

Envirosuite Limited  
Investor Presentation

August 2019

## FY19 Results

New orders signed totalling \$3.1m  
achieves gross ARR growth over 100%

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86% ARR YoY net growth rate

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FY19 Total Operating Revenue of  
\$7.1m, EBITDA \$4.87m, Cash \$7.6m

## Year in review

Total contracted ARR \$5.6m at FYE19

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Clients quadrupled in 2 years

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First Smart City project  
goes live

## Business focus for FY20

FY2020 Target ARR \$12m

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Total Sales pipeline \$14m

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Group well positioned for  
sustained growth





# Results summary - Profit & Loss

- Total trading revenue up **126%**
- Other revenue is R&D rebate
- Change in CoGS \$3.9m
  - \$1.1m re-allocation from SG&A
  - \$1.5m due to increased hardware sales
  - \$0.5m due to 12 month operations of Odotech ops (6 months last year)
  - \$0.5m due to increased staffing

YEAR ENDED 30 JUNE 2019	Consolidated Group	
	30 June 2019 '000	30 June 2018 '000
<b>Continuing Operations</b>		
Trading revenue	7,116	3,152
Other revenue	585	681
<b>Total operating revenue</b>	<b>7,701</b>	<b>3,833</b>
Cost of revenue	(5,521)	(1,607)
<b>Gross profit</b>	<b>2,180</b>	<b>2,226</b>
Sales and marketing	(3,981)	(3,643)
General and administration	(3,168)	(3,944)
Due diligence and acquisition costs	-	(178)
Foreign Currency (losses)/gains	101	12
<b>Total operating expenses</b>	<b>(7,048)</b>	<b>(7,753)</b>
<b>EBITDA</b>	<b>(4,868)</b>	<b>(5,527)</b>



# Results summary - Balance Sheet

- Cash at end of Jun 2018: **\$3.7m**
- Capital raise 1HY19: **\$9.5m\***
- Cash at end of Dec 2018: **\$9.2m**
- Cash at end of Jun 2019: **\$7.6m**
- Average monthly net operational cash shortfall: **\$465k**
- Nil bank debt

\*net proceeds

AS AT 30 JUNE 2019

## ASSETS

### Current Assets

Cash and cash equivalents	7,564
Trade and other receivables	1,501
Other assets	172
Inventories	328

<b>Total current assets</b>	<b>9,565</b>
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### Non Current Assets

Property, plant and equipment	277
Deferred tax asset	453
Intangible assets	5,555

<b>Total non-current assets</b>	<b>6,285</b>
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<b>Total Assets</b>	<b>15,850</b>
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## LIABILITIES

### Current Liabilities

Trade and other payables	1,201
Revenue in advance	1,483
Provisions	625
Borrowings	42

<b>Total current liabilities</b>	<b>3,351</b>
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### Non-current Liabilities

Provisions	63
Borrowings	107

<b>Total non-current liabilities</b>	<b>170</b>
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<b>Total liabilities</b>	<b>3,521</b>
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<b>Net assets</b>	<b>12,329</b>
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## EQUITY

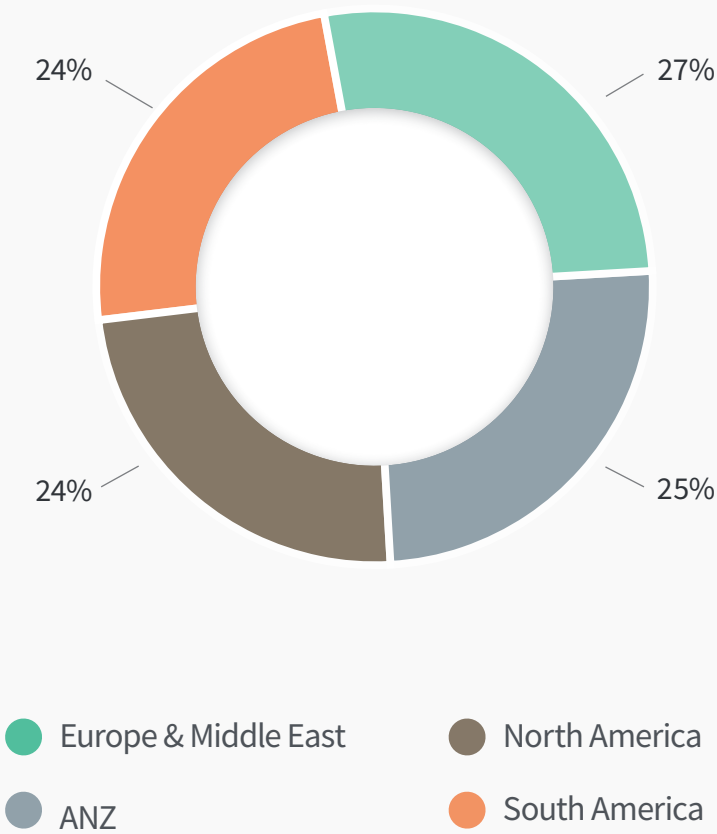
Issued capital	36,060
Reserves	132
Retained losses	(23,863)

<b>Total equity attributable to equity holders of Envirosuite Limited</b>	<b>12,329</b>
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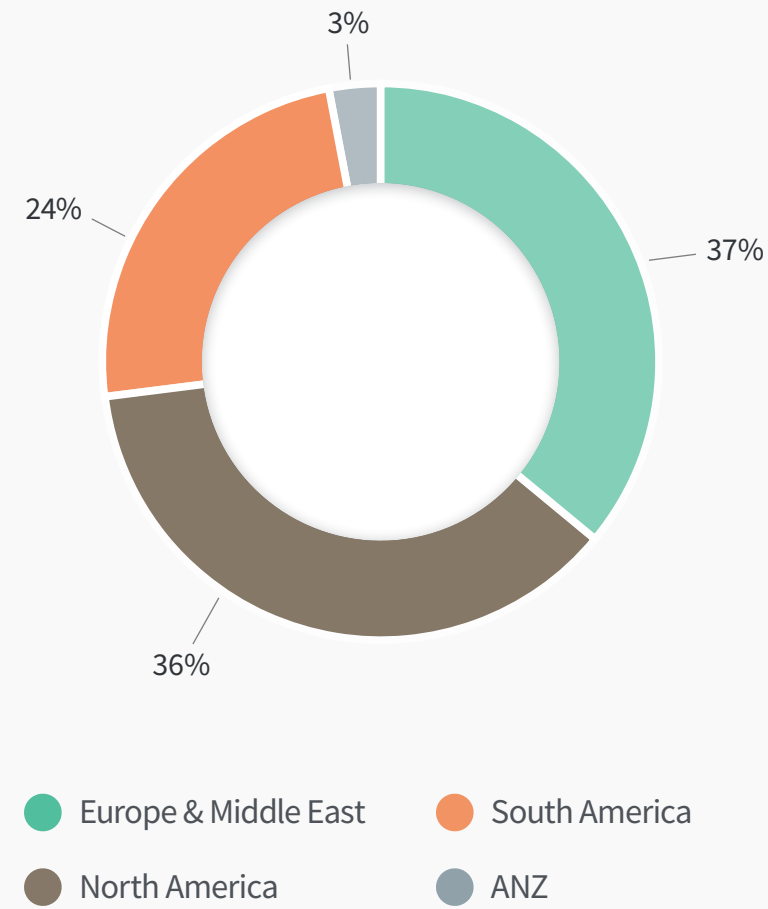


# Contracted ARR

Total ARR by Region

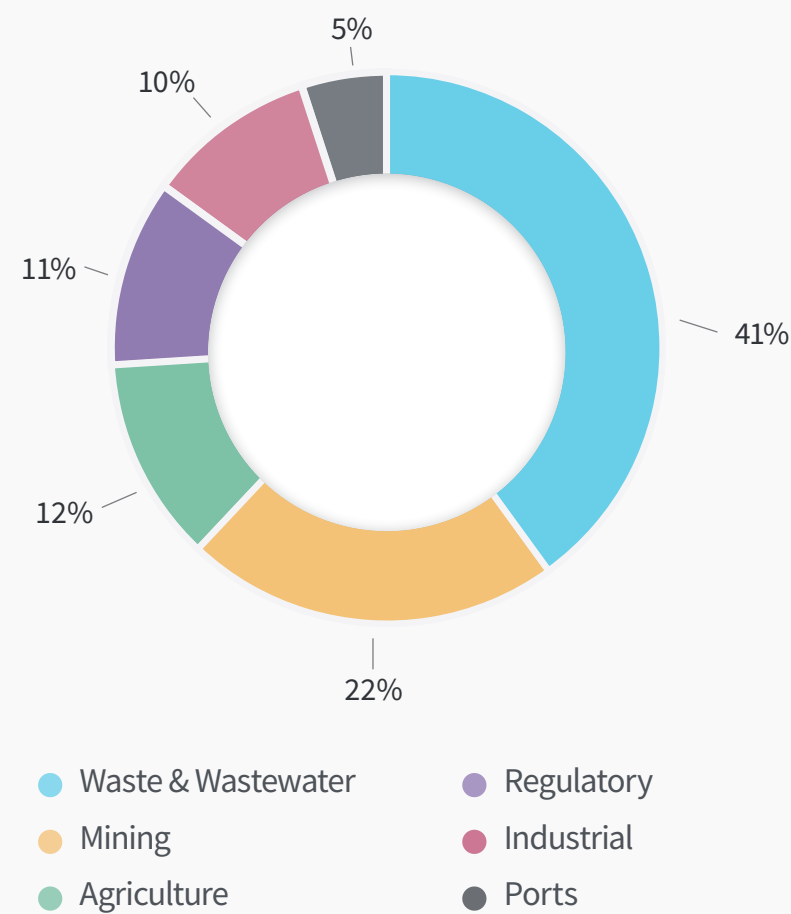


FY19 ARR Growth by Region

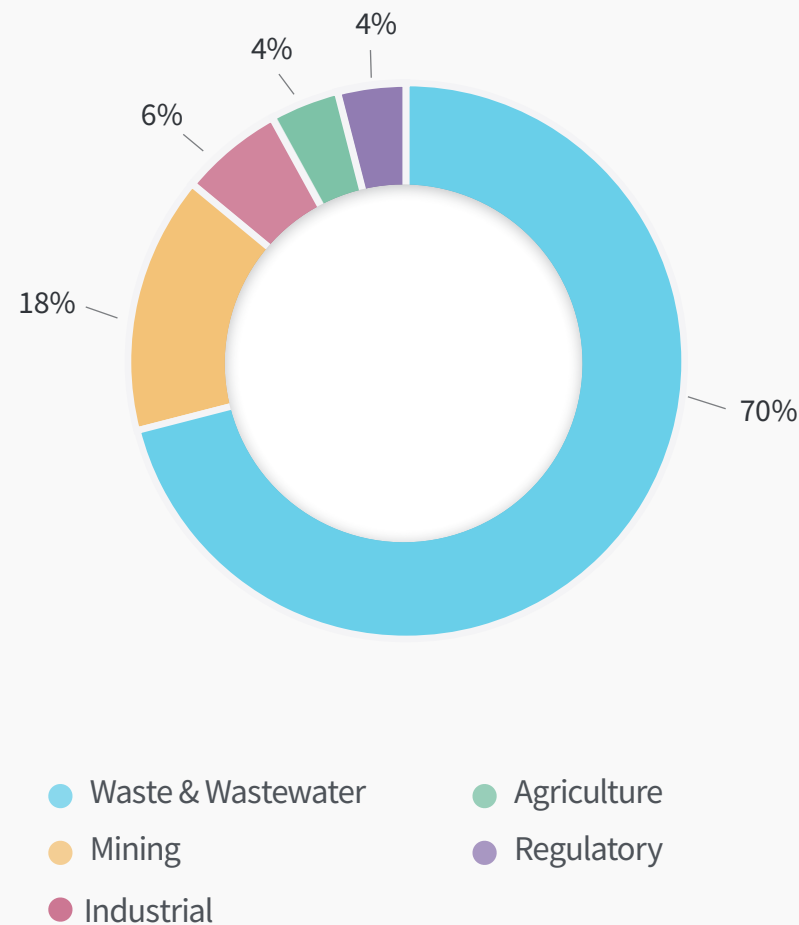


# Industry sector

Total ARR by Industry Sector



FY19 ARR Growth by Industry Sector







# Strategic wins during year show wide applicability of Envirosuite's solution:

- ✓ **Southern Water, UK** - first multi-site deal
- ✓ **Kuwait City, Kuwait** - trial converted into Smart City project
- ✓ **Cerrejon mine, Colombia** - addition of Water Quality and Groundwater Pressure solutions
- ✓ First project in China via Veolia
- ✓ **Tata Steel, UK** - signed up one of the biggest steel makers globally



# Strategic sector focus

During FY19 focus narrowed to two key sectors:



Mining



Waste & Wastewater

These sectors chosen for:

- EVS experience  
(mining sites >25 sites, wastewater sites >50)
- Best fit for EVS value proposition
- Potential for enterprise sales
- Willingness to adopt new technologies
- Experiencing increasing pressure from communities



# Growing number of leaders in our target markets adopting Envirosuite

Client	Region	Industry
 Minería responsable	South America	Mining
	South America	Agriculture
	Europe	Waterwater
	Middle East	Regulatory
	Europe	Waterwater

Client	Region	Industry
	Middle East	Regulatory
	South America	Agriculture
	ANZ	Mining
	North America	Waterwater
	North America	Mining



# Regional updates



## North America

- Consolidation of Odotech Canada and Envirosuite USA
- R&D collaboration with US EPA
- Growth in new clients adopting wastewater solutions
- Introductory opportunities in the Oil and Gas sector
- Increased number of landfill projects

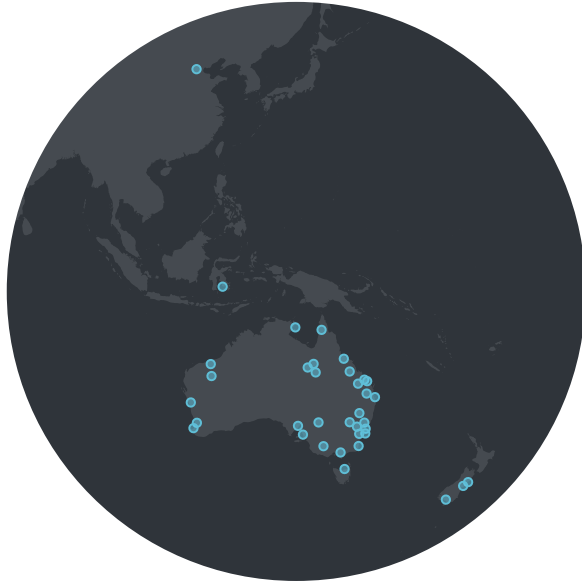


## Europe/Middle East

- Three new UK Water Authorities to complement Thames Water
- TATA Steel (Wales) Win. Entry into one of the world's biggest steel producers
- Two new projects signed with Veolia and further significant opportunities
- Build-up of "business-as-usual" WWTP projects in Spain
- Successful conversion & delivery of the Kuwait City trial



# Regional updates



## APAC

- South Australia Water extending to additional sites
- Canterbury Council (NZ) signed
- New sales resources hired to ready the company for expansion into Asia Pacific
- First project in China



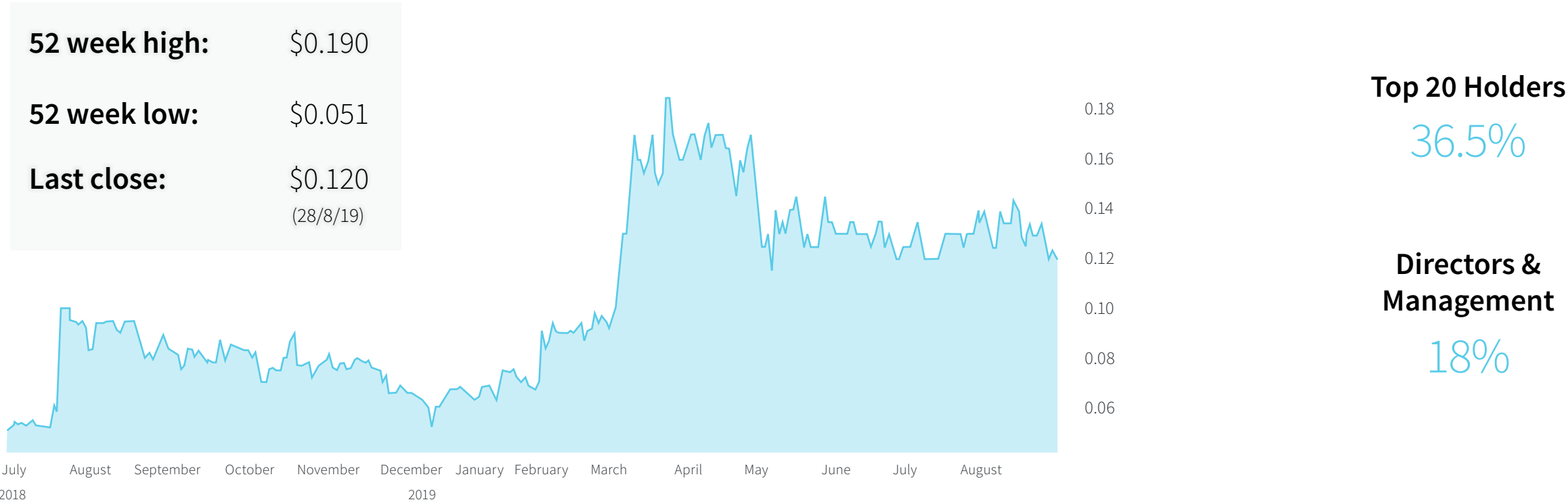
## South America

- Carbones del Cerrejon became Envirosuite's largest client, by implementing new solutions in the Water Quality and Groundwater Pressure
- Envirosuite established its new entity in Colombia
- Wins in heavy industry, mining and agriculture in Chile



# Company snapshot

ASX code:	Industry code:	Shares on issue:	Market cap:	Unlisted options:	Debt:
EVS	Software & Services	370m	\$46m	15m	Nil



Top 20 Holders

36.5%

Directors & Management

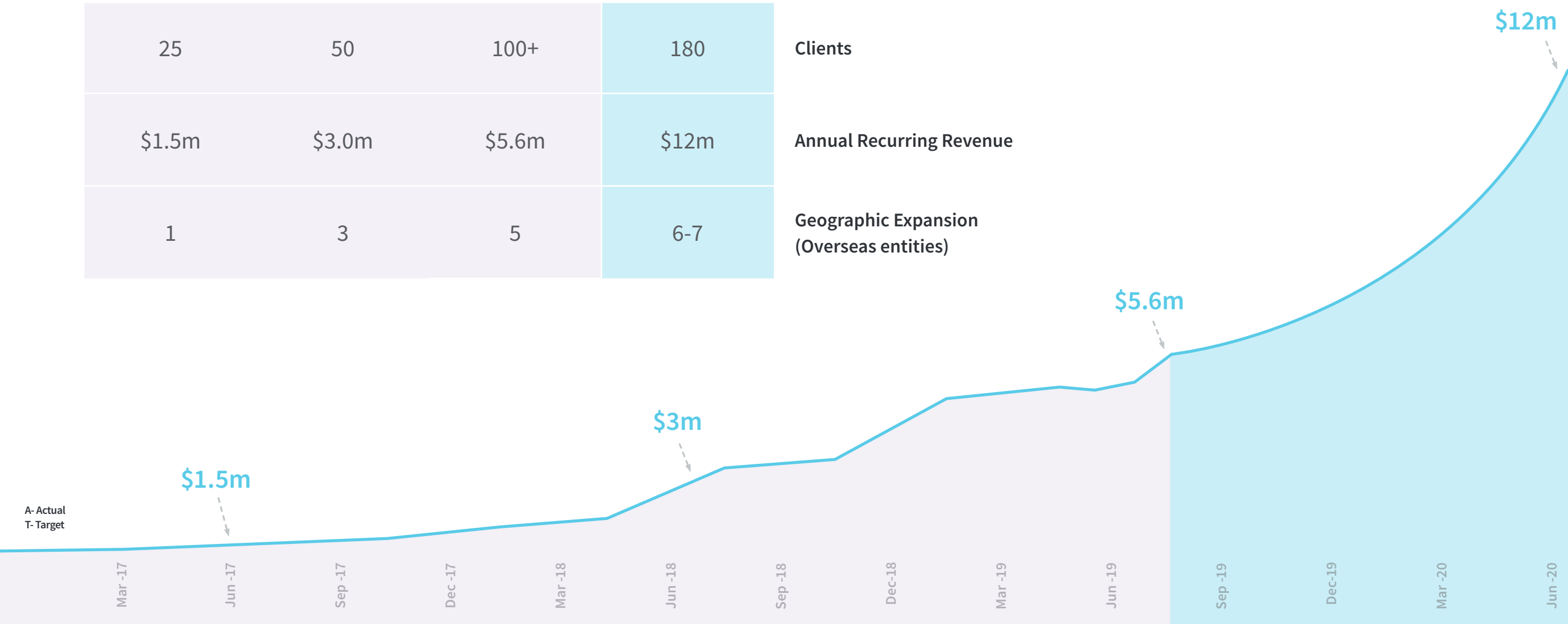
18%





# Three year growth plan commenced 1 July 2017

FY17 <sup>A</sup>	FY18 <sup>A</sup>	FY19 <sup>A</sup>	FY20 <sup>T</sup>	
25	50	100+	180	Clients
\$1.5m	\$3.0m	\$5.6m	\$12m	Annual Recurring Revenue
1	3	5	6-7	Geographic Expansion (Overseas entities)





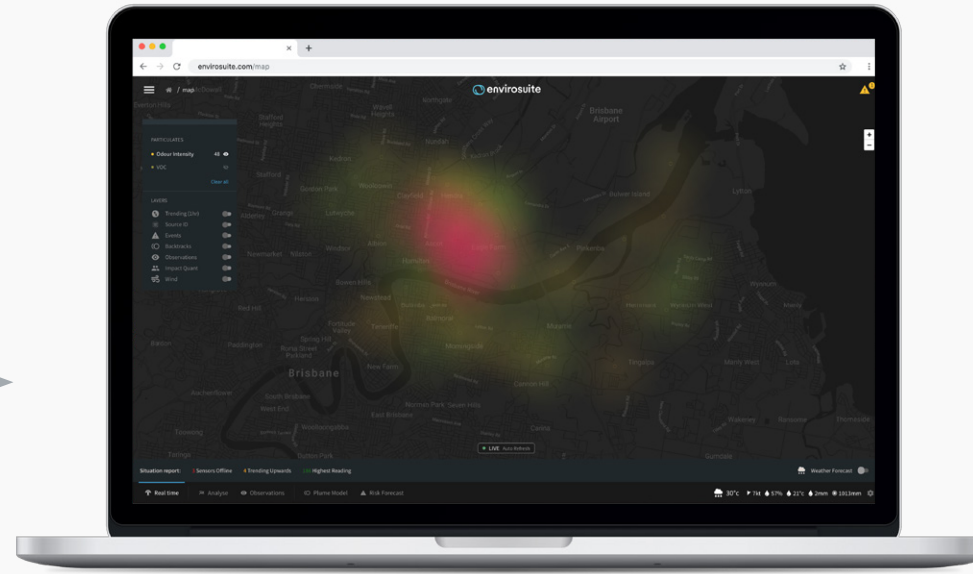
# FY20 growth strategy

- Increased focus on corporate deals and multi-site licences
- Further expansion into Asia and Middle East
- Broadening roadmap for Wastewater and Mining
- Bundling software and hardware as a 'Solution as a Service'
- Expansion into adjacent sectors - Landfill and Oil & Gas
- Potential for client acquisition through corporate transactions



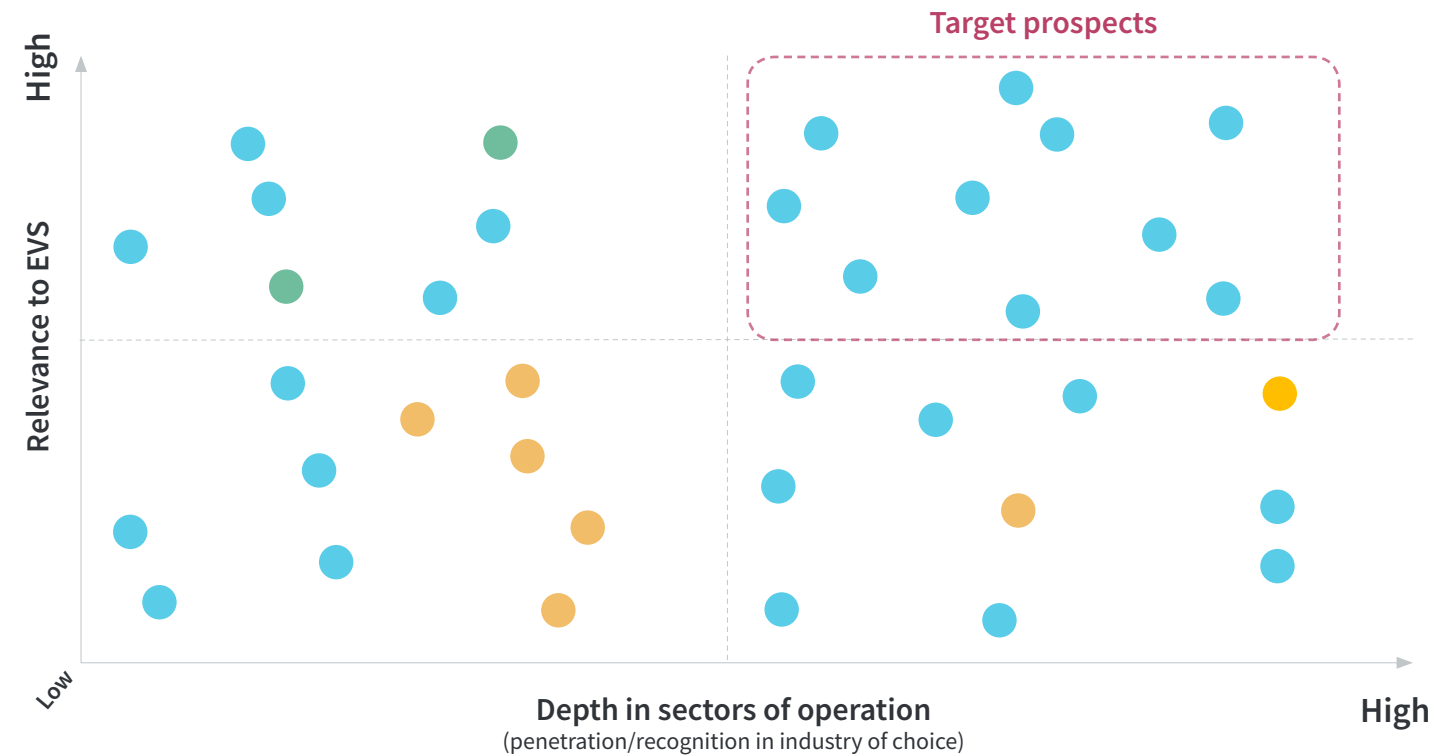
# Deeper marketing offering

- Larger clients requesting full end to end solution
- EVS moving to solution as a service (combining software with hardware and maintenance)
- Typical offering 70% software (100% GM) and 30% hardware rental (50% GM)
- Adapting and refining world leading sensor technology from Odotech acquisition
- Aiming to increase average subscription value



# Acquisition strategy

- Odotech now successfully integrated
- EVS moving to a more active approach to potential acquisitions
- Cheaper, faster client acquisition
- One platform approach
- Adjacent sector expansion
- Regional critical mass
- Reviewing and prioritising global prospects list



# Well-defined addressable market in key verticals > \$1.3bn p.a.

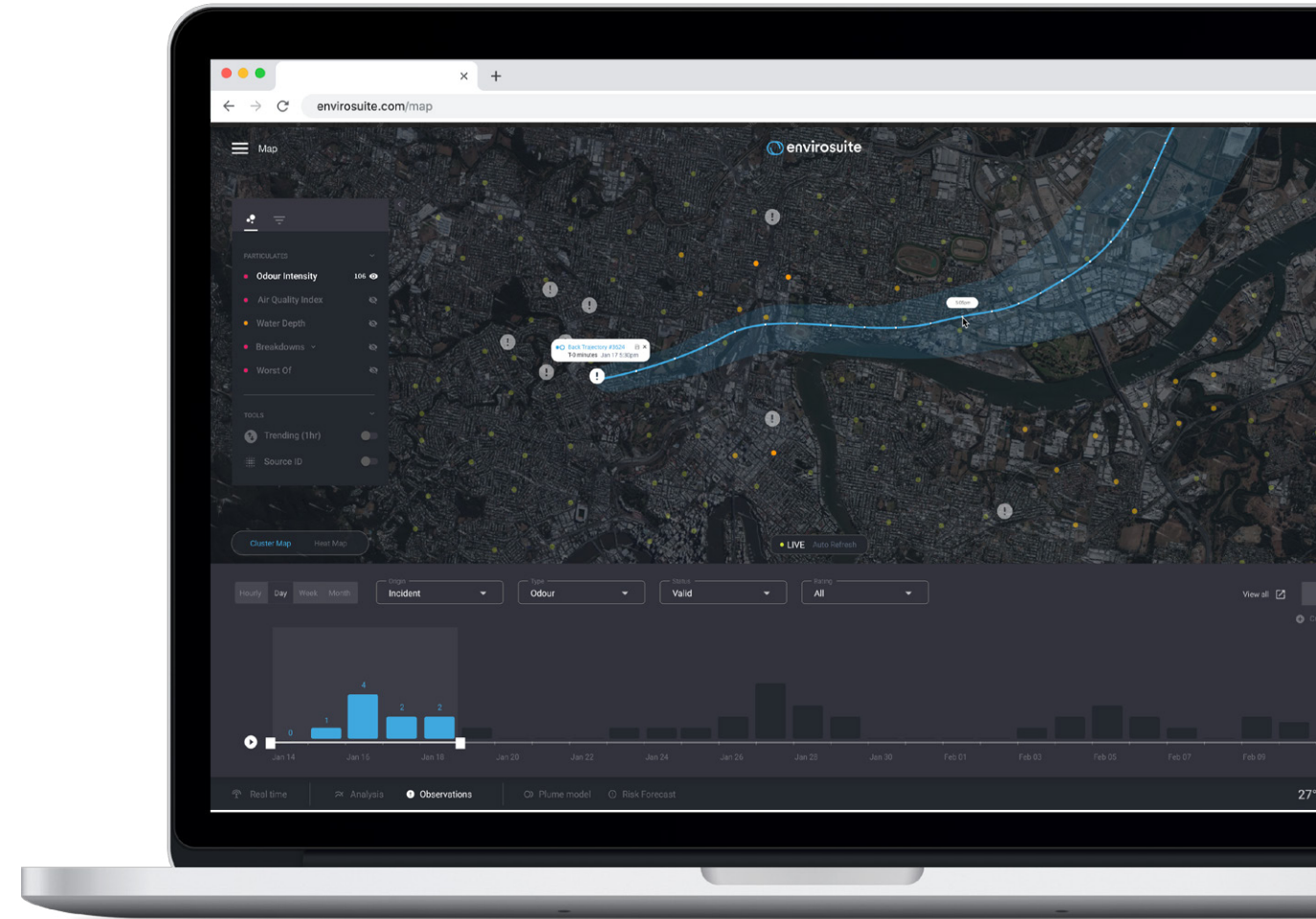
Region	Mining	Odour	Smart Cities	Oil & Gas
Australia & New Zealand				
Europe				
Middle East				
North America				
South America				
Asia				

 Future prospects  
 Initial Sales  
 Expanding Sales



# FY20 business objectives

- ✓ Achieve \$12m ARR
- ✓ Accelerate South American Mining sector growth
- ✓ Secure multi-site Licence in WWTP or Landfill
- ✓ Sales to 2 new countries in Middle East (2 at present)
- ✓ 2 new projects in Asia (ex China)
- ✓ Secure further projects in China
- ✓ Win major Oil & Gas contract
- ✓ Pilot water functionality in Mining solution
- ✓ Pilot anti-corrosion functionality in Wastewater solution





# Summary



86% growth FY19, on top  
of 100% growth FY18



\$12m ARR target FYE20



\$14m opportunity  
pipeline



Expanding into new  
geographies and  
adjacent sectors



Target increased  
share of wallet per  
client subscription



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