

ASX Release

Envirosuite Reports Q2 FY2021 Sales Update

14 January 2021

Key Highlights:

- › \$1.1m in new ARR added during the quarter with 19 new clients across all EVS's major sectors of Mining, Industrial, Airports and Water. Average ARR per site of \$60,000.
- › \$3.0m in new non-recurring revenue (hardware and services) awarded of which approximately \$2.0m was in the Airports sector.
- › 37 contract renewals totalling \$2.7m with a churn rate of less than 0.2%.
- › \$12.0m of new ARR in unweighted pipeline (over \$2.5m weighted) identified for Q3 FY2021 with over 150 opportunities being pursued.

Global leader in the provision of environmental intelligence solutions, Envirosuite Limited (ASX:EVS) (the Company) is pleased to provide an update on sales progress for the second quarter of FY2021, ended 31 December 2020.

New non-recurring revenue awarded of \$3.0m was \$1.8m (250%) higher than in the prior quarter. These results were delivered despite some new sales being pushed into Q3, due in part to the holiday period. This strong sales growth supports EVS management's target of being EBITDA positive on a run-rate basis by the end of Q3 FY2021.

In addition, Envirosuite renewed all major ARR contracts across all sectors, with a churn rate of less than 0.2%. This has been achieved in the midst of a global pandemic, reflecting the resilience of EVS's revenue base, as well as the potential for growth within existing and new markets. The \$2.0m in new Airports sector sales is a positive sign that Airports customers are returning to investment in environmental solutions despite the impacts of COVID-19.

EVS Water has made a strong start since its launch in November 2020 with the solution recently being shortlisted by the Singapore Public Utilities Board (PuB) for rollout as part of its global innovation challenge. This win complements initial sales by EVS Water to GHD, one of the world's leading professional services companies operating in the global water market. EVS is now focusing resources on accelerating the rollout of its EVS Water product given the potential 25,000-plus site market that has been identified.

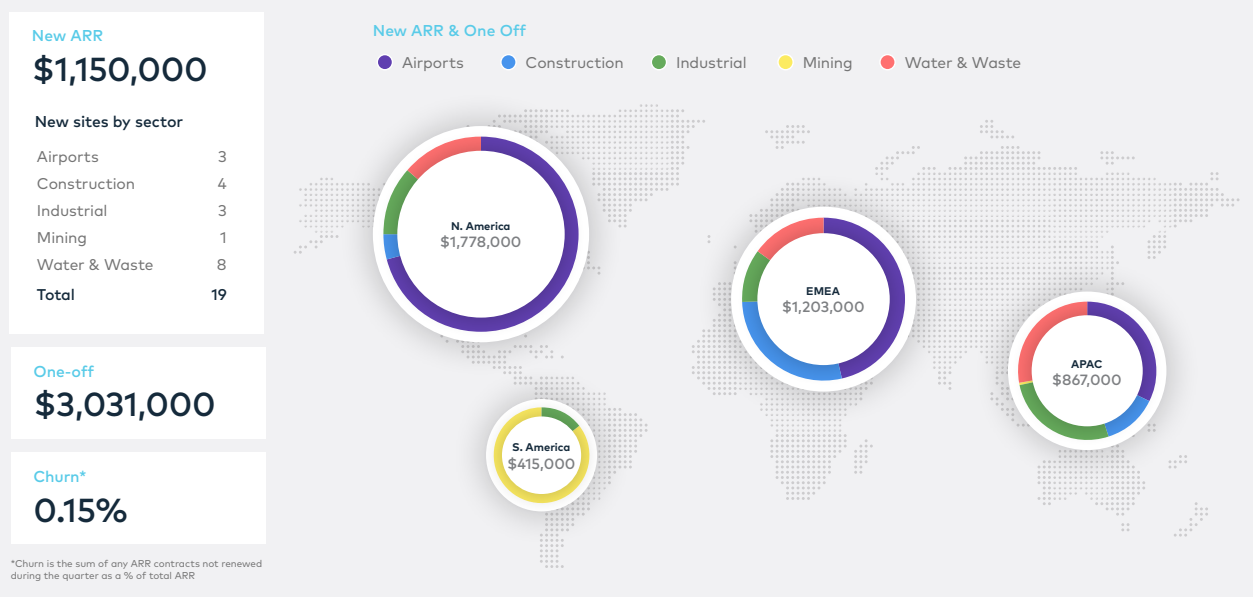
Envirosuite is also encouraged by developments in China with the release of that country's 14th Five Year plan, due for implementation in 2021. This highlights a number of opportunities across China's green airports push and low carbon and emissions transition. The Company is well positioned to be part of this growth.

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Highlight wins for the quarter:

- New three-year deal with Lendlease, a multinational construction, property and infrastructure company, for a UK construction project. This is the second construction project contract win with Lendlease this financial year.
- Two new airport wins in Europe, and \$2.0m of new non-recurring project wins in the Airport sector, demonstrating the resilience of the customer base in this industry segment and the potential for continued growth.
- New contract win with one of Australia's largest container ports as it seeks to use Envirosuite's solutions and the power of environmental intelligence to improve community engagement and maintain compliance with regulations around noise.
- Initial deal for the new EVS Water software solution with GHD, demonstrating strong market fit for this product offering which resulted from the recent AqMB acquisition.
- Another win with Veolia in Europe taking the number of Veolia sites served by the Company globally to six.

Closed deals in Q2 - 2021



Commenting on the Q2 results, EVS CEO, Peter White, said:

"EVS continues to build out its product portfolio across air, water and noise as it creates world-leading predictive solutions across wastewater and water, mining, airports and industrial customers. Our ARR is building and, with a solid Q3 pipeline of \$12.0m, we expect to push toward an even higher, normalised run rate of new ARR sales. Our success in adding 19 new customer sites during the quarter demonstrates our excellent product-market fit and the exciting potential that EVS has to address the \$2.3bn market identified by the Company."

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I am particularly pleased to see the first sales of our EVS Water solution to global engineering firm GHD, as well as the solution being shortlisted by the Public Utilities Board in Singapore as part of their global innovation challenge. We are investigating options to increase our sales velocity and product development in this market on the back of EVS Water's early success.

Envirosuite's focus for 2021 continues to be on transforming our business model to produce higher gross margins through incorporating an ever increasing level of software and automation in our solutions and developing higher value products and outcomes for our customers as we cement our leadership in the environmental intelligence market.

We are also focusing on driving down the cost of customer acquisition and generating leads by complementing the direct sales force through significantly expanded use of online and digital marketing tools and activities.

I look forward to building on our growth to date and reporting further improved results in Q3".

Pursuant to ASX GN8, in relation to the contract wins, the Company confirms that there are no other material terms to be disclosed or that need to be satisfied.

Authorised for release by the Board of Envirosuite Limited

About Envirosuite

Envirosuite (ASX:EVS) is a global leader in environmental intelligence spanning more than 15 countries and is a trusted partner to the world's leading industry operators in airports, cities, construction, mining, heavy industry, waste and water.

Envirosuite's solutions combine leading-edge science and predictive technology with industry expertise to produce actionable insights, allowing customers to optimise their operations whilst managing their environmental impact.

By harnessing the power of environmental intelligence, Envirosuite helps industry grow and communities thrive.

www.envirosuite.com