



Shareholder Update.

EnviroMission executes US\$28 million MOU.

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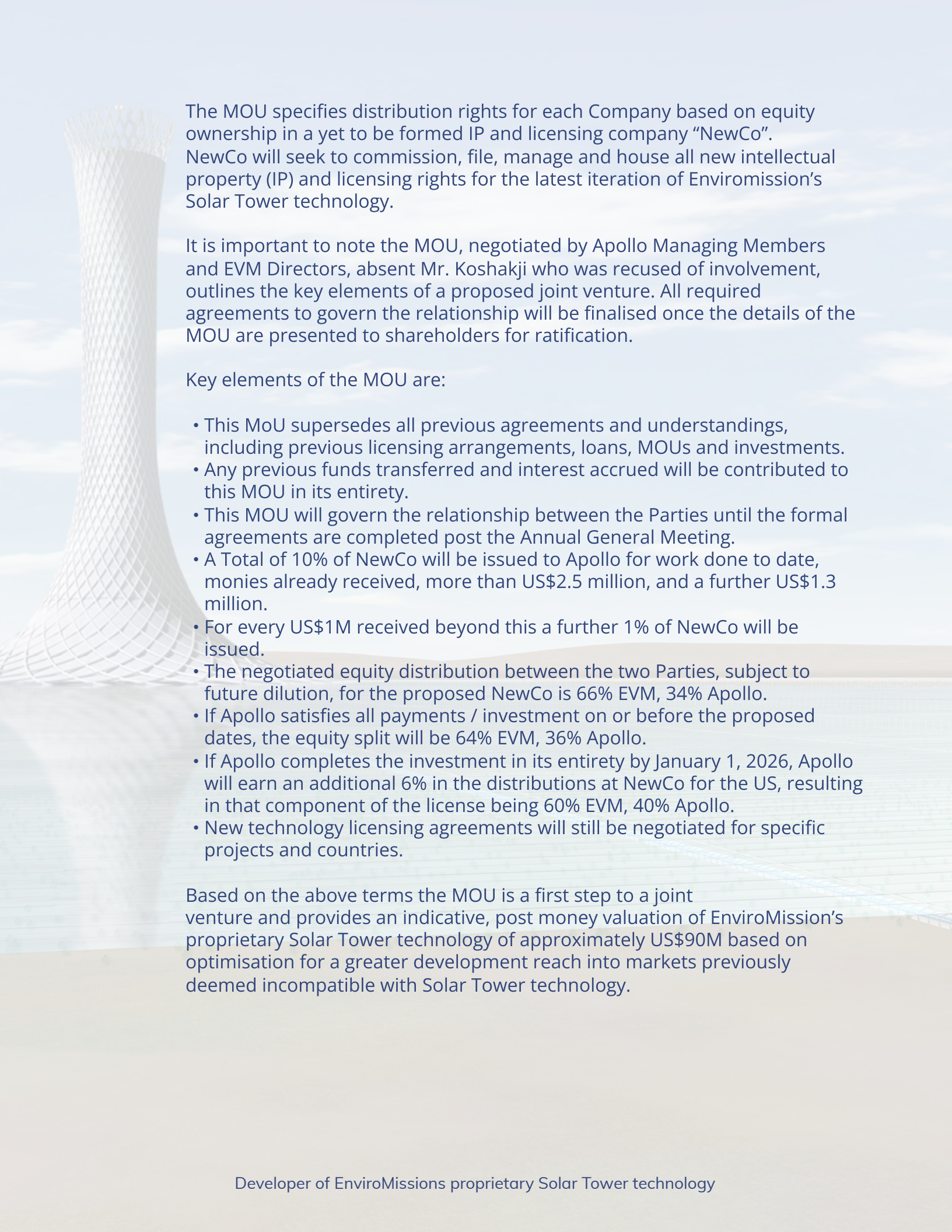
16th November 2023.

Dear Shareholder,

EnviroMission Limited is pleased to disclose that a new Memorandum of Understanding (MOU) with US based Apollo Development LLC and EnviroMission (“the Parties”) has been executed.

The MOU supersedes all previous agreements, understandings, licenses, and MOUs in place between the Parties and provides the framework for significant investment and the workings of a joint venture to forge ahead with the common pursuit of commercialising Solar Tower technology globally. The terms of the MOU are subject to shareholder approval, with approval anticipated to be sought at the Company’s next Meeting of shareholders, expected to be held in mid-December 2023.

Modelling of Solar Tower efficiencies and the ability to reduce the overall dimensions of the technology indicates a strong likelihood this initial (unqualified) valuation may increase materially post finalisation and an independent validation of the Company’s key Solar Tower development asset, DOVET (“Dynamic Optimisation and Verification Engineering Tool”).



The MOU specifies distribution rights for each Company based on equity ownership in a yet to be formed IP and licensing company “NewCo”. NewCo will seek to commission, file, manage and house all new intellectual property (IP) and licensing rights for the latest iteration of Enviromission’s Solar Tower technology.

It is important to note the MOU, negotiated by Apollo Managing Members and EVM Directors, absent Mr. Koshakji who was recused of involvement, outlines the key elements of a proposed joint venture. All required agreements to govern the relationship will be finalised once the details of the MOU are presented to shareholders for ratification.

Key elements of the MOU are:

- This MoU supersedes all previous agreements and understandings, including previous licensing arrangements, loans, MOUs and investments.
- Any previous funds transferred and interest accrued will be contributed to this MOU in its entirety.
- This MOU will govern the relationship between the Parties until the formal agreements are completed post the Annual General Meeting.
- A Total of 10% of NewCo will be issued to Apollo for work done to date, monies already received, more than US\$2.5 million, and a further US\$1.3 million.
- For every US\$1M received beyond this a further 1% of NewCo will be issued.
- The negotiated equity distribution between the two Parties, subject to future dilution, for the proposed NewCo is 66% EVM, 34% Apollo.
- If Apollo satisfies all payments / investment on or before the proposed dates, the equity split will be 64% EVM, 36% Apollo.
- If Apollo completes the investment in its entirety by January 1, 2026, Apollo will earn an additional 6% in the distributions at NewCo for the US, resulting in that component of the license being 60% EVM, 40% Apollo.
- New technology licensing agreements will still be negotiated for specific projects and countries.

Based on the above terms the MOU is a first step to a joint venture and provides an indicative, post money valuation of EnviroMission’s proprietary Solar Tower technology of approximately US\$90M based on optimisation for a greater development reach into markets previously deemed incompatible with Solar Tower technology.



EnviroMission has identified several new pieces of inimitable IP that will strengthen the technology's valuation, while providing comfort to institutional investors and project financiers seeking to assist the Company with the required capital to deliver projects.

The strengthened alliance indicated in the MOU will also underscore the efforts of the Company to meet the intent to relocate the business into the United States using an existing company structure for maximum leverage to a listing of the company for the benefit of all shareholders.

The Board of Directors believe this MOU is an important step towards realizing the companies development and deployment ambitions and will provide a more detailed case ahead of seeking formal shareholder approval, including the administrative steps, voting requirements and any associated disclosures.

EnviroMission will ensure Directors of the Company are available to discuss the MOU with shareholders to assist their voting discretion.

Apollo's managing member, Mr. Carlucci, stated "this MOU is further confirmation of the collaborative nature of the Apollo and EnviroMission relationship, and a monumental step toward the delivery of Solar Towers".

Sincerely,

The EnviroMission Limited Board of Directors.