

## EP&T Global Quarterly Activity Report and Appendix 4C

### Quarter Ended 30 June 2021

**29 July 2021** Building analytics company EP&T Global Limited (ASX: EPX) ('EP&T' or 'the Company') is pleased to release its quarterly activity report and Appendix 4C for the quarter ending 30 June 2021.

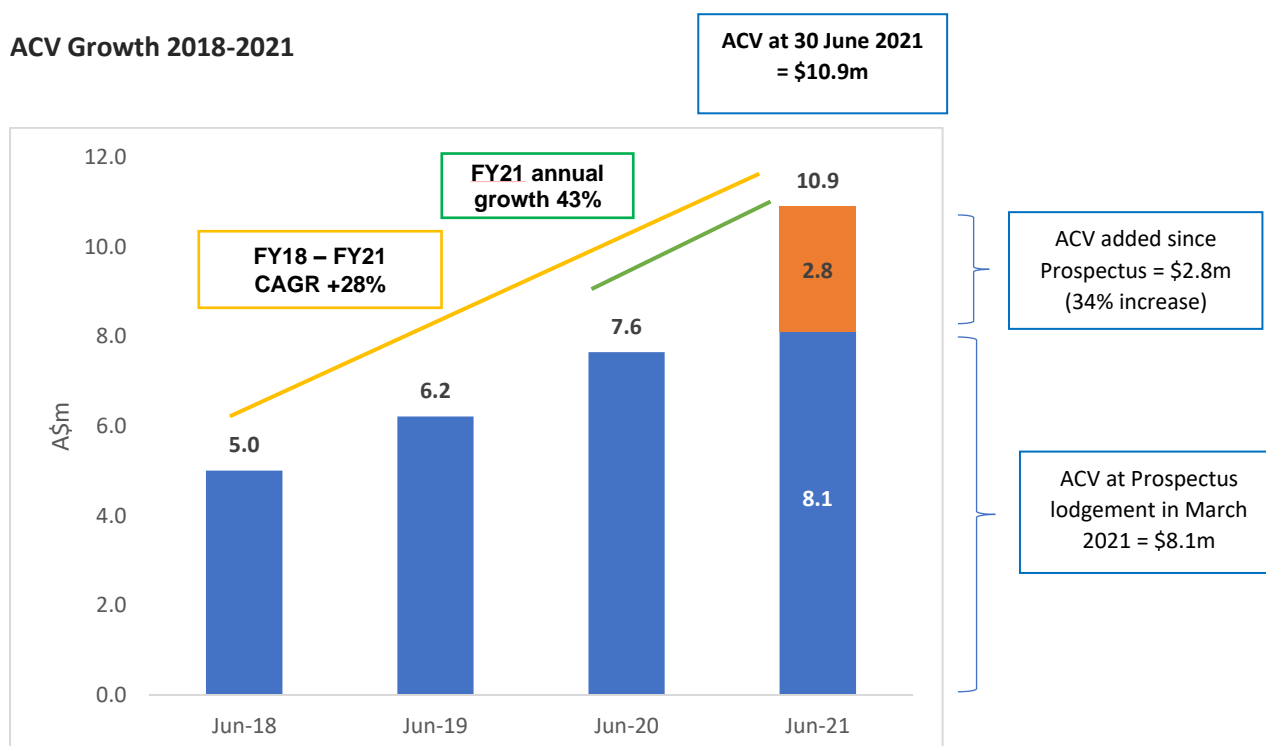
#### Highlights

- Successful IPO completed in May 2021, raising \$9.5 million for EP&T
- New contracts awarded during the quarter ended 30 June 2021 increase annualised contract value (ACV) by \$2.8 million to \$10.9 million, an increase of 34%. These contracts have a combined Total Contract Value (TCV) of \$11.2 million over their term.
- Over the full year to 30 June 2021 ACV increased by \$3.3 million (43%)
- A 35% increase in unbilled contract value (UCV) of \$9.6 million in the quarter to reach \$36.7 million
- New contracts in the quarter add 65 new buildings to EP&T's portfolio, increasing total sites to over 350, with an increase in EP&T's global footprint from 18 to 22 countries
- Significant contract win with three subsidiaries of DWS Group GmbH & Co. KGaA ("DWS") with combined ACV of \$2.0 million and TCV of \$6.0 million over the three year contract term
- Successful entry into the education vertical following the signing of five contracts in Dubai and Australia, with a combined ACV of \$0.4 million and TCV of \$1.6 million
- Cash receipts of \$1.8 million in the quarter and \$7.2 million for the 12-month period
- Launched newly designed client dashboards in EP&T's EDGE Intelligent System portal
- Total cash on hand of \$5.3 million as at 30 June 2021

#### Key operating metrics

EP&T won new contracts in the quarter with an ACV of \$2.8 million, increasing ACV by 34% to \$10.9 million. Over the duration of these contracts, which vary from 3 years to 7 years, they will deliver TCV of \$11.2 million to EP&T. ACV is calculated as the annualised monthly fees charged under a contract. TCV is the total amount to be charged over the term of the contracts.

#### ACV Growth 2018-2021



Unbilled Contract Value (UCV) represents the contracted amounts remaining to be billed by EP&T to customers. In the quarter ended 30 June 2021, UCV increased by \$9.6 million (35%) to \$36.7 million. Over the course of the 2021 financial year, UCV has increased by \$13.3 million from \$23.4 million to \$36.7 million (57% growth). The average term remaining on all contracts that EP&T has on hand is 3.4 years.

ACV growth is the key metric for sales activity in a period and is a forward indicator for future revenue and cash collections. Under EP&T's business model, ACV is invoiced to customers on a recurring basis (typically monthly) following the completion of installation and commencement of EP&T's services with revenue recognition commencing in line with these services. As an example, the DWS contract will be delivered in three phases with kick off Phase 1 in Q1 FY22. Incremental revenue and invoicing will commence as more sites become active.

### **Important contract wins and expansion into a new vertical and geographies**

EP&T's strong growth was driven by key contract wins, including the recently announced 3-year contract agreement with DWS Group. DWS' real estate business will utilise EP&T's EDGE Intelligent System across 42 assets in 11 countries to enable energy optimisation and monitoring services for their buildings.

Along with the DWS contract win, the Company added 16 new buildings to its client portfolio in the UAE. The new assets comprise a mix of commercial, retail, and high-rise residential buildings.

EP&T has also expanded into education as a new vertical with five new contracts for a combined value of \$0.4 million in ACV and \$1.6 million in TCV. The assets are located in both Dubai and Australia and provide another significant market for continued growth. The education sector is a logical industry for EP&T to target, as it provides a significant opportunity in terms of revenue and growth and schools can utilise EP&T's technology and solutions to demonstrate real-time, real-world data that informs their studies of STEM (Science, Technology, Engineering & Mathematics) subjects.

Through the quarter, EP&T increased its global footprint by 4 countries, with the addition of Spain, Germany, Finland, and Sweden, bringing its customer base span to a total of 22 countries. The Company plans to continue targeting international expansion through its global sales channels.

### **Marketing and sales activities**

A new sales resource was hired in the UK to complement the existing team and further target opportunities in the UK and Europe. ACV from customers in the UK and Europe increased through new contract wins by \$2.2 million (75%) during the 2021 financial year.

EP&T will continue to focus on sales and marketing globally to meet customer needs and capitalise on opportunities and will continue to add sales resources in markets where key growth opportunities are considered to exist.

Our marketing activity has also increased since IPO. Key activities include:

- EP&T will be taking part in the [Proptech Next Summit](#) in September at the Sofitel in Sydney's Darling Harbour, sharing thought-leadership via panel discussions and content opportunities in and around this popular and global event.
- Senior EP&T personnel were invited to participate at the GRI Global Sustainable Hospitality Committee. GRI was founded in 1998 and brings together key players in the global real estate and infrastructure sectors.

- Launch of our new Brand Video, supported by articles hosted on the website. Followers of EP&T on the social media platform LinkedIn grew to over 12,500 in the June quarter, an increase of over 200% on the same time last year.
- EP&T continues to engage in industry thought leadership articles on a regular basis via LinkedIn and other social media platforms.

## The market

In Europe, as Covid economic recovery plans are underway, sentiment and corresponding business activities are continuing to pick up, with an increasing focus on ESG plans to achieve a Net Zero emissions target. This is an opportunity for EP&T, as its EDGE Intelligent System provides the granular data necessary for the first step in a Net Zero pathway.

The UK is introducing an equivalent NABERS (National Australian Built Environment Ratings) System. EP&T is working on leveraging its track record of improving NABERS ratings for its Australian clients by an average of 0.8 Stars to 2.5 Stars on individual commercial assets, into that market.

In Australia, NABERS assessments conducted by EP&T increased by 82% from FY20 to FY21. The EDGE system has a module which assists both clients and assessors in the NABERS review process. Conducting these assessments on behalf of our clients can be an important part of our relationship with them as they work towards improved sustainability ratings and the value green credentials can bring to their commercial assets.

Green building certifications or rating systems positively impact property valuations, make easier the sale or lease process, support higher rentals, improve occupancy rates and strengthen tenant retention. These certifications include internationally adopted green certificates (such as Leadership in Energy and Environmental Design (LEED) from the U.S. Green Building Council and Building Research Establishment's Environmental Assessment Method (BREEAM) from BRE Global), as well as national ratings (such as BCA Green Mark in Singapore or NABERS in Australia). This supports the uptake of BEMS and is expected to be a long-term driver of demand.

**Table 1: Effect of Green Certification on Commercial Properties, Global**

Parameter	Mean increase on account of green certification
Rental Income	6.3%
Occupancy	6.0%
Sale Price	14.8%

Source: A Review of the Impact of Green Building Certification on the Cash Flows and Values of Commercial Properties, Department of Built Environment, School of Engineering, Aalto University, Finland, March 2020 (analysis of 70 peer-reviewed studies across the globe over the period 2008 to 2019)

## Product development

EP&T launched a "Customer First" platform to review and refine customer interactions and released its newly designed customer dashboards, which was well received with positive feedback from customers. The Company also added a new member to its R&D team which continued to improve and develop products.

## Customer awards

EP&T would like to congratulate its long-term customer British Land for winning the *edie* Sustainability Leaders Award 2021 in the Energy Management Project of the Year category.

## Financial

Receipts from customers for the quarter were \$1.8 million and \$7.2 million for the 12 months to 30 June 2021. ACV represents the total amount to be invoiced under a contract in a 12 month period and is typically invoiced on a monthly basis, commencing when EP&T's system installation has been completed. As such actual cash receipts will lag reported ACV due to the timeframe from being awarded a new contract (i.e. winning new ACV) and the receipt of 12 months of cash inflows from that customer.

Cash payment for staff costs of \$2.4 million included \$0.2 million of incentive payments made as a result of completing the IPO, as noted in the Prospectus. Interest and other finance costs include interest payments of \$0.1 million in the quarter and year to date to convertible noteholders. All convertible notes on issue were converted to equity at the time of the IPO.

Total operating cashflows for the quarter were negative \$1.5 million, which include one-off IPO and interest related costs of \$0.4 million.

Payments for property, plant and equipment include payments for SaaS project material and installation costs of \$0.6 million for the quarter and \$1.3 million for FY21. Project implementation had been delayed in the early part of FY21 as a result of COVID related building access restrictions but activity was able to be increased in the quarter ended June 21.

## Use of funds

The Company prepared the Prospectus in relation to the Offer of 47.5 million shares at an issue price of \$0.20 per share to raise \$9.5 million.

In Section 1.8 of the Prospectus, the Company provided a proposed use of funds statement. The table below only shows the use of funds from the date of admission to the ASX, being the 12 May 2021 to 30 June 2021. The Appendix 4C covers the entire quarter from 1 April 2021 to 30 June 2021 and the YTD covers the period from 1 July 2020 to 30 June 2021.

<b>Use of funds</b> 12 May 21 to 30 June 21	<b>Allocated Amounts (\$000)</b>	<b>Utilised Amounts (\$000)</b>	<b>Commentary</b>
Sales and Marketing	2,610	398	In line with expectations
SaaS project material and installation costs	2,340	530	In line with expectations
Operating expenditure (inc. R&D and working capital)	1,160	331	In line with expectations
Repayment of shareholder loans and purchase of assets from the Founder	1,190	1,190	In line with expectations
Repayment of debt	1,140	549	A bank loan of \$591k remains drawn and has a maturity date of January 2026.
Costs of the Offer	1,060	1,202	All costs of the offer have been paid and the total payment was \$0.1m above the Prospectus value as a result of additional costs incurred following submission of the Prospectus and prior to IPO date.
<b>Total from proceeds of issue of New Shares</b>	<b>9,500</b>	<b>4,200</b>	

Total cash on hand as at 30 June 2021 was \$5.3 million.

Payments totalling \$297,492 included in cashflows from operating activities were made to related parties of EP&T in the quarter as per Section 6.1 of the 4C. These payments comprise NED fees, Executive Director salary and sales commission payments and IPO related incentive payments.

Payments totalling \$1.19 million included in cash flows from financing activities in Section 3.6 of the 4C were made for the repayment of shareholder loans and purchase of assets from the Founder in line with Section 1.8 of the Prospectus.

*This announcement has been authorised for release to the ASX by the Board of EPX*

### **About EP&T Global**

EP&T Global is optimising buildings for a sustainable future. EP&T's proprietary technology solution combines multiple information sources with cloud-based data analytics to detect real-time energy inefficiencies in buildings. This highly accurate identification of faults and inefficiencies enables EP&T to collaborate with building managers to improve and optimise building plant operating systems.

EP&T's "EDGE Intelligent System" is a data repository incorporating 20+ years of building energy efficiency knowledge – collecting and analysing more than 5.6 billion points of data per annum with proprietary algorithmic analysis and machine learning.

To learn more visit [www.eptglobal.com](http://www.eptglobal.com)

### **For more information, please contact:**

Trent Knox  
**Chief Executive Officer**  
[investor@eptglobal.com](mailto:investor@eptglobal.com)

Simon Hinsley  
**Investor Relations**  
[simon@nwrcommunications.com.au](mailto:simon@nwrcommunications.com.au)  
+61 401 809 653

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

EP&amp;T Global Limited

**ABN**

50 645 144 314

**Quarter ended ("current quarter")**

30 June 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,814,216	7,172,411
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(26,744)	(128,866)
(c) advertising and marketing	(68,017)	(177,691)
(d) leased assets	(125,560)	(675,371)
(e) staff costs	(2,441,647)	(7,367,231)
(f) administration and corporate costs	(643,204)	(2,838,806)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	21,075	175,679
1.5 Interest and other costs of finance paid	(50,137)	(105,658)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,166,340
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,520,018)</b>	<b>(2,779,194)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(716,125)	(1,418,531)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(716,125)</b>	<b>(1,418,531)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	9,500,000	9,500,000
3.2	Proceeds from issue of convertible debt securities	1,000,000	2,000,000
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1,417,458)	(1,610,764)
3.5	Proceeds from borrowings	-	591,239
3.6	Repayment of borrowings	(1,188,603)	(1,188,603)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>7,893,939</b>	<b>9,291,872</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	(338,785)	265,997
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,520,018)	(2,779,194)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(716,125)	(1,418,531)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,893,939	9,291,872
4.5	Effect of movement in exchange rates on cash held	(18,912)	(60,045)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>5,300,100</b>	<b>5,300,100</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,300,100	360,834
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	(699,620)
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,300,100</b>	<b>(338,785)</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(297,492)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p><i>6.1 Payments were made to related parties of EP&amp;T Global during the quarter which comprised of Non-Executive Director fees and Executive Director salaries and sales commissions.</i></p>		



7.	<b>Financing facilities</b> <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A’000</b>	<b>Amount drawn at quarter end \$A’000</b>
7.1	Loan facilities	591,239	591,239
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	<b>591,239</b>	<b>591,239</b>
7.5	<b>Unused financing facilities available at quarter end</b>		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	7.1 Loan facility is with HSBC Bank in Hong Kong for HK\$3,458,750. The loan matures in January 2026, it is unsecured and the interest charged is 2.25% p.a.. The loan facility is fully drawn down.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,520,018)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,300,100
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	5,300,100
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	3.5
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2021

Authorised by: By the Board  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.