

**ASX RELEASE**

12 July 2022

# Record Quarter with \$6.0m in New Sales

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**KEY HIGHLIGHTS**

- Record new sales in Q4 of \$6.0m up 27.7% on Prior Corresponding Period<sup>2</sup> ('PCP') with strategic customer wins and expansion from existing customers across all three product suites
- Q4 sales comprised of \$3.1m new ARR up 34.8% on PCP, and \$2.9m in Project Sales up 20.8% on PCP
- Strong land, expand and scale performance with 20 customer sites added in Q4, of which 10 new sites are from existing customers
- Total ARR<sup>1</sup> of \$53.0m up 14.0% PCP and new ARR for FY2022 to \$8.6m up 30.3% on PCP
- **Aviation** – 85.7% Quarter on Quarter<sup>3</sup> ('QoQ') increase in new ARR, confidence returning to sector and key expansions and uptake of EVS Carbon Emissions technology
- **Water** – acceleration continues with global expansion into key markets (Americas, EMEA and APAC), EVS Water contributes 12.9% of the Group's new ARR in Q4
- **Omnis** – strongest quarter of FY2022 with \$1.4m in new ARR, responsible for over 50% of the Group's new ARR in FY2022. Expanded breadth to new exciting industries and had growth from existing customers

**Envirosuite Limited (ASX: EVS) ('Envirosuite' or 'the Company')**, the leading environmental intelligence technology company, is pleased to announce that it has achieved record quarterly sales of \$6.0m in Q4 FY2022 up 27.7% on the PCP. The Company has shown strong growth across all three product suites with new Q4 ARR of \$3.1m up 34.8% PCP, and Project Sales of \$2.9m up 20.8% PCP.

Total ARR<sup>1</sup> has grown to \$53.0m up 14.0% on PCP, with new ARR for FY2022 of \$8.6m up 30.3% PCP. Project Sales for FY2022 of \$9.8m is up 20.9% PCP. Project Sales remains an important yardstick for future new ARR. Typically, customers purchase instrumentation such as noise monitoring equipment on a project basis, invoiced once deployed, with EVS then providing recurring services, invoiced periodically, through longer term contracts once instrumentation is deployed.

1 - Refer Definitions on page 6

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Additional Project Sales are won where customers expand the product deployment across multiple sites and periodically refresh instrumentation. Churn remains low at approximately 2.5% for FY2022.

New ARR growth by product suite is as follows:

Product suite	New ARR Growth \$m				
	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	YTD
EVS Omnis	1.1	1.3	1.0	1.4	4.8
EVS Aviation	0.5	0.3	0.7	1.3	2.8
EVS Water	0.1	0.2	0.3	0.4	1.0
<b>Total</b>	<b>1.7</b>	<b>1.8</b>	<b>2.0</b>	<b>3.1</b>	<b>8.6</b>

Jason Cooper, EnviroSuite CEO, said:

*Achieving \$6.0m in sales in Q4 was an exceptional result and highlights the strong customer acquisition model that we have developed this year and enabled us to finish strongly in FY2022. A key achievement was the relatively even contribution from all three regions. Omnis continues to be the high growth engine of EnviroSuite and contributed over 50% of new ARR this financial year. Our focus on the Land, Expand & Scale strategy has been highly successful across all regions and product suites. EVS Water achieved significant success through global expansion into new markets."*

### **EVS Aviation**

This quarter we continue to see the recovery within the Aviation sector which has translated into an 85.7% QoQ increase in new ARR, demonstrating that airports are regaining the confidence to make investment decisions. Total air traffic in May 2022 up 83.1%<sup>5</sup> compared to May 2021, largely driven by the strong recovery in international traffic. Global air traffic is now at 68.7% of pre-crisis levels, with further recovery expected in the coming quarter.

EVS' global leadership in Aviation was highlighted this quarter by the addition of three new airports and adoption of the Carbon Emissions technology by the Spanish Airports Authority, AENA.

EVS' NoiseDesk (a powerful, easy-to-use SaaS platform for noise management), was launched on the ANOMS X platform for over 30 customers including Korean Airport Corporation's Gimhae Airport and Istanbul's new airport, one of the largest airports worldwide where EVS now has a strategic path to grow in the future.



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Jason Cooper, Envirosuite CEO, said:

*“It is fantastic to see airports returning to pre-pandemic activity levels and the immediate priority the industry has placed on ESG factors as they plan sustainable post-pandemic recoveries. EVS Aviation has been our anchor product suite for many years, and I’m particularly proud of our ongoing innovation in this space, with new technology such as the Carbon Emission and NoiseDesk products providing scope for continued growth.”*

### **EVS Water**

EVS Water is our high margin growth portfolio for the Company with two main products sold on a SaaS basis. The Plant Optimiser product assists customers to materially reduce their risk and the two highest costs in water treatment and delivery: electricity and chemicals. Our SeweX product is an advanced modelling tool that supports water utilities to proactively manage and respond to corrosion, safety, and odour risks in their sewer networks.

EVS Water continued its growth this quarter, contributing \$0.4m towards new Q4 ARR and it achieved the \$1.0m milestone in total ARR for FY2022 during the quarter. Q4 was particularly notable as the product achieved adoption in the key global markets of the Americas and EMEA, demonstrating the global scale potential of EVS Water. Globally we contracted with the Greater Paris Sanitation Authority (‘SIAPP’), with DAM (Depuración de Aguas del Mediterráneo), a large water organisation in Spain operating several water treatment facilities and in the City of Kalamazoo in Michigan, USA.

Water also demonstrated its cross-sell potential during the quarter, combining with Omnis to deliver a holistic solution to DAM and with the City of Kalamazoo.

In Australia, EVS successfully contracted three additional sites for Western Australia’s Water Corporation bringing to a total of seven sites using the SeweX product. These sites plus the overseas success demonstrates the commercial opportunities of the SaaS-based SeweX product.

Jason Cooper, Envirosuite CEO, said:

*“It’s rewarding to see this Australian-grown technology being adopted and deployed into global markets. Importantly, after investing in Water’s development and deployment, EVS Water has demonstrated and proven its commercial value to large global water utilities.”*



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## **EVS Omnis**

EVS Omnis continues to deliver across multiple sectors including mining, industrial, cities, waste-to-energy, waste and wastewater with new ARR in Q4 of \$1.4m. Omnis' rapid growth has resulted in it contributing over 50% of the Groups new ARR for FY2022. The cross-sell potential between Omnis and Water has been validated with the solutions providing a holistic offering to clients across existing and new industry verticals.

This quarter the EVS Omnis platform launched, bringing to market a leading combined air quality, noise and vibration solution. Providing a single 'pane of glass' for industrial customers to monitor, analyse and operate effectively through their most pressing emissions and community concerns. The platform builds on significant IP from decades of experience, combining science and technology to enable powerful decision making for our customers.

EVS Omnis demonstrated its breadth of applicability by signing with Aggregate Industries, part of the global Holcim Group (the world leader in construction and building aggregates). EVS will help Aggregate Industries to achieve situational awareness and make better-informed decisions using EVS Omnis for air quality and noise to proactively manage their operations and mitigate impact on the community.

The recent signing of a Taiwanese manufacturing customer has quickly demonstrated significant value and scalability for them, reflected by the addition of further sites in the quarter.

Mining continued to be a significant contributor to the success of EVS Omnis, in Europe, Envirosuite has signed the world's most efficient open-pit copper mine. Using EVS Omnis' real-time monitoring and science-based forecasting, EVS will support the customer's operation team to plan and act before dust events occur and mitigate the impact to the nearby communities. In Australia, the signing of a significant resource company with scope for domestic and international expansion. Demonstrating further confidence in the product, Teck Resources expanded its deployment to continue meeting its sustainability goals and improve air quality and dust management around its mine sites.

Jason Cooper, Envirosuite CEO, said:

*"Omnis showed its strengths across all metrics this quarter, from our long-term investment in innovation culminating in the release of the new platform, enhancing our land, expand and scale strategy, through to opening exciting new segments and again contracting with some of the largest organisations globally."*



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## Outlook

Jason Cooper, Envirosuite CEO, said:

*“Our customers are reporting that ESG considerations are increasingly driving buying decisions, where institutional investors, regulators, and governments, are demanding accurate and quantifiable measurement and monitoring of key ESG metrics. Our customers only see this trend continuing, with our strategic positioning as a global provider of these services, there is evidence that our product suites will continue to grow Group revenues and earnings.*

*It is now clear that Omnis is a highly scalable Environmental Intelligence platform that serves customers in many different segments. With the aviation industry showing strong signs of getting back to pre-pandemic levels we are well positioned to continue to support our customers through what is clearly a transformative time. By leveraging the reference sites of EVS Water in North America and Europe, we now have early validation supporting our strong product market fit.*

*Our Land, Expand and Scale strategy has been highly effective in Q4 with rapid take up of our products in all regions with highly scalable customers. This will be a continuing focus for our sales and marketing team, supporting some of the most significant industrial organisations on the planet. We are highly confident that the momentum that we have built in FY2022 will continue into FY2023 and beyond.”*

For the purpose of compliance with Guidance Note 8 of the ASX Listing Rules, the Company confirms that the commercial contracts referred to above are not individually financially material to the Company revenues. There are no other material contract provisions or conditions to be satisfied prior to the parties being legally bound to proceed with any contract mentioned above.

Authorised for release by the Board of Envirosuite Limited.



## ARR on a reported and Constant Currency Basis<sup>4</sup> (refer 'Definitions' below)

### Reported Basis:

Product suite	ARR Reported \$m				
	Q4FY21	Q1	Q2	Q3	Q4
EVS Aviation	31.8	32.9	32.0	31.8	33.9
EVS Omnis	14.6	15.5	16.6	16.6	18.1
EVS Water	0.1	0.2	0.4	0.6	1.0
<b>Total</b>	<b>46.5</b>	<b>48.6</b>	<b>49.0</b>	<b>49.0</b>	<b>53.0</b>

### Constant Currency Basis<sup>4</sup>:

Product suite	ARR Constant Currency \$m				
	Q4FY21	Q1	Q2	Q3	Q4
EVS Aviation	31.8	32.2	31.7	32.4	33.5
EVS Omnis	14.6	15.3	16.5	17.0	17.9
EVS Water	0.1	0.2	0.4	0.6	1.0
<b>Total</b>	<b>46.5</b>	<b>47.7</b>	<b>48.6</b>	<b>50.0</b>	<b>52.4</b>

### **Definitions /sources:**

1 – ARR is Annual Recurring Revenue representing the recurring revenue at the reporting date that the Company expects to receive from customers based upon sales orders received. It is translated into AUD based upon foreign exchange rates as at the end of the reporting period. The movement in ARR between reporting periods includes the impact of new ARR sales, churn, the impact of discounts / unwinding of discounts and FX movements

2 – PCP is Prior Comparative Period (30 June 2021)

3 – QoQ is Quarter on Quarter (31 March 2022)

4 – For the purpose of quarter-to-quarter comparison during the financial year, Constant Currency Basis adjusts the ARR for the reporting periods to translate the ARR at the same foreign exchange rate as that existing as at 30 June 2021

5 - <https://www.iata.org/en/pressroom/2022-releases/2022-07-07-02/>

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## **ABOUT ENVIROSUITE**

Envirosuite (ASX:EVS) is a global leader in environmental intelligence and is a trusted partner to the world's leading industry operators in aviation, mining & industrial, waste and water.

Envirosuite is a multi-year Deloitte Tech Fast 50 company and winner of Frost & Sullivan's 2021 Global Digital Twin Technology for Water Entrepreneurial Company of the Year Award.

Envirosuite's proprietary software combines leading-edge science and innovative technology with industry expertise to produce predictable and actionable insights, allowing customers to optimise their operations, whilst remaining compliant and managing their environmental impact.

By harnessing the power of environmental intelligence, Envirosuite helps industries grow sustainably and communities to thrive.

[www.envirosuite.com](http://www.envirosuite.com)