

[Email correspondence in respect of agreement to defer rental payments for January to March 2021. Rent for April to June 2020 was reduced.]

William Kelly

From: Alan Richmond <richmond_alan@hotmail.com>
Sent: Thursday, 14 January 2021 11:32 AM
To: William Kelly
Subject: Evolution - payment plan
Attachments: AR April 20.pdf; AR June 20.pdf; AR May 20.pdf; JR April 20.pdf; JR June 20.pdf; JR May 20.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Hi BB,

Here are the invoices for reduced rent plus below is the email exchange supporting the delayed rent for Jan-Mar 21

Cheers, TA

From: Suandi Halim <Suandi.halim@theevolutiongroup.com.au>
Sent: Wednesday, 9 December 2020 2:28 PM
To: Alan Richmond <richmond_alan@hotmail.com>
Cc: John Macnamara <John.Macnamara@theevolutiongroup.com.au>; Andrew Baxter <andrew.baxter@theevolutiongroup.com.au>; 'John Richmond (richmondjay@netspace.net.au)' <richmondjay@netspace.net.au>
Subject: RE: Evolution property lease - payment plan

Good afternoon Alan and John,

Thank you for your prompt response to our request.

We highly appreciate your ongoing support to our business and we are all working hard to get the business back on track.

Regards,
Andi

From: Alan Richmond <richmond_alan@hotmail.com>
Sent: Wednesday, 9 December 2020 2:12 PM
To: Suandi Halim <Suandi.halim@theevolutiongroup.com.au>
Cc: John Macnamara <John.Macnamara@theevolutiongroup.com.au>; Andrew Baxter <andrew.baxter@theevolutiongroup.com.au>; 'John Richmond (richmondjay@netspace.net.au)' <richmondjay@netspace.net.au>
Subject: Re: Evolution property lease - payment plan

Good afternoon Andi,

Thank you for your email regarding rental payments. I have discussed the matter with my business partner, (John Richmond), and we both agree to the deferred payment plan through the forecast period of

reduced revenue. I will invoice the monthly rent as normal so Jan-Mar will be outstanding with the amount payable reducing through to September.

I discussed the matter of outgoings with John Macnamara and he agreed that they will be paid in full on invoice. That normally occurs twice a year in December and June for the previous 6 months.

All the best with getting back to capacity and budget.

Regards, Alan

From: Suandi Halim <Suandi.halim@theevolutiongroup.com.au>
Sent: Tuesday, 8 December 2020 12:28 PM
To: richmond_alan@hotmail.com <richmond_alan@hotmail.com>
Cc: John Macnamara <John.Macnamara@theevolutiongroup.com.au>; Andrew Baxter <andrew.baxter@theevolutiongroup.com.au>
Subject: Evolution property lease - payment plan

Hi Alan,

By way of introduction, my name is **Andi Halim – Evolution Group Financial Controller.**

As discussed verbally on the phone with our Group COO with you, due to the slower than expected return of event work in both Australia and New Zealand, our operations have remained well below capacity. This decline in revenue during these periods were approximately 30% to 40%. Our decline in revenue is out of the eligibility criteria for the 2nd tranche of government wages subsidy available in Australia and New Zealand.

Revenue has bounced back slightly in November 20, however with Christmas and New Year period fast approaching, we don't expect revenue to return to full capacity during December and January. Management is forecasting the revenue to ramp up in February and March and fully rectified in April with 100% capacity and back in budget again. This reforecast is based on both a slight return in events based work in addition to the group pivoting its focus to alternative revenue streams in the road construction and maintenance sector.

As Evolution continues to monitor cash flow daily and ensure we are maintaining staff employment during this time, it is necessary for management to undertake some initiatives in flattening our cashflow until the end of March. On this basis, we are seeking for your cooperation to provide us with a **payment relief for 3 months period between January to March 21 totalling to \$20,165.70 (\$6,721.90/month) and spread the repayments of these amounts over the following 6 months (\$3,360.95/month) period commencing in April 21 to September 21.** This will be reviewed on a monthly basis commencing in late January 2021 to ensure that any payment holiday is minimised as much as possible.

We are committed to maintain our supply chain and continue our good relationship. As we navigate through this extraordinary time we thank you for your ongoing support and understanding.

Please advise if this proposal is acceptable your end and we appreciate your cooperation on this.

Regards,
Andi

Suandi Halim

Group Financial Controller

evolution

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