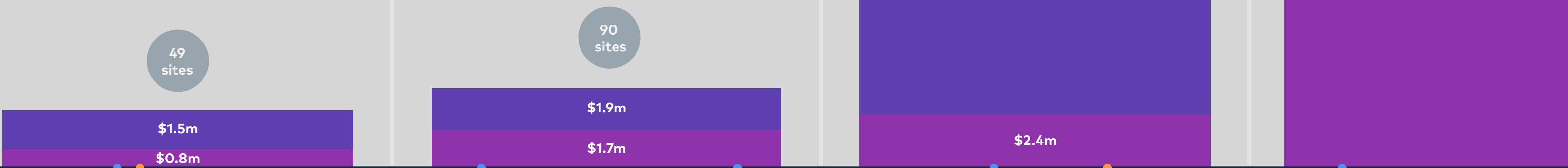
- ✓ Continuing our integration of our legacy Sentinel and ES2 products into Omnis, combining air, noise and water in one platform
- ✓ Released our new Airport Carbon product

Innovation

- ✓ Selected for Choose Paris Region's Urban Air Mobility (UAM) public acceptance program to help make transport in Paris Region both cleaner and more sustainable
- ✓ Selected as sub-contractor to provide noise monitoring technology for NASA's X-59 quiet supersonic flight community testing

Growing our Recurring Revenue Model

● Total sites¹
 ■ H1
 ■ H2



PRODUCT

ES2 (Now EVS Omnis) (Dec 2017)
 ES2 advanced to offer customers up to 7 modules to provide actionable insights, including Incident Intelligence, Source Identification, Blast Management and Impact Modelling.

Instrumentation (Oct 2018)
 eNose ambient released.

ES2 (Now EVS Omnis) (May 2019)
 New user interface created to accommodate large volumes of monitors over a large area.

EVS Water (Dec 2019)
 SeweX corrosion modelling licence purchased.

EVS Water (Aug 2020)
 AqMB acquired providing the core building block for EVS Water.

COMPANY

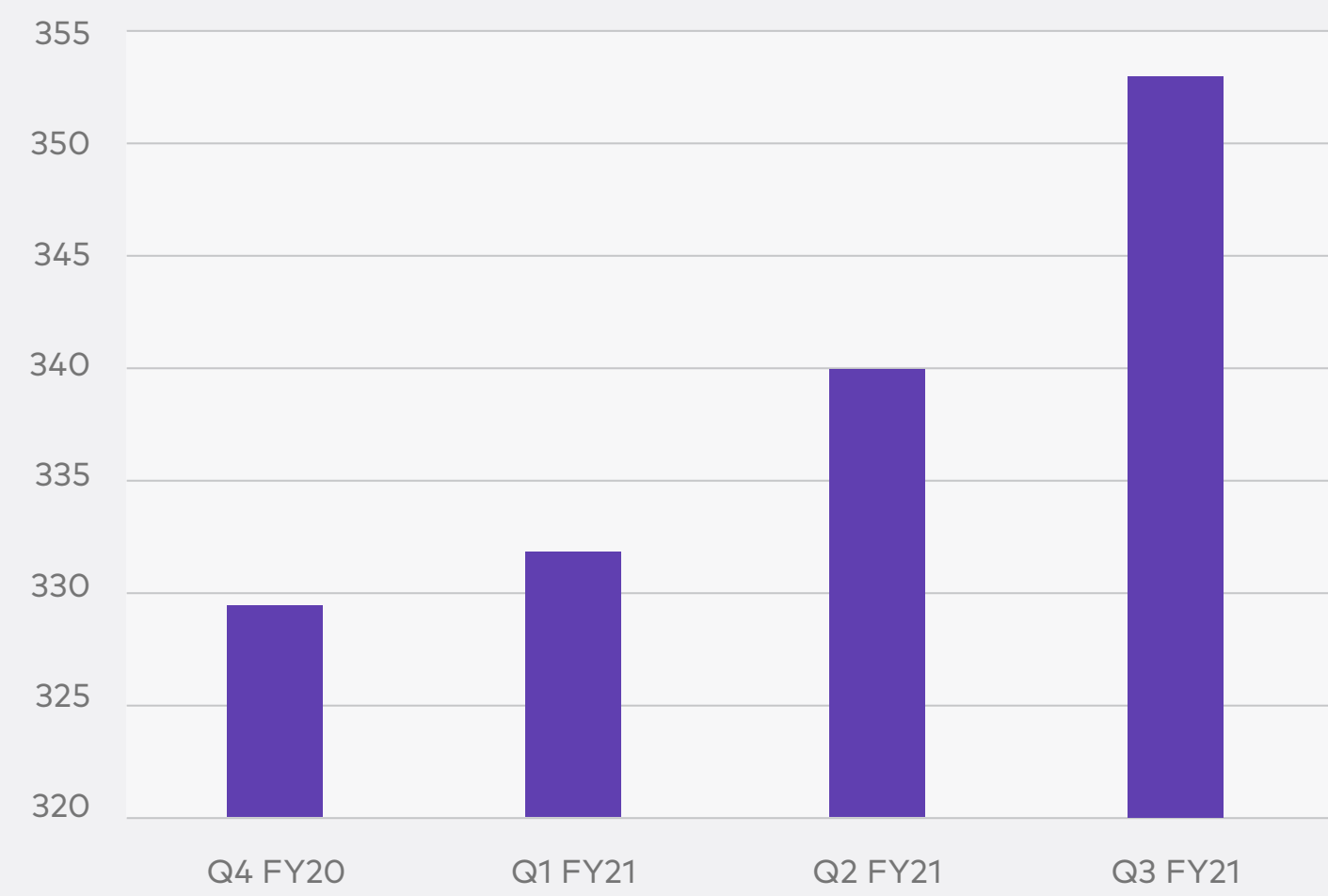
Pacific Environment Sale (June 2017)
 Consulting side of the business sold to ERM, in order for the remaining business to focus on developing out the technology offering.

Odotech Acquisition (Dec 2017)
 Odotech acquired to further develop odour software and eNose technology offering.

EMS Acquisition (Feb 2020)
 Envirosuite acquires EMS to become one of the global leaders in environmental intelligence.

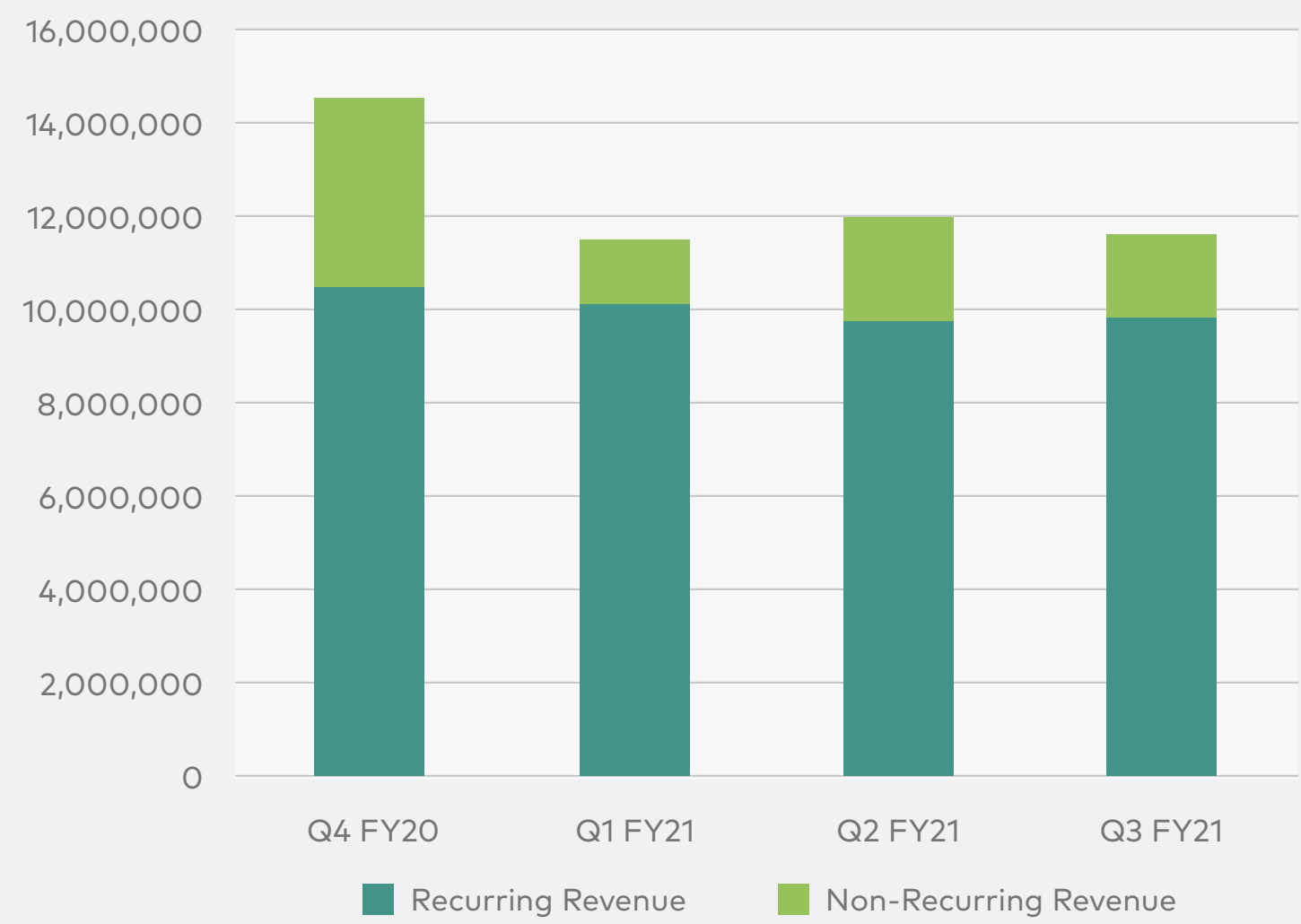
Financial Highlights

Total Sites



Total sites increasing with an increasing number of new sites being added each quarter.

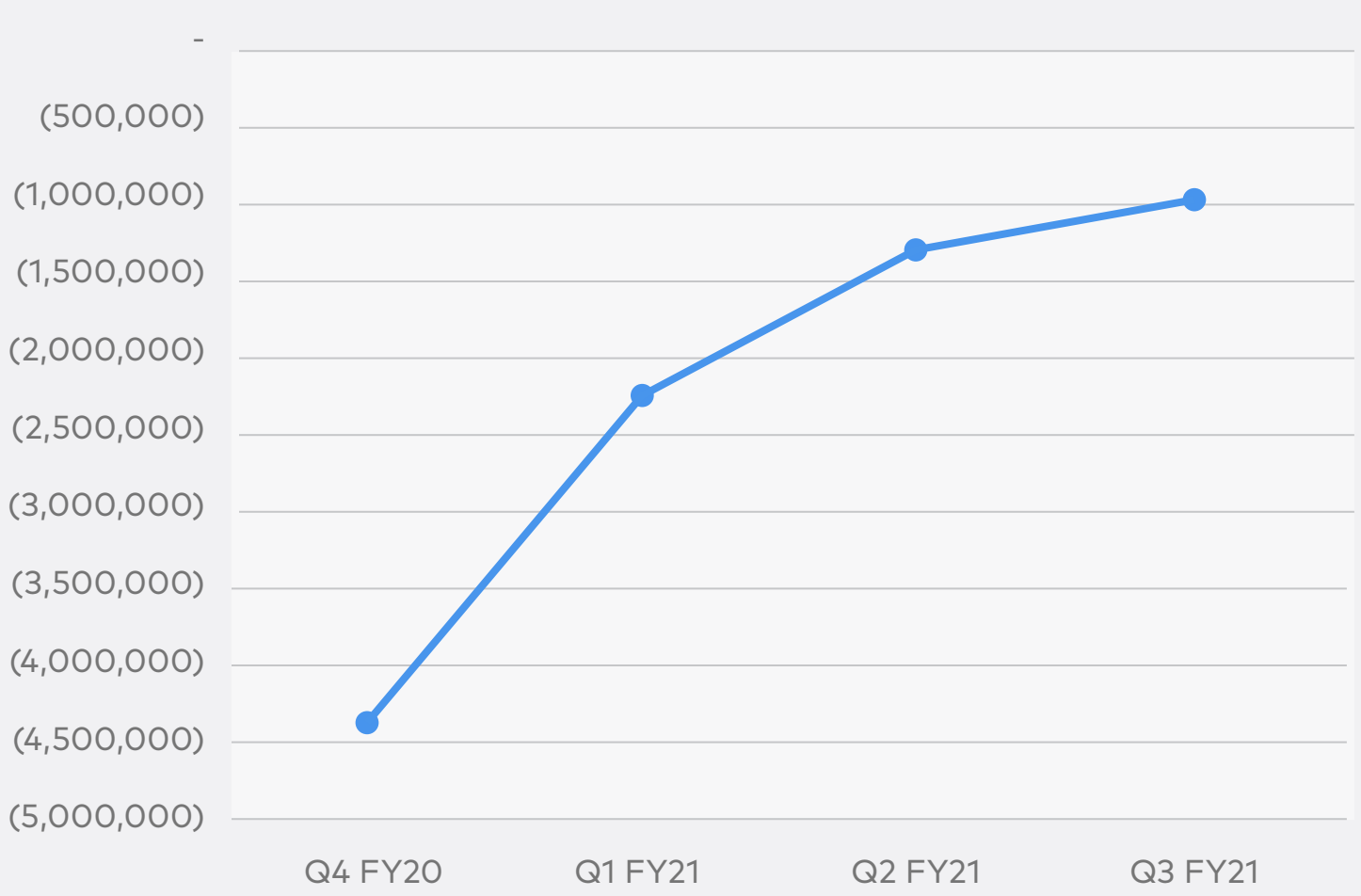
Revenue



Revenue growth from new ARR offset by discounts offered to Airport customers to support them during COVID, as well as the impact of appreciating AUD against USD (EVS generates over 2/3 of its revenue outside of Australia).

Non-recurring revenues also negatively impacted by airport customers deferring project work as a result of COVID and reduction in expected project-based revenue from China operations.

Adjusted EBITDA



Despite negative impacts on revenue due to discounts and an appreciating AUD, Adjusted EBITDA has improved quarter-on-quarter.

Outlook

FY21 Outlook

Adjusted EBITDA loss of \$5-6m with H2 being improved over H1 and expected to be positive in Q4 from increase in non-recurring revenue. Non-recurring revenue of approximately \$8m with H2 forecasted to be improved on H1.

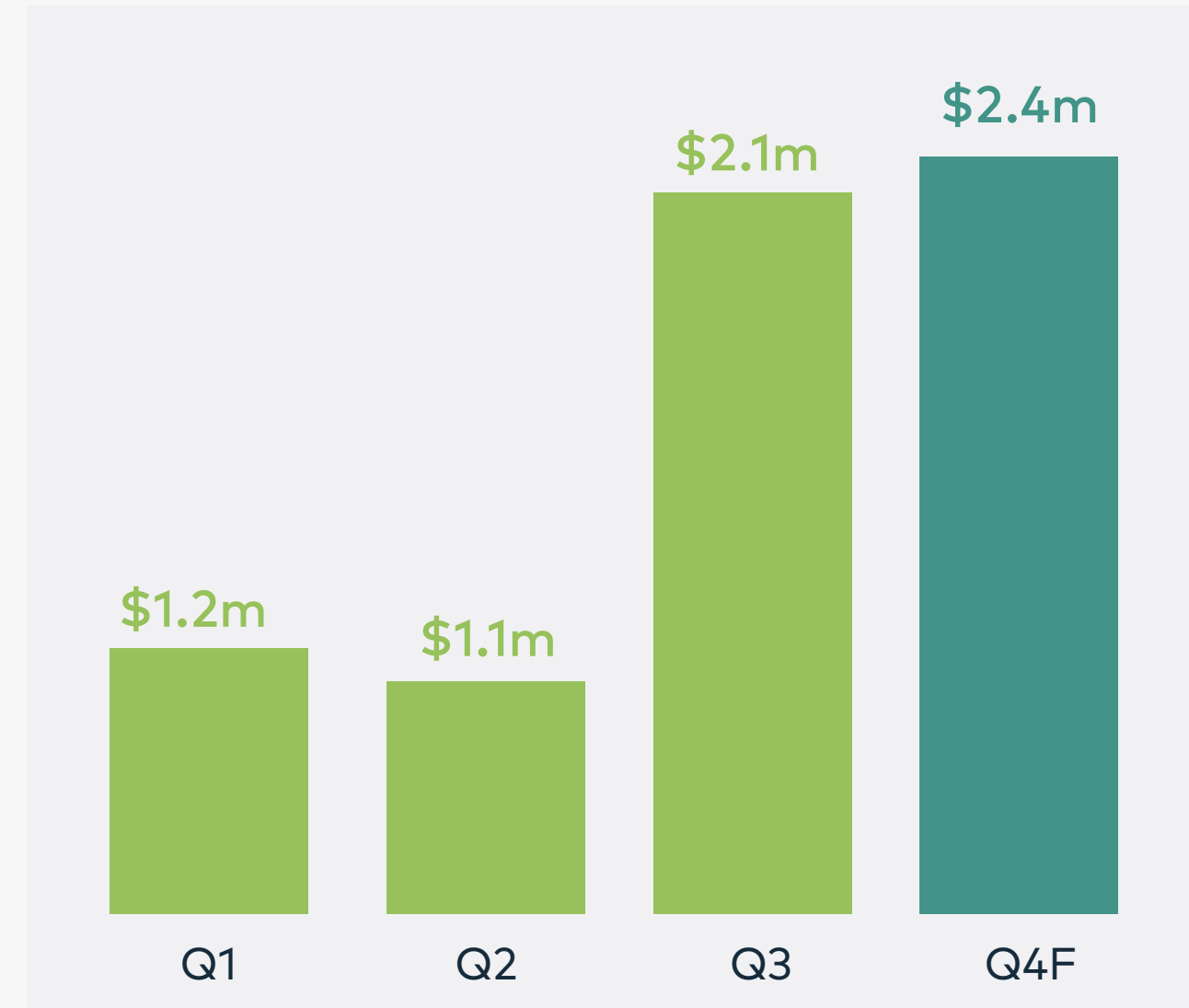
Recurring revenue for H2 slightly up on H1 as positive impact of growth in ARR and discounts granted to Airport customers in prior periods being partially unwound are offset with negative impact of the continued appreciation of AUD on the translation of EVS's foreign currency revenue and timing of new deals won (most new ARR wins came in at the end of the quarter).

FY21F

Recurring revenue	\$40-41m
Non-recurring revenue	~\$8m
Total revenue	\$48-49m
Adjusted EBITDA (loss)	(\$5-6m)

New ARR Sales Orders

- Q3 ARR sales orders of \$2.1m was in-line with previous half-year outlook.
- Management reconfirms forecast for Q4 though reliant on timing of closing small number of larger ARR deals.



Risk Factors on Outlook

- Timing of orders and delivery on non-recurring project work.
- The impact of foreign exchange including the negative impact of strengthening AUD on the translation of foreign currency revenue.
- The duration and severity of the COVID-19 pandemic in particular on the Airports sector. As the period of reduced flight traffic including international flights continues, the Group's recurring revenue base remains exposed to potential additional discounts or lengthening of the period over which discounts are offered.

Envirosuite's four key strategic focus areas

1. Accelerate growth through Customer Acquisition

- › Introduction of globally aligned sales process based on proven SaaS value selling model
- › Differentiated value proposition (per sector) focusing on operational improvement and margin improvement for customers
- › Targeted and focused customer profile in selective markets: Aviation, Mining, Waste, and Water
- › Acceleration of growth in the North America market

2. Expedite Product Innovation

- › Launch an integrated EVS Omnis, the most comprehensive Environmental Intelligence solution combining noise, vibration, air, water, dust and odour capabilities into a single platform
- › Full cloud capability for all product offerings
- › Accelerated development of the EVS Water products

3. Scalable Business Model

- › Migrate our applications into a single cloud provider for scale and innovation
- › Optimise our labour and location mix to leverage our indirect and overhead cost base
- › Drive consistency in our global operations to reduce our order to revenue time

4. Customer Success Program

- › Expansion of Envirosuite Customer Success program focused on customer engagement and product adoption
- › Environmental Intelligence Service to accelerate customers digitisation
- › Focus on customer product adoption and improve product innovation cycle through closer customer relationships

Expediting our product roadmap to increase our capabilities on a global scale

Envirosuite is raising \$14m of additional capital (\$13m net of transaction costs) to accelerate its investment into growing underlying sales in the EVS Omnis and Water product group and strengthen its balance sheet to fund transformation and working capital as the company grows. This includes:

Strategic Objective	› Accelerating the development and distribution of EVS Water to take advantage of this market and increase sales velocity.			› Expediting our product roadmap to increase our capabilities on a global scale and meet the needs of our valuable customers.		› Investing into the North American region to grow our market position.		› Improving our operating model through investment into transformation projects that will significantly improve the delivery and support cost structure, thereby improving our gross margins.		› Strengthening the balance sheet to support the growth in underlying sales.	
	\$8 Million							\$5 Million			

A global and accelerated shift toward solving environmental challenges

Environmental risks are peaking

3 out of the top 5 global risks are led by extreme weather ⁽¹⁾

Coexistence is the new norm

By 2025, there will be 33 mega cities and 21 mega regions globally ⁽²⁾

Global water infrastructure is critical

USD \$1.9 Trillion required to address shortages by 2030 ⁽³⁾

Air pollution kills ~7 million per year

9 out of 10 people breathe air that contains high levels of pollutants ⁽⁴⁾

Both Environment, Social & Governance (ESG) and the Sustainable Development Goals (SDGs) are driving focus on positive contribution and accountability from industry.

Refer to Appendix for definition of terms and references

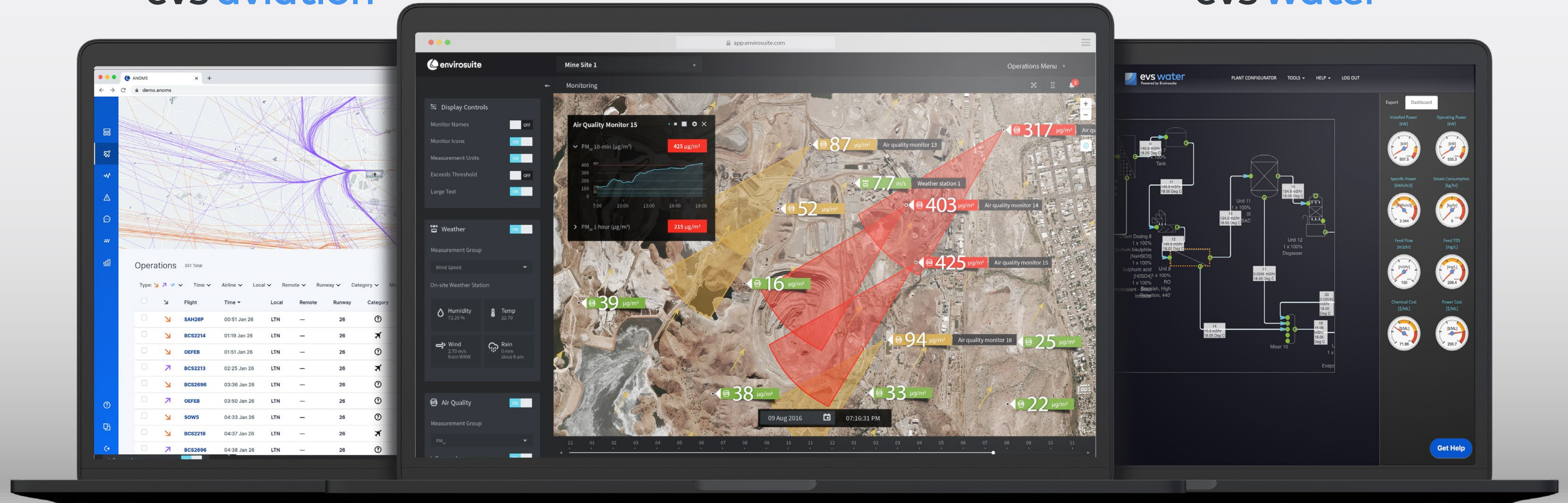
ENVIROSUITE'S COMPETITIVE ADVANTAGE -

One of the world's most innovative Environmental Intelligence companies

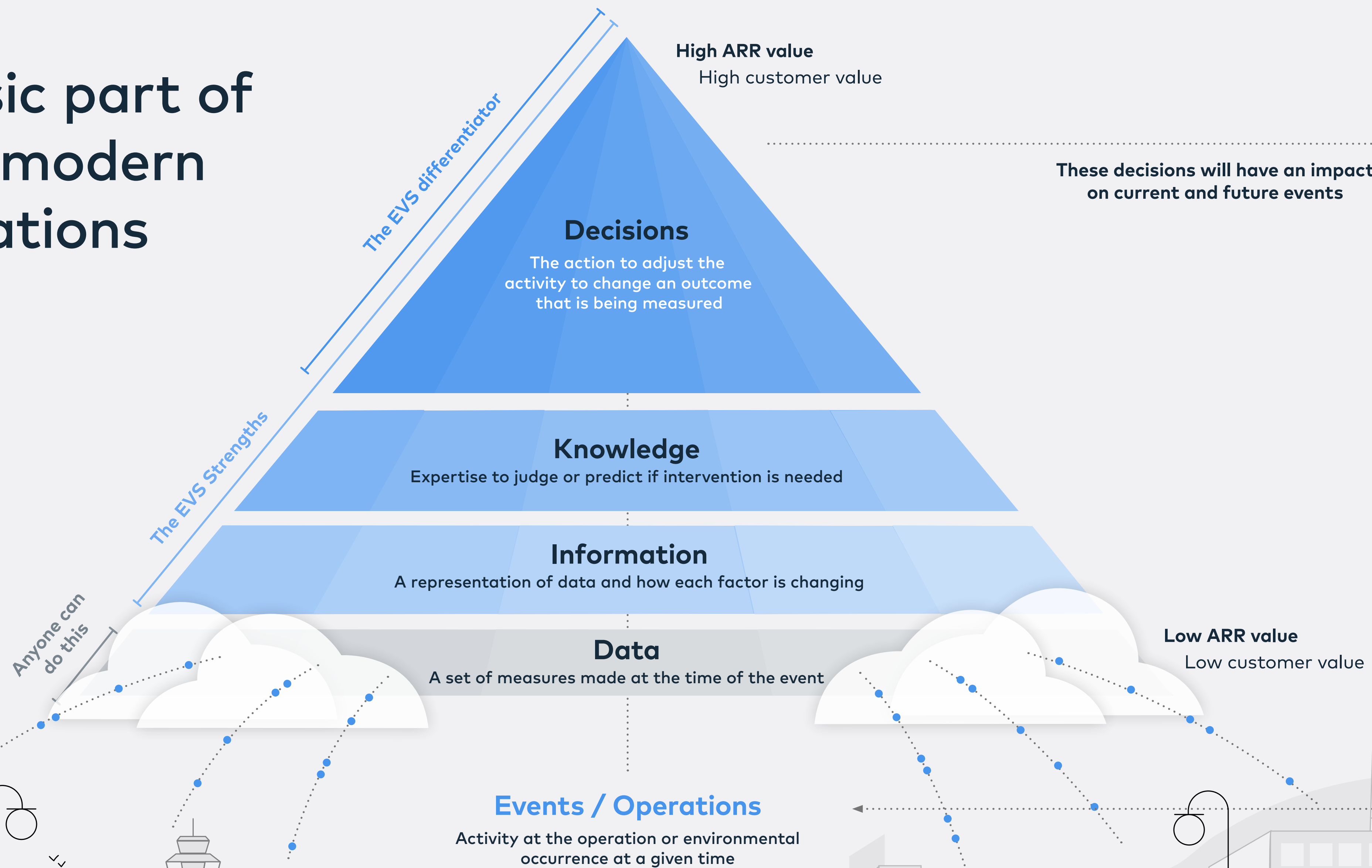
evs **omnis**

evs **aviation**

evs **water**



An intrinsic part of efficient, modern day operations





Value Proposition

A product suite to help inform decision making, support social responsibility, and unlock growth through world class scientific models and data intelligence.

Core benefits

- > **Social Responsibility**
Using proven scientific models, we aim to minimise the impact on local communities while encouraging operational growth and efficiency for asset operators.
- > **Operational Efficiency**
We understand the environmental responsibilities that our customers uphold and what this means if they are breached. Omnis products aim to get the most out of every day as even a small uplift can significantly increase their financial position.
- > **Comprehensive Situational Awareness**
An unknown cause of a breach is costly and can be detrimental to an operation. Unique modelling algorithms use local and global weather data alongside observed site-specific data to identify areas of concern.

📍 190 client sites
💰 ~\$1.2b SAM (ARR)

\$13.0m ARR	4.6% Churn %
\$68,300 ARPS	\$610,365 CLTV

* Figures current as at 31 March 2021

👥 Customers

Anglo American	Thames Water	Fortescue Metals Group
Vale	Veolia	BHP

🔗 Omnis Strategy

- > Land, expand and scale
- > Growth in North America
- > Focus on Waste, Wastewater and Mining



Challenges faced by mining operations

evs **omnis**

Dust management

There are constant challenges keeping site-generated dust - from haul roads, material handling activities, blasting and wind action - within regulations, especially in variable weather conditions. Breaches can result in significant fines, and repeated breaches can bring more serious repercussions from regulators and communities.

Noise impacts

Forecasting the impact of noisy operations is very difficult and errors can lead to community complaints and investigation by regulators. The same operations performed in different weather conditions will have different impacts, making on-the-run management difficult. Curtailing operations unnecessarily could cost a mine many thousands of dollars a day.

Data management

Mines collect real-time dust, water, noise and other data 24 hours a day, 7 days a week. To satisfy regulators, the data needs to be accessible, reliable and reportable at a moment's notice for up to 5 years in the past.

Impact mitigation strategies

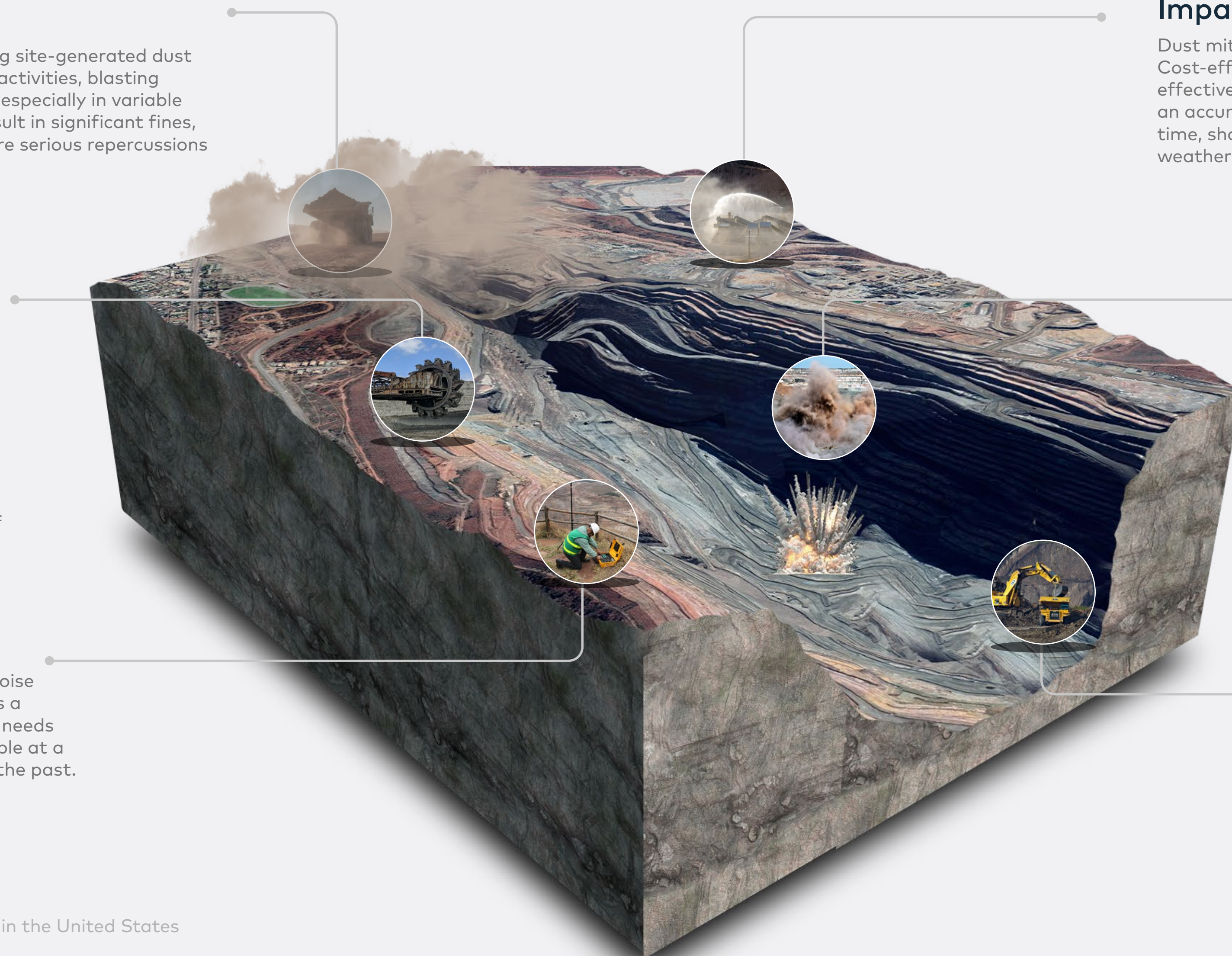
Dust mitigation can be a very costly exercise. Cost-effective deployment of resources for effective mitigation demands that operators have an accurate view of site-wide dust levels in real-time, short-term operational plans, and accurate weather and dust forecasts.

Blast safety

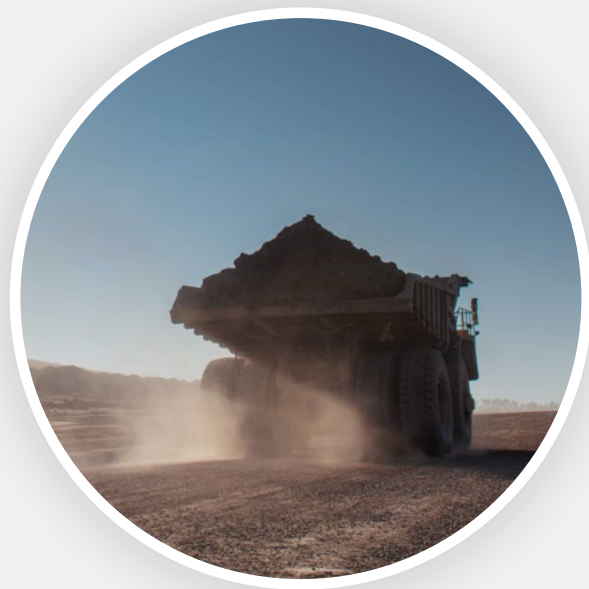
Miscalculated blasts have resulted in workers being hospitalised due to blast fume inhalation or damage to buildings and reputation within the community, eroding the mine's social licence to operate. Weather conditions are critical to predicting blast effects.

Operational efficiency

Planning mine operations for optimal efficiency while avoiding regulatory breaches can be very costly if weather forecasts are not accurate. Any drop in efficiency and therefore output can have a huge effect on revenue. Accurate hyper-local weather forecasting minimises the chance of expensive weather-related errors.



Envirosuite in Mining across the value chain



Events

Identify events early so you can make proactive decisions to mitigate the risk and be on the front foot.



Data

Millions of real-time data points collected for dust, water, noise and other parameters every day securely stored and instantly accessible.



Information

Identify, mitigate and report on compliance breaches and community complaints.

Provide defensible information to build and maintain trusted relationship with stakeholders to protect and strengthen social licence to operate/expand.



Knowledge

Continuous monitoring and predictive modelling technology, empowers operators to proactively manage compliance and stakeholder engagement (regulators, community) while optimising operations and minimising environmental impacts to productivity. Improvements in these areas can positively impact the ESG ratings of our customers.



Decisions

Our innovative platform helps operators take bold action to reduce emissions, protect public health and build social licence.

evs aviation

Value Proposition

The world's leading comprehensive airport environmental management solution. Deep analytics on top of rich datasets deliver insights that reduce environmental impact, while improving operational efficiency.

Core benefits

- **Social Responsibility**
Achieve compliance with noise abatement procedures to reduce community annoyance and noise complaints. Ensure social licence to operate with credible and transparent environmental data.
- **Compliance and Policy development**
Accurately monitor flight tracks and procedures to increase compliance rates and develop future policies.
- **Support Airport Optimisation and Expansion Planning**
Apply best practice and emerging research to support airport optimisation and expansion planning.

📍 161 client sites
💰 ~\$194m SAM (ARR)

\$29.4m ARR	1.4% Churn %
\$182,800 ARPS ¹	\$5,294k CLTV

* Figures current as at 31 March 2021

Customers

Port Authority of New York and New Jersey	LAWA	Aena
Airservices	Heathrow Airport	Amsterdam Airport Schiphol

Aviation Strategy

- Support and maintain valuable customer base
- Support global "COVID-return"
 - increased community concerns
 - reduced staffing
 - new capital projects
- Provide knowledge in light of growing climate concerns



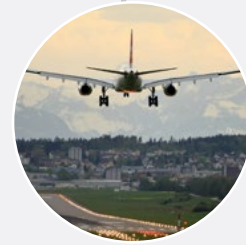
Refer to Appendix for definition of terms

Challenges faced by Airports

evs aviation

Procedure Compliance

Sophisticated monitoring of how and where aircraft operate is required for: regulatory compliance, to work with airlines to improve compliance rates and to reduce community exposure to aircraft noise.



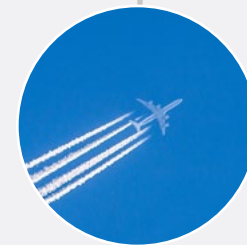
Optimisation

Improve runway capacity and operational resilience to disruptions to reduce flight cancellations and the associated costs to airlines. Ensure infrastructure investments deliver on envisaged capacity by having the right information during design. Minimise disruption from development by understanding how the airfield is used. Monitor compliance with contractual commitments for aircraft handling.



Net Zero

Europe's aviation sector has unveiled a plan to decarbonise by 2050⁽¹⁾ and must show real progress via operational improvements before technology solutions are available. Airports need to work with stakeholders to reduce impacts and communicate what is being done.



Airspace Redesign

Airspace redesign will reduce greenhouse gas emissions, deliver more capacity and enable options to balance noise exposures. Airports need the right tools to communicate and broker the conversation between the community and industry to ensure informed consent and correct expectations.

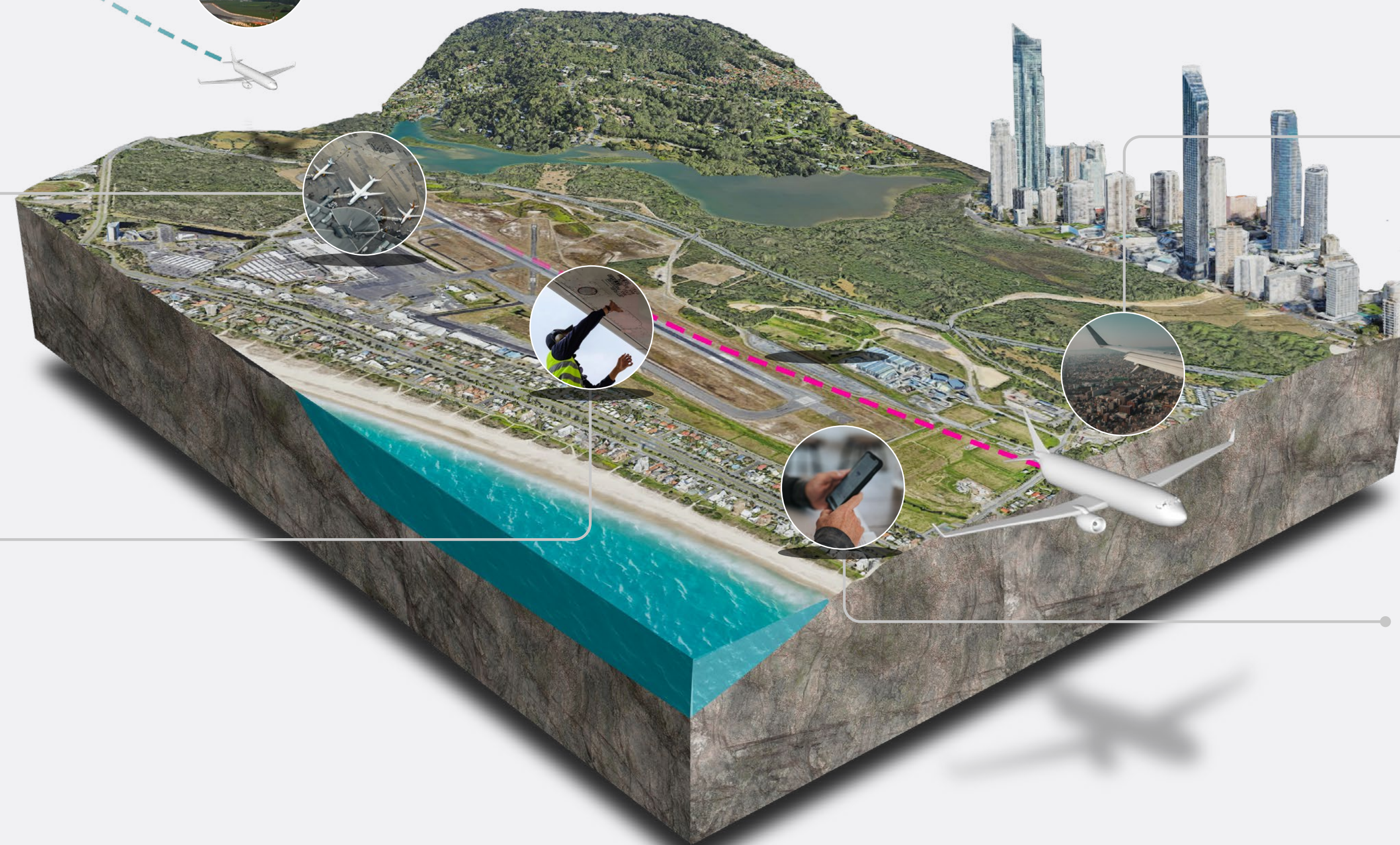
Environmental Capacity

To build a social license to grow, Airports need to develop community trust through transparent, accurate and understandable communication. Incorrect expectations or misunderstood data can result in operational restrictions on hundreds of millions of asset investments.



Reputational Loss

If Airports fail to manage compliance, they can be hit with fines, further restrictions and reputational loss.



Envirosuite in Aviation across the value chain



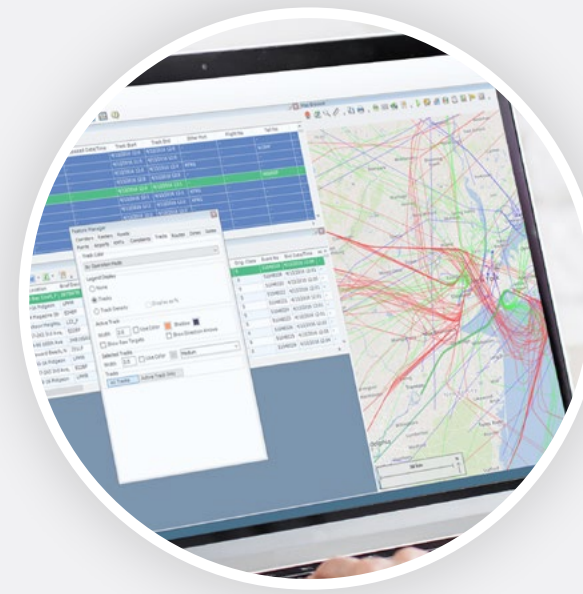
Events

Weather, takeoffs, landings, non-airports noise activities are all critically important for airports, both operationally and to the community as each can impact runway direction, where aircraft fly, and how noise is perceived on the ground.



Data

Data for Airports is the combination of flight tracks of all aircraft, flight information, aircraft information, weather and real-time noise data points.



Information

Airports need to be flexible to meet the demands of the airlines and ultimately the consumer and therefore need to increase movements to increase productivity.

- Noise and flight track monitoring
- Data grooming, reporting and noise contour studies
- Runway occupancy, dwell time and bottlenecks
- Web-based visualisation of airport noise and flight tracks for the community



Knowledge

Workflows enabling the core airport noise office activities.

Identify opportunities to increase runway throughput, identify bottlenecks, reduce taxi times.

Improving capacity, operational stability and resilience.

Enabling better scheduling of pavement maintenance activities to reduce disruption and cost, to ensure effective pavement management.



Decisions

Our solutions allow Airports to track, analyse and optimise the use of these routes to ensure the current asset is optimally utilised, whilst also providing comparative what-if style analysis to compare potential changes.

Value Proposition

EVS Water is a cloud-based solution, that uniquely combines machine learning and digital twin technology to reduce operating costs, predict and avoid water quality incidents and design water and wastewater treatment plants more efficiently.

Core benefits

- **Reduce Energy and Chemical Costs**
Target >20% ongoing operating savings with predictive plant optimisation based on a unique combination of process modelling and machine learning, delivered in real-time.
- **Avoid Environmental Incidents and Asset Failure**
Pinpoint potential regulatory breaches and asset failures before they occur and recommend plant settings to avoid or minimise environmental impacts, regulatory penalties and business disruption.
- **Design Treatment Plants and Networks Efficiently**
Increase margins and improve delivery times with easy-to-use software, collaborative design tools and automated scenario analysis, rapid calibration and integrated engineering deliverables.

🚀 Launched November 2020
\$ 2.8b SAM (ARR)

\$0.1m ARR	n/a Churn %
\$31,500 ARPS	n/a CLTV

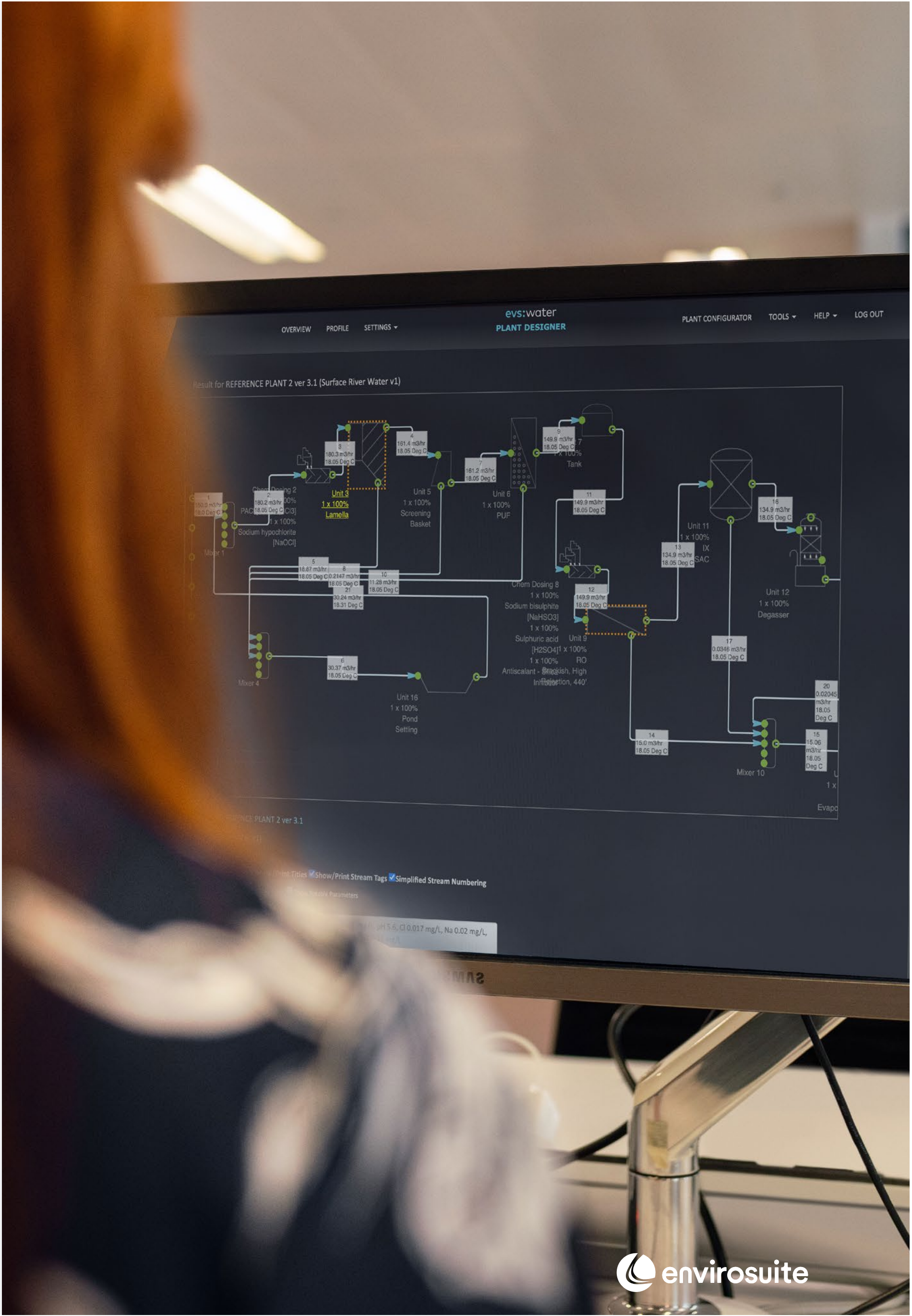
* Figures current as at 31 March 2021

Customers

GHD	Universidad Metropolitana	Queensland University of Technology
UNSW Sydney	WaterWorks Engineers	

Water Strategy

- Expand with new focused sales team
- Leverage existing water utility relationships
- Growth in North America



Challenges faced by the Water industry

Complex Treatment Processes

Treatment plant technologies are selected and sized on assumptions and information around water quality and capacity that may change over time. As facilities age, operating conditions required to maintain regulatory compliance may also change and some treatment processes become more difficult to manage. Day-to-day variations in feed water quality can impact plant performance and may lead to significant reactive maintenance costs and downtime at the plant if the potential issues are not identified and proactively mitigated.

Optimising an operation or responding to a water quality incident is a reactive process by engineers or operators who rely on their domain expertise and the information collected from a variety of sources, usually after the event has occurred.

Odour Management

The operation of treatment plants may involve the release of malodorous substances into the atmosphere with the potential to reduce the quality of life of people living nearby, including hydrogen sulphide (H₂S) and/or ammonia (NH₃), chlorine (Cl₂), ammonia, hydrocarbons and a variety of volatile organic compounds. Local weather conditions can intensify the impacts of odours and how far they travel. Depending on the level of impact and the response by the community, these emissions can lead to community complaints, disruptions to operations and/or financial penalties.

Operational Efficiency

Utilities are under increasing pressure to operate more efficiently. Various capital-intensive and disruptive approaches are available, but the benefits of more efficient day-to-day operation are difficult to identify and evaluate.

Social Reputation

As water becomes increasingly scarce and valued, community and regulatory expectations surrounding environmental management become more stringent. Environmental incidents are often high profile and expensive in terms of managing reputation and the penalties for non-compliance.

Odour Impact Control

As communities grow, ageing infrastructure built on the outskirts of communities has gradually moved within buffer distances designed for odour control. Facing regulations that continue to increase in stringency and communities that continually demand more from industry and regulators, businesses have increased expenditure on control and tracking of odour impacts.

Plant Design Processes

The design process is repetitive and slow, particularly in water treatment and industrial treatment, where spreadsheets are often still used for process design.

While process design tools are available, they are not designed for collaborative or rapid design, or may be expensive mathematical simulation tools that are re-purposed for process engineering design purposes.

Engineers are facing a highly competitive market, with fixed price contracts and aggressive timelines for the design phase and are seeking ways to deliver their process designs more efficiently.



Envirosuite in Water across the value chain



Events

Managing and operating ageing water treatment infrastructure typically relies on the experience and specialist skills of plant operators and staff, with limited resources for identifying cost savings and process improvements.



Data

Highly accurate modelling approaches take in periodic laboratory sampling and SCADA/operational data.



Information

EVS Water helps focus operators on activities that deliver higher value results.

Captures operating and financial targets as defined and track progress in real-time.

Helps manage and operate ageing water treatment infrastructure.

Records historical and forecast plant performance for all key variables.

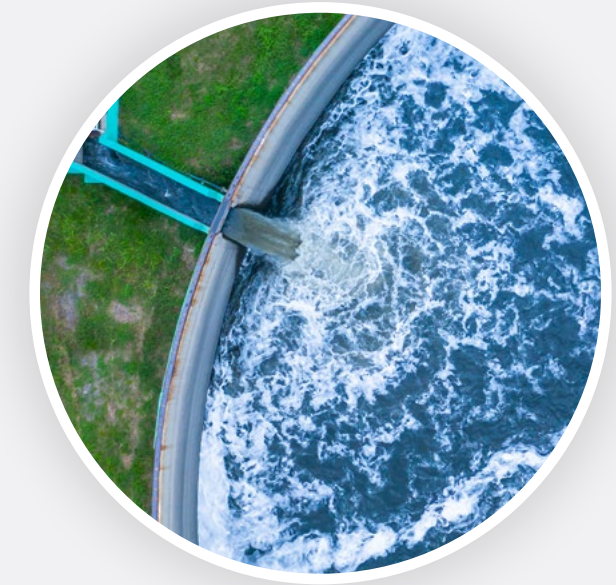
Provides clear performance advice.



Knowledge

EVS Water is an innovative cloud-based solution, combining artificial intelligence and modelling technology to predict and avoid water quality incidents, while identifying process improvements and cost savings for facilities in real-time.

- Machine learning with leading modelling technology forecasts potential incidents and recommends plant settings hour-by-hour over the next 24 hours
- Forecast deviations from operational and environmental goals
- Predict incidents before they occur and recommend appropriate changes



Decisions

With digital twin technology, visualise how the system operates to facilitate accurate, fact-based decisions.

Optimise plant operational performance, based on a comprehensive modelling library integrated with machine learning.

Hour-by-hour forecasts for an upcoming 24-hour period, advises of the optimal plant settings to achieve operational and water quality goals, reducing energy and dosage costs without sacrificing performance.

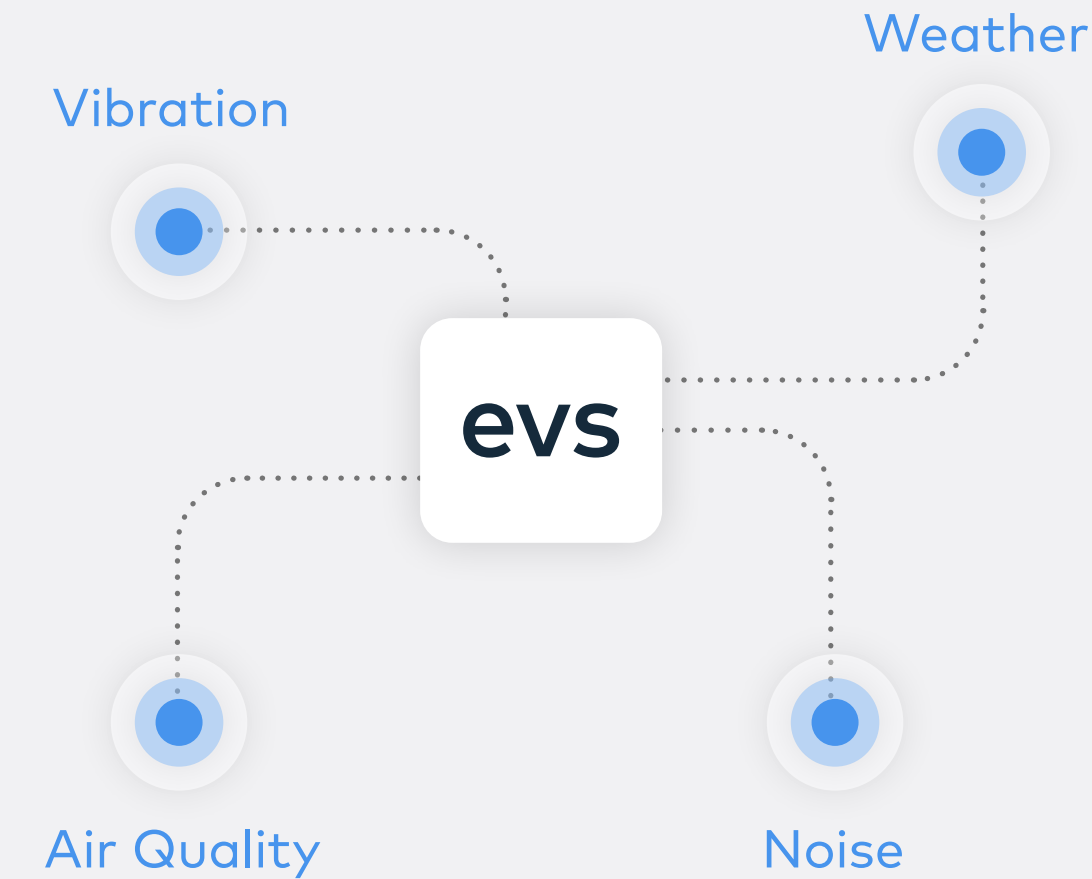
Achieve optimal conditions while satisfying regulatory and permit requirements.

evs instrumentation

Family of IoT devices developed by EVS focused on differentiated offerings which are targeted to complement our product suites and target markets.

Value Proposition

Unique monitoring instrumentation developed through years of experience and acquisitions, which enables and facilitates the capture of rich, accurate, site level data that seamlessly integrates with the EVS product suite.



eNose Ambient V2

- › An integrated sensing unit, solar power and communication unit
- › Holding a selectable combination of sensors with outputs processed with Envirosuite's proprietary algorithms into the measurement



Environmental Monitoring Unit - Data logger

- › High quality precision measurement data logging and computation, is IP67 and connected via 3G/4G/Wifi
- › Supporting noise, weather, ground vibration and blast overpressure measurement all-in-one, plus supporting simultaneous weather station connectivity



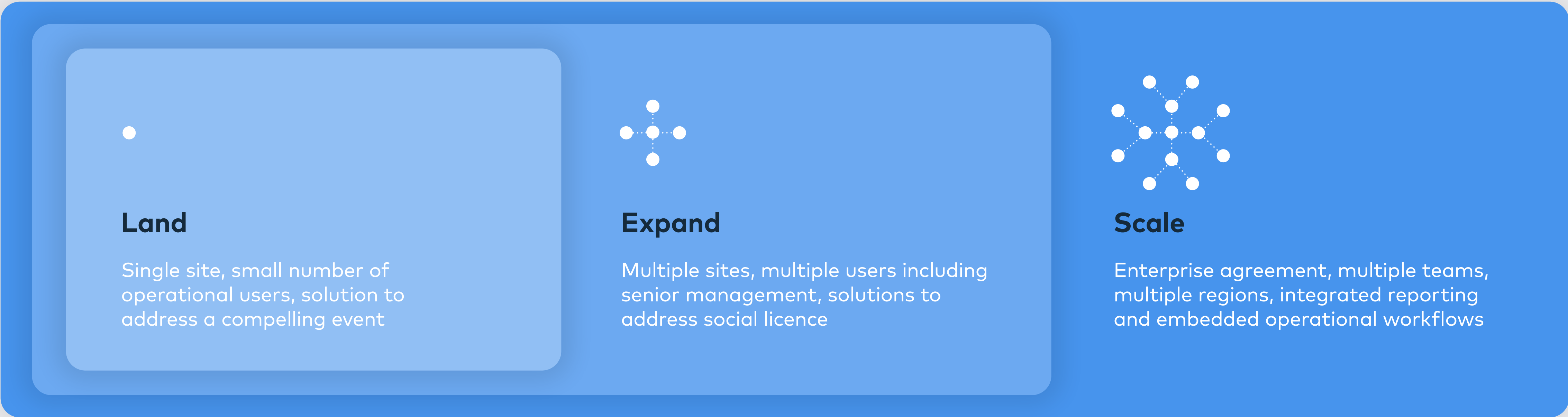
VMT – Triaxis geophone



NMT – AU-2000

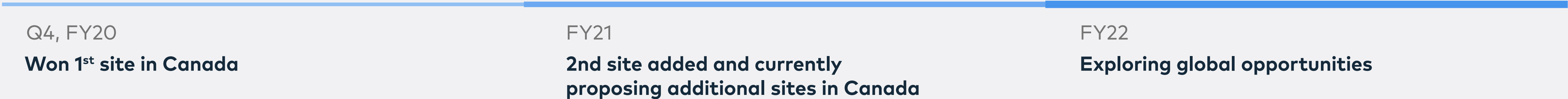
Our sustainable, long-term growth strategy

Build long-term customer relationships and reduce the cost of acquisition by shifting customers from initial project to multi-site or an enterprise agreement.



Teck

Teck is an example of this strategy in action. They were named 2021 Global 100 Most Sustainable Corporations and Best 50 Corporate Citizens (1)



Envirosuite supports industries address both ESG criteria and SDG goals

ESG:



Environment

Includes energy consumption, waste discharge, resources, carbon emissions, climate change and a company's affect on the environment and its surroundings.



Social

Addresses the relationships a company has and the reputation it fosters with people, institutions and the communities where it does business, plus employee relations, diversity and inclusion.



Governance

Is the internal system of practices, controls, and procedures a company adopts in order to govern itself, make effective decisions, comply with the law, and meet the needs of external stakeholders.

SDG:



Industries have to act and invest in environmental management now

The post-pandemic investment landscape is set to place greater value on ESG disclosures, which ideally positions Envirosuite for growth

Urbanisation

68% of the world population projected to live in urban areas by 2050, says UN⁽¹⁾

Digitisation

USD \$6.8 trillion projected value of direct investments in digital transformation between 2020 and 2023 ⁽²⁾

Policy

The Biden administration has advanced sustainable investment and released a USD \$2.3 trillion infrastructure plan to address water systems, clean energy and climate research⁽³⁾

Social Licence

Social licence to operate is the #1 business risk for mining and industrial⁽⁴⁾

Key Offer Details

Offer Size and Structure

- Equity raising of approximately A\$14 million comprising a non-underwritten institutional placement of approximately 94.1 million new fully paid ordinary shares in EVS (New Shares) to raise approximately \$8 million (Placement) and a 1-for-14.5 non-underwritten pro rata accelerated non-renounceable entitlement offer to eligible existing shareholders of approximately 70.9 million New Shares to raise approximately A\$6 million (Entitlement Offer), (together, the Offer)
- Under the Entitlement Offer, eligible shareholders have the opportunity to subscribe for 1 New Share for every 14.5 existing EVS shares held as at the Record Date (7.00pm on Wednesday 26 May 2021)

Offer Price

- A\$0.085 per New Share representing a 19% discount to the last closing price of \$0.105 on 21 May 2021 and 16.9% discount to TERP¹

Offer Details

- Approximately 165 million New Shares to be issued, representing 16.1% of existing shares on issue
- The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable
- The Entitlement Offer comprises an accelerated Institutional Entitlement Offer and Retail Entitlement Offer
- Eligible retail shareholders, being eligible shareholders with a registered address in Australia or New Zealand, will have the ability to subscribe for shares over and above their entitlement, subject to the level of uptake of the Retail Entitlement Offer. Further details will be provided to eligible retail shareholders in the retail offer booklet, expected to be despatched to shareholders on Monday 31 May 2021
- New Shares issued under the Offer will rank equally with existing shares on issue

Key Offer Details

Timing

- The Institutional Entitlement Offer and the Placement opens on Monday 24 May 2021 and closes on Tuesday 25 May 2021.
- The Retail Offer will open Monday 31 May 2021 and will close on Friday 11 June 2021.

Joint Lead Manager

- Bell Potter Securities Limited and Wilsons Corporate Finance Limited are acting as Joint Lead Managers in respect of the Offer. The Entitlement Offer will not be underwritten.

Conditionality

- The Offer is not conditional upon EVS shareholders approving the transaction.

Director Participation

- The majority of Directors who are eligible to participate intend to participate in the Retail Entitlement Offer

Key Offer Details

Event	Date
Announcement of the Placement and Entitlement Offer	Monday, 24 May 2021
Placement and Institutional Entitlement Offer closes	Tuesday, 25 May 2021
Trading in EVS Shares resumes on an ex-entitlement basis. Record Date for determining eligibility for the Retail Entitlement Offer (7.00pm)	Wednesday, 26 May 2021
Retail Offer Booklet lodged with ASX. Despatch of Retail Offer Booklets and Entitlement and Acceptance Forms to Eligible Retail Shareholders and Retail Entitlement Offer opens	Monday, 31 May 2021
Settlement of Placement and Institutional Entitlement Offer	Tuesday, 1 June 2021
Allotment and normal trading of New Shares issued under the Placement and Institutional Entitlement Offer	Wednesday, 2 June 2021
Retail Entitlement Offer closes (5.00pm) (Retail Closing Date)	Friday, 11 June 2021
Settlement of Retail Entitlement Offer	Friday, 18 June 2021
Allotment of New Shares under the Retail Entitlement Offer (Issue Date)	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

Summary Pro-forma Balance Sheet

A\$000	31-Dec-20	Impact of equity raising	31-Dec-20 Pro-forma
Cash and cash equivalents	9,697	13,150	22,847
Other current assets	12,020		12,020
Total Current Assets	21,717	13,150	34,867
Total Non-Current Assets	117,647		117,647
Total Assets	139,364	13,150	152,514
Total Current Liabilities	13,506		13,506
Total Non-Current Liabilities	6,739		6,739
Total Liabilities	20,245		20,245
Equity	119,119	13,150	132,269

Key Risks

Key Business Risks

Customer contract risk

Envirosuite's revenue is dependent on the arrangements it enters into with its customers. Envirosuite cannot be assured that a customer will re-engage Envirosuite on future projects or services once the project is completed or that the customer will not unilaterally reduce the scope of, or terminate, existing contracts on short-term notice (generally 30 days, but sometimes less). The duration of customer agreements and ability for customers to terminate arrangements in certain circumstances may expose the Company to greater risk in respect of the continued retention of customers and ability to maintain a sustained customer base and associated revenue.

Some customer contracts may be limited in nature and may not contain adequate protections for the services and products which Envirosuite provides. This may result in an increased risk to Envirosuite, for example, if a counterparty or third-party claims against it.

In addition, a customer's inability to pay its accounts when they fall due, or inability to continue purchasing services or products from Envirosuite due to financial distress, may expose Envirosuite to adverse financial outcomes arising from the customer credit risks.

Customer projects

Some of Envirosuite's revenue model is driven by project demands of customers and can be unpredictable throughout any financial year due to the timing of projects, length of sales cycles and the product-release cycles of Envirosuite's clients. Revenues may be impacted from quarter to quarter, and year to year depending on customer demand or on the completion rate of projects. Recently, Covid-19 has impacted the ability of some customers to commission projects in the timeframe originally committed, a consequence of which may be the delay by Envirosuite in receipt of the revenue for such projects.

Foreign exchange

Envirosuite's financial reports are prepared in Australian dollars. However, a substantial proportion of Envirosuite's sales revenue, expenditures and cash flows are generated in, and assets and liabilities are denominated in, foreign currencies. Any adverse movements of these currencies against the Australian dollar as well as other adverse exchange rate fluctuations or volatility, particularly during the period between when an invoice is issued and when payment is made, can have an adverse effect on Envirosuite's future financial performance and position.

Impact of changing technology on Envirosuite's competitive position

Envirosuite's businesses are significantly influenced by changing technology,

evolving industry standards and the emergence of new technologies. These changes can impact the ways in which the Envirosuite offers its services. In order to remain competitive and relevant, Envirosuite needs to enhance and expand its offering to meet their customers' needs. If Envirosuite is unable to do so, it may impact on its competitive position.

Trade secrets

Envirosuite relies upon its staff protecting Envirosuite's trade secrets. The protective measures Envirosuite employs may not always be sufficient to protect its trade secrets. If Envirosuite's trade secrets become public, this could erode its competitive advantage. Envirosuite also cannot be certain that others will not independently develop similar technologies on their own, or gain access to trade secrets, or have disclosed to them such technology, or that Envirosuite will otherwise be able to meaningfully protect its trade secrets and unpatented know-how and keep them secret. This could allow competitors to commercialise products and services that compete with Envirosuite. Although Envirosuite implements reasonable endeavours to protect its intellectual property, these measures may not always be sufficient.

Key person risk

The successful operation of Envirosuite's business relies on its ability to retain experienced and high performing key management and operating personnel with Envirosuite. Envirosuite may not successfully retain existing, and / or attract new, key management personnel. The unexpected loss of any key members of management or operating personnel may have a material adverse effect on the financial performance of Envirosuite.

Brand and reputational risk

The reputation and branding of Envirosuite is an important factor for its success. Anything that diminishes Envirosuite's reputation or brand would likely be adverse to Envirosuite and may diminish the demand for Envirosuite's services thereby detrimentally affecting Envirosuite's profitability and prospects for growth.

Competition and future business performance

Envirosuite operates in a competitive industry. Envirosuite competes on the basis of a number of factors, including the quality of its services and products, reputation and price. However, there is no assurance that competitors will not succeed in offering services or products that are more economic or otherwise more than those being offered by Envirosuite.

An increase in competition could result in Envirosuite experiencing a decline in its ability to attract or retain customers and a loss of market share – which in turn may impact the growth of Envirosuite or expose it to lower than anticipated

revenue and earnings. More broadly, there is no guarantee as to the future performance of Envirosuite and there is a risk that Envirosuite will not execute or deliver on its sales strategy in the future. Failure to successfully implement this strategy could result in adverse consequences for Envirosuite's financial performance, condition and prospects.

Intellectual property

The ability of Envirosuite to leverage its innovation and expertise depends on its ability to protect its intellectual property and any improvements to it as well as Envirosuite's confidential information. Intellectual property that is important to Envirosuite includes, but is not limited to, copyright in its software, know how, trademarks, domain names, its website and webpages, business names and logos. Envirosuite relies on contractual arrangements and laws regulating intellectual property to assist in protecting its intellectual property. However, such intellectual property may not always be capable of being legally protected. It may be the subject of unauthorised disclosure or unlawfully infringed, or Envirosuite may incur substantial costs in asserting or defending its intellectual property rights or protecting its confidential information.

Data management, privacy and cyber security risks

Information technology, and the continued and efficient operation of that technology, is essential to Envirosuite's business. Threats to information security are constantly evolving and techniques used to perpetrate cyber-attacks are increasingly sophisticated. As such, Envirosuite may be subject to network and systems interference from a number of sources, such as cyber-attacks, security breaches or system defects, which could result in commercial, financial, health and safety, environmental or reputational impacts. The potential consequences of such interference include operational downtime, delays, destruction or corruption of data, disclosure of commercially sensitive information, data and privacy breaches or a breach of regulatory compliance obligations.

While Envirosuite has disaster recovery and business continuity plans in place, such interference could have a material impact on Envirosuite's business, operations or financial condition and performance. The protection of customer, employee, third-party and company data is also critical of Envirosuite's operations and failure to protect such data could damage its reputation.

New product development risk

Envirosuite may from time to time seek to develop new products to enhance its business and operations. This may require a material amount of capital, time, resources and various approvals – the combination of which could materially delay or derail a successful product development. There is also no guarantee as to the success and performance of a new developed product (into which such time, money and resources have been invested).

Key Risks

Customer Concentration Risk

Envirosuite generates approximately 1/3 of its revenue from its top 5 customers and approximately 20% of its revenue from the Australian government and companies controlled by the Australian government (based on results for the 6 months ending 31 December 2020). A loss of or reduced scope within a key customer contract could have a material negative impact to the Group's revenue and cashflow.

Research and development activities

Envirosuite also engages in a range of research and development initiatives. Research requires expenditure of materials, services, labour and time as well as potential opportunity costs. These initiatives are inherently speculative in nature and there is no guarantee that Envirosuite's investment in these initiatives will be able to be commercialised or generate any future benefits for Envirosuite. In addition, Envirosuite's eligibility for tax incentives associated with research and development activities is subject to changes in regulation (and interpretation of regulation).

Recent and future acquisitions & integration

In undertaking its business, from time to time Envirosuite may pursue strategic acquisitions and other growth initiatives. To finance such future acquisitions, Envirosuite may incur additional indebtedness and may seek to raise capital. Such actions and the terms on which such funding could be obtained may have a material adverse impact on Envirosuite's financial position.

To the extent Envirosuite grows through acquisition, it will face operational and financial risks commonly encountered with such a strategy, including but not limited to continuity or assimilation of the operations and personnel of the acquired business, dissipation of Envirosuite's management resources and impairment of relationships with employees and customers of the acquired business as a result of changes in ownership and management. In addition, depending on the type of transaction, it may take a substantial period of time to completely realise an acquisitions full benefit, or it may never be realised.

It may also be possible that any due diligence enquiries conducted by Envirosuite may not identify one or more material issues or liabilities or they may be more than expected, and that the standard protections negotiated by Envirosuite prior to the relevant acquisition are inadequate in the circumstances. Such issues or liabilities could adversely affect Envirosuite's financial performance and position and future prospects.

Risk management strategy

Envirosuite has risk management strategies and internal controls in place to identify, monitor and mitigate risks to which it is subject, including market risk, strategic risk and operational risk. However there are inherent limitations with

any risk management framework as the nature and scope of risks continue to evolve (and in some cases, in an unpredictable way). If Envirosuite's risk management processes and procedures are ineffective or not appropriately implemented, Envirosuite could suffer unexpected losses and reputation damage which could impact its financial performance and condition.

COVID-19

Envirosuite generates approximately 65% of its revenue from customers in the Airports sector (based on results for the 6 months ending 31 December 2020). The COVID-19 pandemic has resulted in a material reduction in airline traffic which has impacted the revenue generated by Airports. Envirosuite has offered certain larger customers discounts and reduced the scope of services, of which some have started to unwind. However, as the reduction in airline traffic continues, there is a risk that additional discounts and/or reduced scope of services could further impact Envirosuite's revenue.

Changes to regulatory framework

Envirosuite must comply with a range of Commonwealth, State and Territory laws and regulations in its operations, many of which are complex and subject to change. There is a risk that when regulatory restrictions change, they become more burdensome. If this occurs, Envirosuite may be required to dedicate more time and resources to ensuring that it complies with these regulations, which could adversely affect its financial performance and future prospects. Failure to comply with these regulations may result in compliance orders being issued against Envirosuite and associated reputational damage.

Foreign operations

Envirosuite also conducts business in a number of jurisdictions and is subject to the risks specific to those jurisdictions. Envirosuite's financial performance may be negatively impacted by changes in general business and operating conditions, laws, regulations or policies associated with a jurisdiction in which it operates from time to time.

Insurance

Envirosuite holds insurance policies for material risks faced by the business at levels at which it considers are commensurate with industry standards and are necessary having regard to its business activities. There can be no assurance that any insurance currently maintained will be available in the future on a commercially reasonable basis. If Envirosuite incurs uninsured losses or liabilities, its assets, profits and prospects may be adversely affected.

General risks

General economic conditions

Envirosuite's operating performance and financial performance is influenced by a variety of general economic and business conditions including the level of

inflation, interest rates, exchange rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates or decrease in consumer and business demand, could be expected to have an adverse impact on Envirosuite's business, results of operations or financial condition and performance. In particular, this may impact on Envirosuite's ability to develop products and establish business operations in the expected time frame or at its current levels.

There also continues to be considerable uncertainty as to the duration and further impact of COVID-19, including but not limited to in relation to government, regulatory or health authority actions, work stoppages, lockdowns, quarantines and travel restrictions. The impacts of COVID-19 are beyond Envirosuite's control, and may affect Envirosuite's ability to operate and manage its business effectively. Increased economic uncertainty resulting from the impacts of COVID-19 may also result in a reduction in sales inflows, which may in turn impact on Envirosuite's financial condition and operations.

General investment risks

There are general risks associated with investments in equity securities. No assurances can be given that any new shares will trade at or above the price at which they are issued. None of Envirosuite, its directors or any other person guarantees the market performance of any new shares issued of Envirosuite. The trading price of shares in Envirosuite may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the any new shares being less or more than the price at which they are issued.

Generally applicable factors which may affect the market price of Envirosuite shares (and over which Envirosuite and its directors have limited or no control) include:

- the impact of COVID-19 (or other pandemics or epidemics), and the measures taken to control their spread, including on the health of the workforce, and customers and impact on supply chains;
- general movements in Australian and international stock markets;
- investor sentiment and the demand for ASX-listed securities generally, and the risk of contagion;
- Australian and international economic conditions and outlook, including aggregate investment and economic output, employment levels and labour costs, commodity prices, inflation, interest rates, and exchange rates;
- changes in interest rates and the rate of inflation;
- changes in exchange rates, employment levels and consumer demand;
- changes in government legislation, regulation and policies, including fiscal,

Key Risks

- regulatory, trade and monetary policies and tax laws;
- announcement of new technologies and displacement of existing technologies;
- natural disasters, extreme weather events and catastrophes;
- geo-political instability, including international hostilities and acts of terrorism;
- demand for and supply of Envirosuite shares;
- announcements and results of competitors; and
- the expectations of securities analysts and analysts' reports.

Volatility and liquidity risk

While Envirosuite shares are currently listed on ASX, there is no guarantee that there will at all times be sufficient buyers of shares to enable shareholders to dispose of Envirosuite shares in a timely manner at a price that the shareholder may have expected to achieve. The price of shares may go up and down by a material amount, even over a short period of time. No assurance can be given that the shares issued under the placement will trade at or above the price they are offered or that there will be an active market in Envirosuite shares. None of Envirosuite, its directors nor any other person guarantees the performance of any new shares issued under the placement.

Litigation risk

Legal proceedings and claims may arise from time to time in the ordinary course of Envirosuite's business and may result in high legal costs, adverse monetary judgements and damage to Envirosuite's reputation which could have an adverse impact on Envirosuite's financial position and financial performance and the price of its shares.

Risk of dilution

Shareholders' interests in Envirosuite will be diluted as result of the capital raising currently contemplated. Shareholders may have their investment diluted by future capital raisings by Envirosuite. Envirosuite may issue new

securities to finance future acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor's interest.

Dividends

Envirosuite has not previously declared a dividend. The payment of any dividends in respect of Envirosuite's shares is affected by several factors, including Envirosuite's profitability, retained earnings, ability to frank dividends, capital requirements and free cash flow. Any future dividends will be determined by Envirosuite's Board having regard to these factors, among others. There is no guarantee that any dividends will be paid by Envirosuite.

Offer not renounceable

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Accordingly, shareholders who do not take up their entitlements will not receive any value for those entitlements.

Adverse changes to tax laws

Existing tax law and future changes in taxation laws, including changes in interpretation or application of the law by the courts or taxation authorities in Australia and any other jurisdiction in which Envirosuite operates now or in the future, may affect the taxation treatment of an investment in Envirosuite shares, or the holding or disposal of Envirosuite shares. Further changes in tax laws in Australia or in any jurisdictions in which Envirosuite operates now or in the future, may impact the future tax liabilities of Envirosuite.

Accounting standards

Accounting standards may change. This may affect the reporting earnings of Envirosuite and its financial position from time to time. Envirosuite has previously and will continue to assess and disclose, when known, the effect of adopting new accounting standards in its periodic financial reporting.

Operational risks

Operational risk relates to the risk of loss resulting from

inadequate or failed internal processes, people and systems, or from external events which impact on Envirosuite's business. Envirosuite is exposed to operational risks including risks arising from process error, fraud, system failure, failure of security and protection systems including cyber and physical security protections. Operational risk has the potential to have an effect on Envirosuite's financial performance and position as well as reputation.

Force majeure events

Events may occur within or outside Envirosuite's key markets that could impact upon the global economies and the operations of Envirosuite. The events include, but are not limited, to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, cyclones, changes in weather patterns or other severe weather events, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or manmade events or occurrences that can have an adverse effect on market conditions, the demand for Envirosuite's product offering and services and Envirosuite's ability to conduct business.

Other risks

The above risks should not be taken as a complete list of the risks associated with an investment in Envirosuite. The risks outlined above and other risks not specifically referred to may in the future materially adversely affect the value of Envirosuite shares and their performance. Accordingly, no assurance or guarantee of future performance or profitability is given by Envirosuite in respect of Envirosuite shares.

Appendix

References

Page 10

The smart water market is fast growing and shows signs of being the highest opportunity space within the focus sectors

1. <https://www.bluefieldresearch.com/t/mergers-and-acquisitions/>

Page 18

A global and accelerated shift toward solving environmental challenges

1. World Economic Forum, The Global Risks Report 2021 - http://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2021.pdf
2. Frost & Sullivan 2020 report, Environmental Intelligence: Driving growth in a changing climate - <https://environmentalmonitoring.envirosuite.com/download-eireport>
3. World Economic Forum, The Global Risks Report 2019 - http://www3.weforum.org/docs/WEF_Global_Risks_Report_2019.pdf
4. World Health Organisation, Air Pollution - <https://www.who.int/health-topics/air-pollution>

Page 24

EVS Aviation

1. The ARPS for Aviation product is driven by a number of factors including the airport size (based on annual passenger movements), number of environmental sensors utilised in the solution, and whether the airport owns or leases the sensors from Envirosuite. Envirosuite's aviation portfolio currently consists of primarily larger airports such that any growth in smaller airports would be expected to provide a lower ARPS than the average shown for the portfolio.

Page 25

Challenges faced by Airports

1. <https://www.destination2050.eu/>

Page 31

Our sustainable, long-term growth strategy

1. <https://www.teck.com/news/news-releases/2021/teck-named-to-2021-global-100-most-sustainable-corporations-list>

Page 33

Industries have to act and invest in environmental management now

1. <https://www.un.org/development/desa/en/news/population/2018-revision-of-world-urbanization-prospects.html>
2. <https://www.idc.com/getdoc.jsp?containerId=prMETA47037520>
3. <https://www.bloomberg.com/news/articles/2021-03-31/biden-kicks-off-next-big-push-with-2-25-trillion-economy-plan>
4. https://www.ey.com/en_au/news/2020/09/license-to-operate-remains-top-mining-risk-with-high-impact-risks-a-close-second

Page 34

Key offer details

1. The Theoretical Ex-Rights Price (TERP) 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.

Definition of terms

ARPS	Average Revenue Per Site which is calculated by taking the ARR divided by the number of sites.	Adjusted EBITDA	Earnings Before Interest Depreciation and Amortisation adjusted to (a) exclude share-based compensation, which is a non-cash expense; (b) exclude foreign exchange gains/losses, 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.	Software as a Service	Refers to a method of software delivery and licensing in which a cloud-based software solution is accessed via a recurring subscription fee.
Churn %	The decrease in ARR as a result of contract cancellations as a percentage of ARR at the beginning of the period. The churn rate is an annualized percentage of the most recent quarter.	Solution as a Service	Refers to delivery model where the software, environmental sensors, and maintenance of the software and sensors are provided as an integrated solution and accessed via a recurring subscription fee. As part of the solution, customers can either purchase or lease the sensors from Envirosuite. Envirosuite typically provides maintenance for the sensors as part of the subscription fee, regardless of whether they are owned by the customer or Envirosuite.
CLTV	Customer Lifetime Value which is calculated by taking the ARPS divided by the churn rate and multiplied by the gross margin percentage for the customer segment. In this presentation, a gross margin rate of 41% has been applied to calculate the CLTV.	Service Addressable Market (SAM)	The service addressable market is the portion of the Total Addressable Market (TAM) that can be meaningfully reached by Envirosuite's software and solutions. It is calculated by taking the applicable global Sites (mines, wastewater treatment plants etc.) where Envirosuite's software and solutions could meaningfully apply and multiplied by the current market Annual Recurring Revenue (ARR) price for that software/solution.
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.	Total Addressable Market	The Total Addressable Market (TAM) refers to the total market demand for EVS products if 100% of the available market is addressed. It is calculated by multiplying the total number of global Sites (mines, waste water treatment plants etc) by the theoretical market ARR for that Site type.
Recurring revenue	Revenue that the company expects to continue for more than 12 months based on 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.		
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.		

Summary Balance sheet

A\$000	31-Dec-20	30-Jun-20
Cash and cash equivalents	9,697	24,385
Trade and other receivables	8,076	10,730
Inventories	2,975	3,102
Other current assets	969	1,195
Total current assets	21,717	39,412
Property, plant and equipment	2,904	3,304
Right of use assets	3,593	3,743
Deferred tax assets	1,250	1,250
Intangible assets	109,472	108,939
Other non-current assets	428	422
TOTAL ASSETS	139,364	157,070

A\$000	31-Dec-20	30-Jun-20
Trade and other payables	5,191	13,010
Revenue in advance	3,237	3,230
Employee benefit provisions	3,758	6,203
Lease liabilities and other borrowings	1,320	1,348
Total current liabilities	13,506	23,791
Employee benefit provisions	171	230
Lease liabilities and other borrowings	2,978	3,059
Deferred tax liabilities	3,590	4,005
TOTAL LIABILITIES	20,245	31,085
NET ASSETS	119,119	125,985

Summary Profit & Loss

A\$000	For the 6 months ended		
	31-Dec-20	30-Jun-20	31-Dec-19
Recurring revenue	20,071	15,558	2,357
Non-recurring revenue	3,477	4,411	1,007
Other revenue	17	167	357
Total revenue	23,565	20,137	3,720
Cost of revenue	(13,989)	(13,695)	(2,768)
Gross profit	9,576	6,441	953
Operating expenses	(17,289)	(18,284)	(7,332)
Other income/(expense)	(380)	(125)	(30)
Operating deficit	(8,094)	(11,967)	(6,410)
Net loss after tax	(7,808)	(11,751)	(6,485)
Adjusted EBITDA	(3,562)	(6,911)	(3,309)

Summary Cash flow

A\$000	For the 6 months ended		
	31-Dec-20	30-Jun-20	31-Dec-19
Receipts from customers	27,142	25,264	3,779
Payments to suppliers and employees	(33,526)	(32,430)	(7,680)
Other	(120)	328	6
Net cash (used in) operating activities	(6,504)	(6,838)	(3,895)
Payments for property, plant and equipment	(538)	(93)	(83)
Payments for acquisition of business	(5,470)	(65,394)	-
Payments for intangible assets	(1,500)	(1,392)	(1,006)
Proceeds from sale of business, net	-	(388)	388
Net cash (used in) investing activities	(7,508)	(67,267)	(701)
Proceeds from issue of shares, net	-	81,498	14,354
Repayment of lease liabilities	(677)	(458)	(71)
Net cash from / (used in) financing activities	(677)	81,041	14,283
Net inc/(dec) in cash & cash equivalents	(14,689)	6,935	9,687
Effects of FX on change in cash & cash equivalents	1	225	(26)
Cash and cash equivalents at beginning of period	24,385	17,225	7,564
Cash and cash equivalents at end of period	9,697	24,385	17,225

* Amounts for the 6 months ended 30 June 2020 have been restated to reclassify lease payments connected with leases recognised under IFRS 16 to be recognised within Financing cash flows rather than operating cash flows

For more information please contact:

Simon Hinsley

NWR Communications

simon@nwrcommunications.com.au

www.envirosuite.com



Harness the power of
environmental intelligence