

ASX RELEASE

2 September 2024

Hitachi Construction Machinery to invest \$10m AUD into Envirosuite, signs Collaboration Agreement to pursue ESG and Net Zero opportunity in Mining

Key Highlights

- Hitachi Construction Machinery (TSE: 6305) has signed a Subscription Agreement to invest \$10m AUD at \$0.058 per share to acquire approximately 12% equity holding in Envirosuite and become its largest single entity shareholder¹. The subscription price represents a premium of 29% to latest closing price and a premium of 32% to the 7-day VWAP. Under the Subscription Agreement, the shares will be issued in two tranches, with the first tranche of 158.5m shares expected to be issued on or around 4 September 2024 under Envirosuite's available ASX Listing Rule 7.1 placement capacity. The second tranche of 0.807m is subject to shareholder approval under ASX Listing Rule 10.11 which will be sought at Envirosuite's Annual General Meeting later this year.
- This investment will help fund the strategic Collaboration Agreement between the companies to pursue ESG (Environmental, Social and Governance) and Net Zero related market opportunities in Mining with a focus on environmental performance optimisation and social license, leveraging the expertise of each party including technology, industry knowledge and go-to market capabilities.
- Tokyo-listed Hitachi Construction Machinery is one of the world's largest construction machinery manufacturers. Employing more than 26,000 people with revenues of 1,405.9 billion yen (\$14b AUD), Hitachi Construction Machinery serves more than 400 mining sites in over 130 countries and areas globally, in key markets including Australia, North and Latin America, Africa, Asia and Europe.
- The Envirosuite collaboration is a cornerstone of Hitachi Construction Machinery's strategy to address the global demand around greenhouse gas (GHG) challenges in Mining, leveraging Envirosuite's EVS Industrial technology, Hitachi Construction Machinery's industry knowledge, as well as the fleet management and digital mining solutions of Wenco International Mining Systems Ltd (Wenco), a wholly owned subsidiary of Hitachi Construction Machinery servicing nearly 150 mines globally with a focus on open-pit mines.
- Envirosuite's environmental impact data, Hitachi Construction Machinery's fleet performance data, and the parties' combined site data and subject matter expertise in Mining represents significant future collaboration opportunities for Envirosuite, Hitachi Construction Machinery and Wenco.
- The partnership is expected to increase Envirosuite's market opportunities through Hitachi Construction Machinery's and Wenco's global reach, as well as new product opportunities.
- Hitachi Construction Machinery GM and Wenco Executive Eric Winsborrow has been appointed as director of Envirosuite effective 2 September 2024.

¹ As at 30 August 2024, Perennial Value Management Ltd had a 15% shareholding in Envirosuite managed by them on behalf of several underlying investors.

Hitachi Construction Machinery makes strategic investment in Envirosuite

Leading environmental intelligence technology company **Envirosuite Limited (ASX: EVS) (Envirosuite or the Company)** is pleased to announce that Hitachi Construction Machinery Co., Ltd. (Hitachi Construction Machinery) has agreed to invest \$10m AUD to acquire approximately 12% of Envirosuite's share capital at a price of \$0.058 per share, in accordance with a subscription agreement signed earlier today (Subscription Agreement). This price represents a premium of 29% to latest closing price and a premium of 32% to the 7-day VWAP.

Under the Subscription Agreement, the shares will be issued in two tranches, with the first tranche of 158.5 million shares expected to be issued on or around 4 September 2024 under Envirosuite's available ASX Listing Rule 7.1 placement capacity. The second tranche is subject to shareholder approval under ASX Listing Rule 10.11, which will be sought at Envirosuite's Annual General Meeting later this year.

Funds from this strategic investment will be used to advance the Company's EVS Industrial solutions and market penetration particularly in the Mining sector, with a specific focus on delivering solutions that assist customers with site productivity improvements and their ESG priorities, including GHG reductions, through digital technology.

Hitachi Construction Machinery and Envirosuite have also entered into a strategic collaboration agreement (Collaboration Agreement). The terms of the Subscription Agreement and Collaboration Agreement are summarised in Annexure A to this announcement.

Envirosuite CEO, Jason Cooper said:

"We are thrilled to be launching into the top tier of global mining services with Hitachi Construction Machinery and their subsidiaries. Together, we expect to set new standards in operational management and environmental responsibility for the Mining industry globally which aligns strongly with both companies' visions for a sustainable world. The \$10 million investment and Collaboration Agreement represents definitive industry validation of our technology at the highest level, and will showcase our ability to help customers achieve their productivity and ESG goals through an innovative site-wide digital solutions approach. This is a significant untapped opportunity in the Mining industry."

Hitachi Construction Machinery Vice President and Executive Officer, President of Mining Business Unit Eiji Fukunishi said:

"We are excited to be investing in a strategic relationship with Envirosuite. Their decades of experience and commitment to environmental and social responsibility while helping customers achieve their productivity goals aligns perfectly with Hitachi's vision for 'ensuring a prosperous land and society for the future, and contributing toward realizing a safe and sustainable society'. Envirosuite's culture of honesty, integrity and commitment to customers and the communities we all serve is the foundation of both of our businesses. Through this investment, we hope to leverage Envirosuite's solutions, data scientists' analytical capabilities, and its findings and know-how in subscription business in order to further refine Hitachi Construction Machinery's solutions in the Mining business."

Strategic relationship

The intent of the Collaboration Agreement is to accelerate the development and adoption of environmental and safety intelligence technology within the Mining industry, providing customers with leading-edge tools to help achieve their ESG and Net Zero related objectives as well as their operational efficiency goals. The combined expertise of both companies is expected to increase market opportunities, with the goal of driving sustainable practices and operational efficiencies across the sector.

Hitachi Construction Machinery's strengths lie in the various touchpoints across business areas that range from the mining (pit) process, where mining machinery is used, to the mineral process (plant), drawing on resources across subsidiary companies. Wenco International Mining Systems Ltd. (Wenco) in Canada is a wholly owned subsidiary of Hitachi Construction Machinery and a leading company in the development, sales, and maintenance of fleet management systems (FMS), High Precision Guidance, Reliability and Safety systems, having now introduced solutions to nearly 150 mining sites around the world with a particular focus on open pit mines. In 2020, Hitachi Construction Machinery and Wenco jointly developed ConSite Mine, a service solution that remotely monitors mining machinery continuously. Together, the companies are honing solutions that lead to improved productivity and safety at mining sites while also reducing life cycle costs. In 2021, Hitachi Construction Machinery also acquired fatigue detection technology that utilises brainwave and AI technology to enhance solutions that will help improve mine safety.

Envirosuite's Industrial solutions together with Hitachi Construction Machinery's portfolio of mining equipment, fleet management, autonomous haulage and other advanced digital solutions including ConSite Mine is expected to provide comprehensive solutions for tracking and managing carbon emissions across mine sites. By leveraging Envirosuite's world leading environmental intelligence platform, deep domain knowledge around mining operations and existing cost base, the combined solutions are expected to deliver insights into environmental and safety intelligence at an operational and executive management layer not currently available to the Mining industry today. These new capabilities are also expected to have applicability with non-mining EVS Industrial customers in the future, accelerating the Company's strategy to drive ARR growth and gross margin improvement in its high value focus sectors.

Key elements of this collaboration include:

- A comprehensive site-wide approach to GHG emissions optimisation, ensuring many aspects of mining operations are covered from pit to port.
- Exploring integration capabilities with Hitachi Construction Machinery's mining equipment, fleet management systems and other digital solutions.
- Combined innovative solutions to enhance the ability of mine operators to measure, predict, respond and reduce their environmental and social impact as well as their carbon footprint.
- Leveraging the full potential of Envirosuite's environmental intelligence technology to provide actionable insights and deeper operational understanding.
- Supporting the Mining industry's Net Zero targets through world-leading technology and expertise.
- Funding for an accelerated roadmap for EVS Industrial products and solutions, specifically tailored to meet the unique needs of the Mining industry.
- Leveraging Hitachi Construction Machinery's and Wenco's significant global footprint to accelerate Envirosuite's market penetration in Mining, while helping Hitachi to achieve its vision for a safe and sustainable society.

By combining the strengths of Hitachi Construction Machinery and Envirosuite, this partnership is set to help Mining customers achieve their productivity goals while redefining the industry's standards around environmental and social responsibility. The agreement demonstrates both Envirosuite's and Hitachi Construction Machinery's commitment to fostering a more sustainable future and enabling the Mining industry to achieve its environmental and Net Zero objectives with greater efficiency and impact.

Envirosuite will be joining Hitachi Construction Machinery to launch the strategic relationship and Envirosuite's role in helping Hitachi achieve its long-term vision will also be shared at MINExpo, the world's largest mining event, in Las Vegas, Nevada, 24-26 September 2024 at Hitachi Construction Machinery's Booth 8649 in the Central Hall Theatre.

Hitachi GM New Business Strategy and Wenco Executive VP Eric Winsborrow appointed as director of Envirosuite

Eric Winsborrow brings over 30 years' Silicon Valley experience to the Envirosuite Board of Directors, introducing next generation technology solutions to global markets for Networking, Cyber Security and Industrial IoT.

Mr. Winsborrow is currently responsible for helping to create and execute the long-term digital strategy for Hitachi Construction Machinery and group companies. Prior to Wenco, Mr. Winsborrow was the CEO of Distrix Networks, a company that developed secure next generation sensor networks for the US Government and Industrial IoT customers worldwide. Mr. Winsborrow was also CEO of Shadow Networks, an advanced cyber security company using Software Defined Networks to deceive attackers that were already operating inside government and corporate networks. Prior to running startups, Mr. Winsborrow served in senior product leadership positions of leading Silicon Valley companies such as Cisco Systems, Symantec and McAfee, introducing disruptive new technologies to customers globally, and served as an Entrepreneur in Residence for Yaletown Venture Partners, performing due diligence on over one hundred technology firms.

Mr. Winsborrow majored in Engineering Physics and Economics at McMaster University in Canada, and has an MBA in International Business from McMaster University and the Institute for International Studies in Japan.

Jason Cooper commented:

"We are very pleased to welcome Eric to the board. He has helped steward the investment and collaboration with Hitachi Construction Machinery, and we deeply value his experience and contact network particularly in the North American and Asian regions. We look forward to working with Eric as we move forward into this new era for the Company."

Authorised for release by the Board of Envirosuite Limited.

For further information contact:

Adam Gallagher

E: investors@envirosuite.com

P: 1300 987 009

ABOUT HITACHI CONSTRUCTION MACHINERY

Hitachi Construction Machinery Co., Ltd. (TSE: 6305), headquartered in Tokyo, Japan, is a construction machinery manufacturer which globally deploys development, manufacturing, sales, and service businesses for its hydraulic excavators, wheel loaders, compaction equipment, and mining machinery, etc. In addition to its new machinery business, Hitachi Construction Machinery is expanding its "value chain businesses" of parts and services, remanufacturing (parts and machines), rentals, and used equipment as it aims to grow together with customers as a true solutions provider that offers innovative solutions to customers. As our vow to all stakeholders to achieve this mission, we established and are currently disseminating and promoting the LANDCROS as our new concept. With roughly 26,000 employees around the world, the consolidated sales revenue for Hitachi Construction Machinery was 1,405.9 billion yen for fiscal year 2023 (ended March 2024) with an overseas sales revenue ratio of 84%.

www.hitachicm.com/global/en

ABOUT ENVIROSUITE

Envirosuite (ASX: EVS) is the world's most advanced environmental intelligence technology company, trusted by leading operators across the aviation, mining, industrial, waste and wastewater sectors.

Envirosuite combines evidence-based science and industry expertise to build category-leading technology that helps customers manage complex operational challenges, reducing risk and improving productivity while protecting and strengthening social license and community relationships.

By harnessing the power of environmental intelligence, Envirosuite is helping to create a world where people, planet and industry can prosper in partnership.

www.envirosuite.com

Annexure A: Subscription & Collaboration Agreements – Key Terms

Subscription Agreement

Topic	Summary
Issuer	Envirosuite Limited
Subscriber	Hitachi Construction Machinery Co., Ltd
Subscription amount and price	Hitachi Construction Machinery has agreed to subscribe for 172,413,793 fully paid ordinary shares in Envirosuite at a subscription price of \$0.058 per share (Subscription Shares). The Subscription Shares will be issued in two tranches, with the first tranche of 158,500,000 shares expected to be issued on or around 3 September 2024 under Envirosuite’s existing placement capacity. The second tranche is subject to shareholder approval under ASX Listing Rule 10.11, which will be sought at Envirosuite’s upcoming annual general meeting in November 2024.
Subscription Shares	The Subscription Shares will be issued fully paid and free of all security interests, be quoted on ASX and will rank equally in all respects with the existing ordinary shares of Envirosuite on issue.
Use of proceeds	Envirosuite will use the subscription proceeds for the EVS Industrial division of Envirosuite and otherwise in accordance with the Collaboration Agreement (to be entered into on or around the date of the Subscription Agreement).
Standstill / disposal restrictions	Envirosuite and Hitachi Construction Machinery have entered into standstill/disposal arrangements which limits Hitachi Construction Machinery’s ability to acquire or agree to acquire additional shares in Envirosuite or dispose of the Subscription Shares for an 18-month period from completion, subject to customary exceptions.
Director appointment	Hitachi Construction Machinery has the right to appoint a director to the Board of Envirosuite, as long as it holds at least 10% of the total number of shares on issue in Envirosuite. The director nominated by Hitachi Construction Machinery must be acceptable to the Board of Envirosuite (acting reasonably) and will be subject to the satisfactory completion of customary background checks.
Anti-dilution	Subject to the ASX Listing Rules and applicable law, as long as Hitachi Construction Machinery holds at least 10% of the total number of shares on issue in Envirosuite, Envirosuite agrees to use reasonable endeavours to ensure that Hitachi Construction Machinery is given an opportunity to participate in any further placement undertaken by Envirosuite within 3 years of completion, subject to certain exceptions.
Control Transactions	Hitachi Construction Machinery agrees that for 24 months after completion, it and its affiliates: <ul style="list-style-type: none">• will not propose a control transaction in relation to Envirosuite unless it has first been recommended by the Board of Envirosuite;• will not participate in or vote in favour of a third-party control transaction unless it has first been recommended by the Board of Envirosuite;

- will accept a takeover offer or vote in favour of a scheme of arrangement (or other proposal requiring a shareholder vote) that is recommended by the Board of Envirosuite, unless Hitachi Construction Machinery or its affiliates have announced a superior or substantially similar proposal.

Collaboration Agreement

Topic	Summary
Parties	Envirosuite Limited and Hitachi Construction Machinery Co., Ltd
Overview	<p>Envirosuite and Hitachi Construction Machinery intend to establish a commercial and strategic relationship and collaborate to maximise the synergies in their respective businesses, including through:</p> <ul style="list-style-type: none"> • assisting Hitachi Construction Machinery's customers with site productivity improvements; and their environmental, social and governance priorities, including greenhouse gas reductions, through digital technology; • utilising the parties' data and insights to mutually benefit the sales channels and businesses of both parties; • enabling Envirosuite to leverage Hitachi Construction Machinery's financial position and business resources (such as Hitachi Construction Machinery's technology, expertise and go-to market capabilities); • leveraging the expertise of each party including technology, expertise and go-to market capabilities; • maximising the return for Envirosuite shareholders; and • entering into a sales & distribution agreement.
Term	An initial term of two years with automatic one-year extension terms, unless terminated earlier in accordance with the agreement.
Reporting / oversight	The parties agree to establish a collaboration committee consisting of representatives from each party, which will oversee the carrying out of collaboration activities and provide a forum for the sharing of information and opportunities.
Collaboration Activities and Conduct	<p>The Collaboration Agreement sets out certain actions and details that the parties must seek to agree and document, which in some instances, will involve the parties entering into separate agreements.</p> <p>The Collaboration Agreement contains customary provisions with respect to each parties' conduct (i.e. in relation to performance of actions, sharing resources and equipment, intellectual property and attendance at each other's premises).</p> <p>The parties agree to jointly develop competition protocols, which will govern all dealings between them in relation to the collaboration activities.</p>
Termination rights	<p>Either party may terminate the Collaboration Agreement for:</p> <ul style="list-style-type: none"> • a material breach of the agreement by the other party that is not rectified within 20 business days of being notified of the breach (or which is

- otherwise not capable of being rectified);
- an insolvency event in respect of the other party; or
- an extended force majeure event in respect of the other party.