



Monday, 21 August 2017

**Company Announcements Office  
Australian Securities Exchange**

**EnviroSuite update - CEO report**

Dear Shareholders,

As I was appointed after the start of the new financial year I will not have the opportunity to communicate to you through the 2017 Annual Report that will be released shortly, so I wanted to provide a brief note on my initial observations since rejoining the company and provide an update on a couple of specific opportunities.

The recent share price activity post the completion of the ERM transaction is a little perplexing to me though I can only assume that most of our existing shareholders and the broader market are watching and waiting to see if we are gaining traction in our sales and that we are wisely investing the proceeds of the ERM sale to ensure successful international expansion of the business.

I am very pleased to confirm that we are gaining traction, our momentum is building, the company has broadly executed on all of its key fundamental goals over the last five years and our capacity to continue to do so now and going forward has never been greater.

We have recently completed our group plan for the year ahead so I wish to outline where we are up to in our growth story. We have had early revenues from an initial sample of bluechip clients and we are working through their respective protracted sales cycles, that are characteristic of global enterprise and government, to achieve much broader penetration of our offering in these organisations. We are significantly progressed in a number of these sales processes and we are seeing the prospect starting to open for these broad-base rollouts.

I am very happy to update the market on several of the opportunities that we have communicated to the market in the past. I also note that sales of our EnviroSuite platform is now considered business-as-usual for us and our market communication strategy will be to provide quarterly sales updates highlighting selected sales and updates on our partnering and development activities as applicable. Of course we will also continue to abide by our ASX disclosure obligations and announce any material items as and when they unfold.

From what I have read recently there seems to be some market confusion around a couple of our key opportunities namely Thames Water and the opportunities with the US regulatory agencies.

**Thames Water**

We announced a twelve-month trial with Thames Water in February 2016 at two of their sites. To clarify, the client referred to it as a 'trial' however for us it was effectively a 12 month subscription. Thames Water have a very determined path for the assessment of new technologies. Part of this evaluation included a highly detailed cost benefit analysis where it can be shown that the financial benefits of our platform in the Wastewater industry significantly outweigh the costs.

Thames Water is one of the world's largest and oldest water authorities. It moves carefully and slowly from the perspective of a small technology company like us, but the prize is big. We have every reason to believe that we will continue to move successfully through their evaluation process and the best indication of that is our continued work with both of the two 'trial' sites that took part in the corporate paid trial. It is significant validation that these sites have both sought to continue to use EnviroSuite post their participation in the corporate trial stage. We are yet to receive the purchase order for the second site which is an administrative confirmation we generally wait on before announcing new clients though we are working with that site and we are aware that they have announced publicly that they are using EnviroSuite, so we have every confidence in our on-going engagement. We will continue to work on winning individual Thames Water sites as well as progressing a broader enterprise deal at the corporate level.

The flow-on benefits of working with such a high-profile group like Thames Water are already starting to emerge. We are currently progressing over ten new Water and Wastewater Treatment clients globally with some individual opportunities representing multiple numbers of wastewater treatment sites. Typical of new technology platforms we see the handful of pioneer clients pave the way for a far greater number of follow-on clients that are enticed and enabled by compelling reference cases.

We have some particularly active partners in Europe and we're attracting others to our growing referral and reseller network. We are seeing, and believe, that these partners will deliver the quicker, albeit smaller, run-rate wins while our direct sales team concentrates on the larger enterprise deals.

## USA

At this early stage for us in the USA, We are very excited about the prospect of EnviroSuite becoming a valuable platform for Regulators and their stakeholders, as well as the Oil and Gas sector.

The magnitude of the emerging regulatory market vertical for EnviroSuite in the US cannot be underestimated. The regulatory regime in the US is different to that we see in Australia. In the US the regulators take a very active and leading role in managing the required outcomes and in issuing material fines, often in the millions of dollars, to offending companies.

Our US base is in California which is in itself the world's sixth largest economy. We have made strong progress in a relatively short amount of time to attract the attention of the both the state regulatory board for air quality and a number of the regional air quality management bodies including the South Coast Air Quality Management District. I am pleased to report that we have secured a new contract with SCAQMD and also continue to work on the trial we announced earlier in the 2017 financial year. I note that given the broad and multi-faceted mandates of these regulators we generally expect that our engagements with them will span across several individual contracts rather than one umbrella contract.

Interestingly we see that our European business is gaining traction in the Wastewater and Ports sectors, whilst in the USA it is the Regulatory as well as the Oil and Gas sectors that we see most potential. Given that the set of base clients in Australia are in the Mining and Heavy Industry sectors, it can be seen that EnviroSuite demonstrates a wide appeal across multiple sectors.

## Asia Pacific

I spent the first few days in the role in a planning workshop with our partners ERM in Singapore to identify potential EnviroSuite opportunities in the Asia Pacific region from the ERM client base. If we can develop these opportunities with ERM in the Asia Pacific region, then we can replicate this partnership in other regions with ERM.

The company has had various challenges in the past with cash flow determining the speed of the development of our technology. These issues have now been firmly addressed, and we have now moved to the phase where all our focus is on gaining sales, both direct and through our partner network. We look forward to releasing the first of our three-monthly updates to the market in mid-September.

On behalf of EnviroSuite Limited

## Peter White

Executive Director and Chief Executive Officer



## About EnviroSuite

EnviroSuite Limited (ASX:EVS), is a global provider of monitoring and operational management services through its leading Software-as-a-Service platform. The EnviroSuite platform provides a range of environmental monitoring, management and reporting capabilities that are incorporated into a diverse array of operations from water treatment to large scale construction, open cut mines, food processing, port operations, environmental regulators and other industry uses. The leading edge software platform complements and facilitates the pace of technology adoption by industry and the growing expectations of communities the world over that hold environmental quality as key pillars to human health and wellbeing.

EnviroSuite offers a stand-alone software service through to a comprehensive platform to assist companies with their environmental monitoring, management and reporting requirements.

The EnviroSuite technology was developed, and continues to be driven and supported by some of the world's best minds in environmental science and engineering. EnviroSuite is receiving increasing global recognition for its innovative platform that is quickly working its way into the everyday operations of industry.