28 September 2021

2021 Annual Report to Shareholders

EP&T Global Limited (ASX: EPX) provides the attached 2021 Annual Report to shareholders.

This announcement has been approved for release by the Chairman of the Board of Directors.

ep&t global

ENVIRONMENT I PROPERTY I TECHNOLOGY

Annual Report 2021

Scale
Opportunities
Growth

Contents

Welcome to EP&T's inaugural annual report

EP&T Global Limited is a leader in the provision of building optimisation technology, services and advice. Globally from its 4 offices, EP&T delivers proven results in financial savings and carbon emissions reduction. We are determined to optimise buildings for a sustainable future by harnessing the power of our technology with the knowledge of our people.

CLIENTS IN

22

COUNTRIES

100,000+

TONNES OF CO_2 EMISSIONS PREVENTED EVERY SINGLE YEAR

THE EQUIVALENT OF TAKING MORE THAN 21,000 PASSENGER VEHICLES OFF THE ROAD

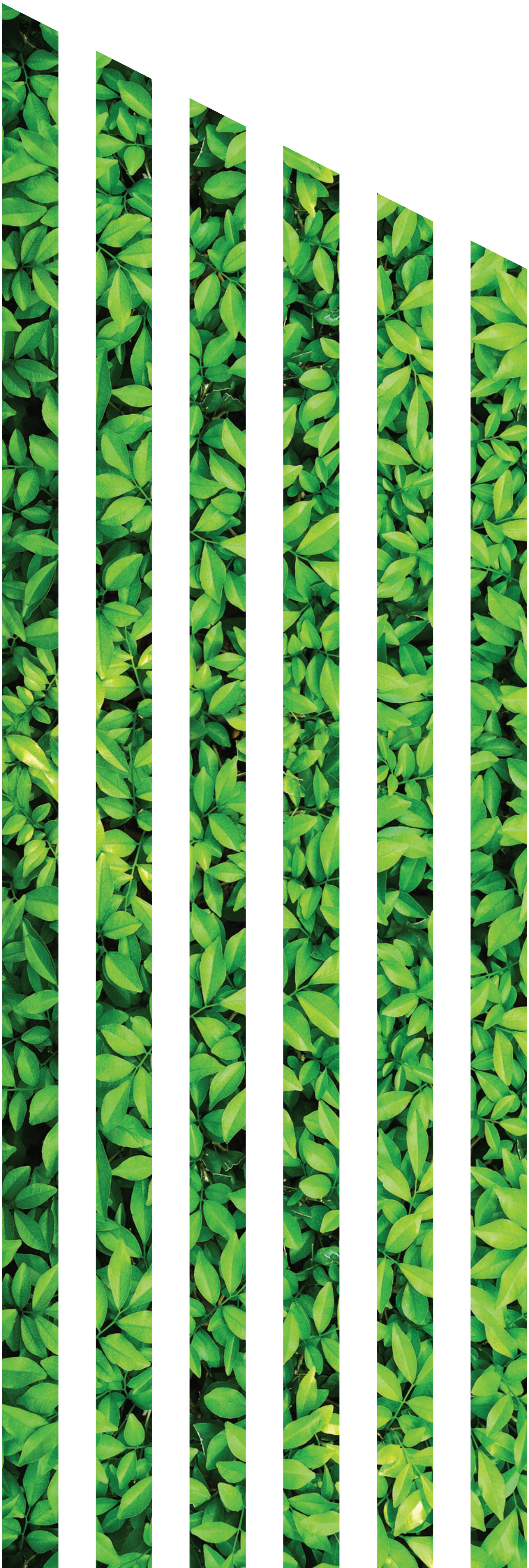
2021 highlights

43%↑
ANNUALISED CONTRACT VALUE (ACV[1])

82%
RECURRING REVENUE

49%↑
IN BUILDINGS MONITORED

1. ACV is defined as the annualised monthly contract value of contracts on hand at each period end.



22%

AVERAGE ENERGY SAVING
FOR OUR CLIENTS

11%

AVERAGE WATER SAVINGS
FOR OUR CLIENTS

> To our shareholders, some of whom have been invested in the business for a number of years, thank you for your support. I look forward to the future as EPX continues its journey as a listed business.

Chairman's message

Dear Fellow Shareholder,

On behalf of the Board, it is my pleasure to present to you EP&T Global's (EPX) inaugural Annual Report as a listed entity, for the financial year ended 30 June 2021.

EPX delivers building energy management solutions that reduce energy and water wastage and improve energy efficiency within commercial real estate. The Company works alongside clients to identify opportunities that optimise building plant operating systems and settings; assisting clients in the implementation of initiatives that reduce a building's energy, water and gas consumption, and improving operational performance. This year we have continued to see significant disruption to Australia's and the world's economies due to the health challenges presented by the COVID-19 (COVID) pandemic. Our management team have had to adapt to this significant disruption, along with several of our clients in the hospitality sector who have seen their businesses suffer serious consequences, and other clients who have had to cope with major disruptions. Our continuing thoughts are with everyone struggling with the effects of COVID on either their health or livelihoods, or both.

The global Building Energy Management Systems (BEMS) market, was estimated at $5.93 billion in 2019 and is expected to reach $9.54 billion by 2025. Since 1993 EPX has been helping clients reduce wastage and make buildings more energy efficient. Through the stewardship of our founder Keith Gunaratne, the business has grown to have clients around the world and offices in Europe, Asia, Australia and the Middle East. Trent Knox our CEO, now has the responsibility to take the Company forward towards what I am sure is a bright future.

In May 2021 EPX completed an IPO as part of our listing on the Australian Securities Exchange (ASX). The IPO raised $9.5 million for EPX and received strong support from institutional, professional, and retail investors. We are very grateful and appreciative of the hard work from management and advisers to successfully list on the ASX, as well as the continuing support of our existing and new shareholders.

Greenhouse gas emissions, ecologically sustainable development and responsible environmental practices will remain vital for businesses into the future. EPX, with its proprietary solutions for delivering energy and cost savings to clients, in addition to assisting clients achieve the highest energy efficiency and sustainability ratings, is well placed for success. In June we signed a 3-year contract with DWS Group for a total contract value of A$6.12million, which enables energy optimisation and monitoring services for DWS' buildings across 42 assets in 11 countries. This is driving further expansion of EP&T across Europe with entry into Spain, Germany, Finland, and Sweden. Additionally, the financial year saw EPX expand into the education vertical with five new contract wins and a total contract value of A$1.6 million.

Our financial results for the year ended 30 June 2021 reflect the work we are doing to transform and grow our business. The Annualised Contract Value growth of 43% to $10.9m is very pleasing and demonstrates the potential the business has in partnering with building owners to make the world a cleaner, greener place.

I would like to thank my fellow directors; John Balassis, Victor van Bommel and Keith Gunaratne for their hard work, sage advice, and support over the year.

The management team lead by Trent Knox has worked tirelessly to get the business ready to operate in the public environment, in addition to managing the business under the uncertainty of COVID. On behalf of the Board, I thank them.

A special mention must go to all our people around the world who have worked so hard under very trying circumstances and, despite all the complications caused by COVID, continue to add value to our clients. This effort is very much appreciated.

To our shareholders, some of whom have been invested in the business for a number of years, thank you for your support. I look forward to the future as EPX continues its journey as a listed business.

Keep safe and best wishes,

Jonathan Sweeney.

Jonathan Sweeney
Chair

CEO's report

When I joined EP&T Global in mid-2020 I realised very quickly that it was one of those companies that is making a positive financial and environmental difference to our modern lives. We live, work, and play in buildings. EP&T was born out of a genuine need to assist asset owners in optimising their commercial assets in the built environment.

EP&T Global has always had an incredible technology at its core. The EDGE Intelligent System has matured over time – algorithms and a data lake enriched by years of data capture, analysis, and aggregation. Add to this the skill, knowledge and dedication of our people and we are talking about a very compelling proposition.

Over the past 12 months we have reimagined our brand mark, rebuilt the website, updated our client portal, and engaged with some of the best strategic communications consultants in the business so that our ROI in the areas of sales and marketing are maximised. This revitalisation boosted interest in all things EP&T which was realised in our sales as we closed out FY21 with Annualised Contract Value (ACV) of $10.9m – an increase of $3.3m (43%) on the previous year.

We began the year working with 259 commercial grade assets in 18 countries and closed out the year with 387 (49% increase) in 22 countries. Significant contracts were won with three subsidiaries of DWS Group GmbH & Co. KGaA ("DWS") with combined ACV of $2.0 million and Total Contract Value (TCV) of $6.0 million over the three-year contract term. In addition, EP&T successfully entered the education vertical following the signing of five contracts in both Dubai and Australia with a combined ACV of A$335k and TCV of A$1.6m. This is due in no small part to the results we consistently deliver our clients – an average of 22% saving on energy costs and the prevention of >100,000 tons of CO_2 every single year – the equivalent of taking 21,000 cars off the road.

Companies around the world are feeling the effects of COVID-19. EP&T Global is resilient, but not entirely immune to its effects on business as was experienced with the slowing of certain project installations. However, we were pleased with the strong momentum we witnessed, with Unbilled Contract Value increasing by 57% to A$36.2m over the year. We are very proud to have achieved this despite the challenging market conditions that our sales teams have faced during the pandemic.

A SIMPLE 4-STAGE PROCESS UNDERPINS OUR COLLABORATION WITH CLIENTS

Capture

Access granular, high fidelity data from multiple sources.

Aggregate

Data is cleansed and formatted by our platform

EP&T has a strong focus on the conversion of ACV to Annualised Recurring Revenue (ARR) which is key to increasing revenues and improving operating cash flows. Uncertainties do remain in some markets relating to the ongoing impacts of COVID-19. However, access restrictions for EP&T to complete installations have been easing in recent months. As markets and travel restrictions open, the value proposition of the EP&T solution and its customer-focussed subscription engagement model should significantly enhance sales opportunities.

EP&T Global engages with an ever-expanding list of verticals including commercial office, retail, hospitals, schools, hotels, clubs, and industrial. We are determined to become the world's most trusted brand in building energy efficiency. As such we strive for authentic relationships with our clients.

As is evidenced in the UN IPCC (United Nations Intergovernmental Panel on Climate Change) report, Net Zero targets are front and centre in the business community. Local real estate asset owners have demonstrated their eagerness to improve their NABERS (National Australian Built Environment Ratings System) ratings. In FY21, EP&T has seen an 82% increase in our NABERS assessments on FY20. With the arrival and uptake of NABERS in the United Kingdom, we are well-placed to facilitate ratings assessments. EP&T are on the front foot when it comes to supporting our clients' sustainability ratings. We have accredited assessors for different ratings agencies around the world and they are consistently helping our clients improve their environmental standings.

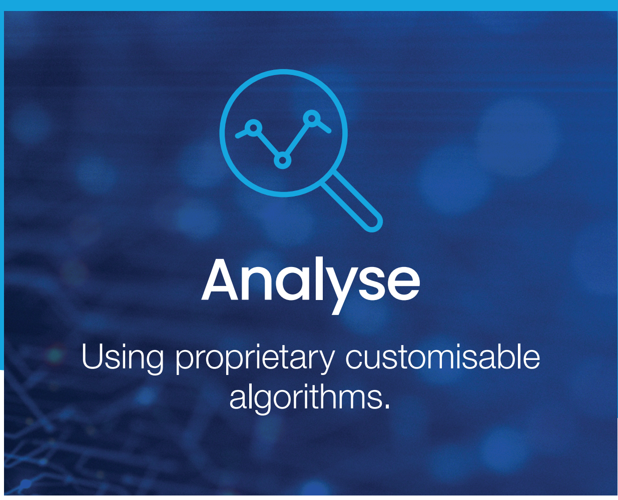
We are also committed to being active participants in the community. It's why we recently partnered with Solarbuddy, a charity determined to end energy poverty in developing nations. EP&T is putting in place a mentoring and internship program for women engineers. Our sales team is driving practical STEM education through the schools that engage our products and services. I'm proud of these community-focused programs, initiated and implemented by our people.

I'd like to take this opportunity to thank all our investment community for your support. The IPO – finalised in May 2021 – has reinvigorated the business in many ways. We have a greater capacity in the areas of sales and marketing. We are realising in practical terms our "Customer First' philosophy. Product development and user interface design are a central focus for our R&D department. All the while our EDGE Intelligent System continues to delivery market-leading insights.

Organisations worldwide are making sustainability a priority; environmentally and financially. EP&T Global thrives where these needs intersect. We are precisely where we should be, doing exactly what is needed for this to happen. I'm very proud to present our first Annual Report as a publicly listed company – the first of many.

Sincerely

Trent Knox
Chief Executive Officer



Global footprint

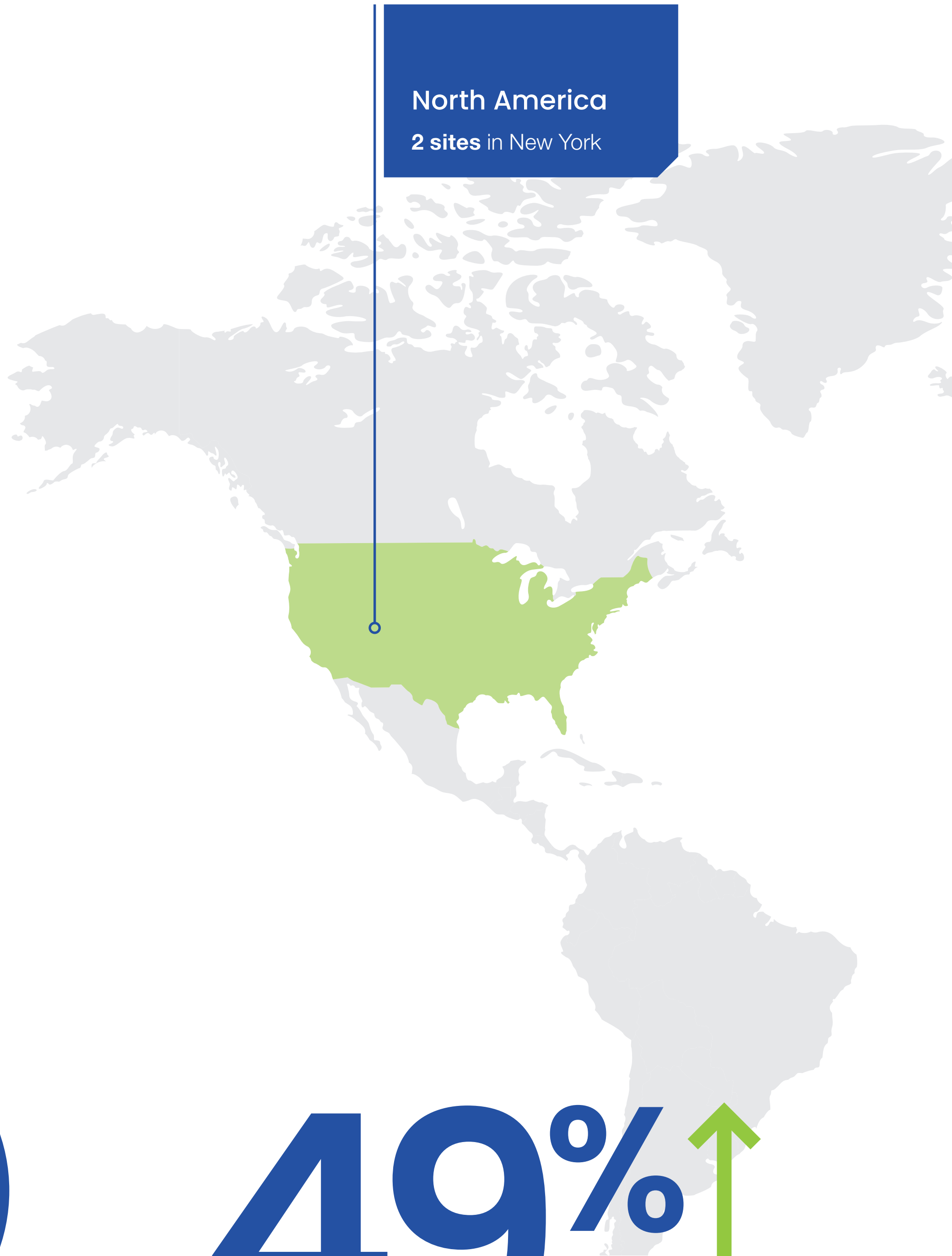
SERVING CLIENTS ACROSS

22

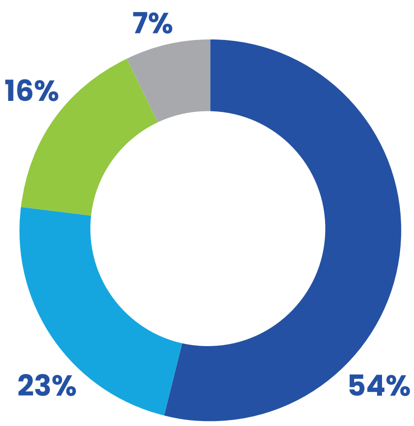
COUNTRIES

4

CONTINENTS



ACV split by building use



- Commercial
- Hotel & Leisure
- Retail
- Other

49%

JUNE 2020, 259 SITES
JUNE 2021, 387 SITES


United Arab Emirates
Office in Dubai
79 sites across Dubai and Abu Dhabi
Asia
Office in Hong Kong
14 sites
Europe
Office in London
57 sites United Kingdom
57 sites across greater Europe including Holland, Portugal, Belgium, Poland, Turkey, Malta, Spain, Germany and Russia
Australia
Head office in Sydney
178 sites in major cities and regional areas

Why do clients trust EP&T Global?

Global Reach
Portfolio support across different countries and continents

Opex Model
Subscription-based contract with immediate ROI

24/7 Curated Actions and Alerts
Data-driven building intelligence optimising around the clock

Cloud-based Technology
Customisable to the needs of client business objectives across all utilities, and always accessible

Proven Energy Savings & Emissions reduction
Average 22% energy reduction
>100,000 tonnes less CO_2 every year

Passionate and Knowledgeable Team
Deep industry experience supporting clients and delivering the results

Customer-centric Solutions
We are always collaborative and consultative

Sustainability Champions
Supporting clients on their Net Zero journey

Financial report

Directors' report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of EP&T Global Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors

The following persons were Directors of EP&T Global Limited from the date of incorporation of the Company on 15 October 2020 up to the date of this report, unless otherwise stated:

Jonathan Sweeney – Independent Non-Executive Chairman (appointed on 11 March 2021)

Keith Gunaratne – Founder and Executive Director (appointed on 15 October 2020)

John Balassis – Independent Non-Executive Director (appointed on 15 October 2020)

Victor van Bommel – Independent Non-Executive Director (appointed on 11 March 2021)

Principal activities

During the year, the principal continuing activities of the Group was delivering building energy management solutions that reduce energy and water wastage and improve energy efficiency across a wide array of commercial real estate.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The statutory reported loss after income tax benefit for the year attributable to the owners of EP&T Global Limited amounted to $12,156,861 (30 June 2020: $4,106,988).

Revenue for the Group was $6,077,746 in the 2021 financial year, a 9.7% decrease from 2020. Although the Group's Key Operating Metrics, as outlined immediately below, all improved from the corresponding period in 2020, the Group's ability to convert new contracts into revenue was significantly impacted by COVID-19. Global restrictions to building access and travel combined to delay the commencement of new contracted installations to new customers. These delays do not reduce the total contract value to be derived by the Group, as the contract term only commences when ongoing services are first delivered, however the inability to install new ACV impacts the conversion of ACV to Revenue, as billing cannot start until the service is installed. In addition, the Group granted temporary pauses to services and billing to a number of customers whose building occupancy was significantly impacted by COVID-19.

Key Operating Metrics	30 June 2021	30 June 2020	Change %
Annualised Contract Value ('ACV') ($000)	10,872	7,649	43%
Annualised Recurring Revenue ('ARR') ($000)	5,307	5,076	5%
Unbilled Contract Value ('UCV') ($000)	36,648	23,390	57%
Recurring revenue %	82	82	–
Number of contracted sites	387	259	49%

During the year ended 30 June 2021, Annualised Contract Value ('ACV') increased by $3.3 million (43%) to $10.9 million. ACV is calculated as the annualised monthly fees charged under contracts with customers.

Annualised Recurring Revenue ('ARR') represents the annualised amounts being invoiced by EP&T to customers under long-term contracts at a point in time. The difference between ACV and ARR is the backlog of projects yet to be fully completed and which are yet to commence invoicing. During the 2021 financial year the backlog has increased from $1.9 million (30 June 2020) to $4.9 million as a result of the large number of contract wins in the period, combined with installation delays, predominantly due to COVID-19 restrictions. The backlog is an indicator of future ARR growth to be delivered from the pipeline of projects on hand once ongoing services commence. Over 90% of the installation backlog is in the European and Middle East markets.

Unbilled Contract Value ('UCV') represents the contracted amounts remaining to be billed by EP&T to customers over the unexpired term of contracts on hand. Over the course of the 2021 financial year, UCV has increased by $13.3 million from $23.4 million to $36.6 million (57% growth). The average term remaining on all contracts that EP&T has on hand is 3.4 years.

The new contract wins in the 2021 financial year added over 120 new buildings to EP&T's portfolio, increasing the Group's total contracted buildings to 387 and its global customer footprint from 18 to 22 countries. The number of new buildings added to EP&T's client base in the 2021 financial year was more than double those added in the 2020 financial year.

Underlying earnings before interest, taxation, depreciation and amortisation ('EBITDA') is a financial measure which is not prescribed by the Australian Accounting Standards ('AASBs') and represents the loss under AASBs adjusted for specific items, including the change in fair value of convertible notes, impairment of assets, Initial Public Offering ('IPO') costs, finance costs related to convertible notes and share-based payments expense. The directors consider Underlying EBITDA to be one of the key financial measures of the Group.

The following table summarises key reconciling items between statutory after tax result attributable to the shareholders of the Company and Underlying EBITDA:

	Consolidated 2021 $	Aggregated 2020 $
Loss after income tax	(12,156,861)	(4,106,988)
Less: Income tax benefit	(225,817)	(122,034)
Less: Interest income	(175,680)	(228,159)
Add: Interest expense	125,626	154,204
Add: Depreciation	546,668	528,563
Reported EBITDA	(11,886,064)	(3,774,414)
Add: Change in fair value of convertible notes(1)	3,996,465	213,546
Add: Impairment of assets(2)	1,998,584	471,079
Add: IPO expense(3)	980,288	–
Add: Finance costs related to convertible notes(4)	757,251	617,948
Add: Share-based payments expense(5)	896,457	–
Underlying EBITDA	(3,257,019)	(2,471,841)

(1) Represents the movement in derivatives recognised on convertible notes which were fully converted to ordinary shares in EP&T Global Limited at the time of the IPO.

(2) Represents accrued revenue and receivables on projects revenues recognised in prior years no longer considered recoverable.

(3) Expenses related to the IPO of EP&T Global Limited on ASX completed in May 2021.

(4) Interest and amortised borrowing costs in relation to convertible notes issued by EP&T Global Limited. Accrued interest and remaining unamortised borrowing costs were extinguished at the time of the IPO.

(5) Expense recognised in relation to the issue of options over ordinary shares prior to the IPO of EP&T Global Limited.

As a result of the loss incurred, the net operating cash outflows for the year ended 30 June 2021, the growth in ACV which is in backlog, and the forward cash needs to continue the growth of the Group, management has assessed the Company's existing and likely future cashflows to allow the Group to continue as a going concern. The directors consider that the Group will continue as a going concern, as explained in note 1 to the financial statements 'Going Concern'.

Significant changes in the state of affairs

On 11 May 2021, EP&T Global Limited ('EPX') was admitted to the Official List of ASX Limited ('ASX'). Official quotation of EPX's ordinary fully paid shares commenced on 12 May 2021. EPX raised $11,000,000 pursuant to the offer under its prospectus dated 19 March 2021 by the issue of 55,000,000 shares at an issue price of $0.20 per share.

Corporate/Group reorganisation – EP&T Global Limited and EP&T Pty Limited Aggregated Group

EP&T Global Limited was incorporated on 15 October 2020. On 19 March 2021, the shareholders of the Company undertook a corporate reorganisation, in which EP&T Global Limited acquired EP&T Pty Limited Aggregate Group ('Aggregated Group') which is comprised of EP&T Pty Limited, EP&T Global Limited (UK), EP&T Global Limited (HK) and EP&T FZ LLC (Dubai). This corporate reorganisation did not represent a business combination in accordance with

Directors' report (continued)

AASB 3 *Business Combination*. Instead the appropriate accounting treatment for recognising the new Group structure is on the basis that the transaction is a form of capital reconstruction and Group reorganisation.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on the Group for the financial year ended 30 June 2021 has been reflected in its published results to date. Whilst it would appear that control measures and related government policies, including the roll out of the vaccine, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact the Group's operations going forward. The Group now has procedures in place to monitor the ongoing COVID-19 impact on its customers and operations and the experience in the swift implementation of business continuation processes, should future lockdowns of the population occur. These processes continue to evolve to minimise operational disruption and management also continues to monitor the situation both locally and internationally.

On 27 August 2021, 23,460,000 fully paid ordinary shares were released from escrow. 93,077,533 fully paid ordinary shares remain subject to mandatory and voluntary escrow.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on Directors

Name:	**Jonathan Sweeney**
Title:	Independent Non-Executive Director – Chairman
Qualifications:	Bachelor of Commerce and Law from the University of NSW, is a Chartered Financial Analyst and has completed the Australian Institute of Company Directors ('AICD') Company Directors Course as well as the Stanford Executive Program.
Experience and expertise:	Jonathan joined EP&T in 2021. He has worked in financial services for 35 years. He was the Managing Director of Trust Company (now part of Perpetual) from 2000 till 2008 where he oversaw the merger with Permanent Trustees, established Trust's business in Singapore and established a joint venture with The Bank of New York. He then co-founded Equity Real Estate Partners in mid-2009 that back door listed into Folkestone (now part of Charter Hall) where he became Folkestone's COO with responsibilities for the legal, regulatory, financial and operational areas until he left in early 2013. Jonathan is currently a non-executive director of BT Funds Group, The Australian Davis Cup Tennis Foundation, a member of Perpetual Superannuation Ltd's Investment Committee and Chairman of Perpetual Private's Investment Committee. He was previously Chairman of 8IP Emerging Companies Ltd (ASX code: '8EC') from 2015 to 2021 and a non-executive director of Velocity Rewards Pty Ltd from 2014 to 2021, Tennis New South Wales from 2012 to 2019 and Easton Investments (ASX code: 'EAS'), from 2009 till 2014.
Other current directorships:	None

Former directorships (last 3 years):	Chairman of 8IP Emerging Companies Ltd (ASX code: '8EC')
Special responsibilities:	Chairman of the Remuneration and Nomination Committee and member of the Audit and Risk Committee
Interests in shares:	250,000 ordinary shares (held indirectly)
Interests in options:	2,765,990 options over ordinary shares

Name:	**Keith Gunaratne**
Title:	Founder and Executive Director
Qualifications:	Keith has formal education in Electrical Engineering, Air-conditioning technologies, Computer Science and Business Management, which includes studies at Harvard Business School.
Experience and expertise:	Keith founded EP&T in 1993. He has been involved in developing energy conservation technologies for over 20 years and has extensive experience applying these technologies to the commercial, retail and industrial sectors.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares:	58,246,569 ordinary shares (held indirectly)
Interests in options:	3,457,488 options over ordinary shares

Name:	**John Balassis**
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Economics (majors in Accounting and Business Law) from Macquarie University, is a Member of Chartered Accountants Australia and New Zealand and is a member of the AICD.
Experience and expertise:	John joined the advisory board for EP&T in 2011. He has over 25 years in strategy and M&A across a range of industries including infrastructure, transportation and energy. John has worked in both Australia and internationally. He is a former senior executive at KPMG. For the past several years John has been a Board representative and CEO of investee entities for a US based energy and resources specialised investment firm. As non-executive director, John has experience in working with management teams to assist them to grow through merger, acquisitions and strategic joint ventures.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Audit and Risk Committee and member of the Remuneration and Nomination Committee
Interests in shares:	1,018,038 ordinary shares (held indirectly)
Interests in options:	829,797 options over ordinary shares

Directors' report (continued)

Name:	Victor van Bommel
Title:	Independent Non-Executive Director
Experience and expertise:	Victor joined the advisory board for EP&T in 2016. He has over 20 years' experience in investment banking and real estate. Victor is CEO and founder of Orange Capital Partners ('OCP'), a real estate investment firm based in Amsterdam, which owns and manages a portfolio of real estate assets in excess of USD$3.5bn. Prior to OCP, Victor worked for 14 years at Goldman Sachs in London, where he had various senior positions in equities and real estate capital markets. Victor is a member of the European Association for Investors in Non-Listed Real Estate Vehicles ('INREV') and the Association of Institutional Property Investors in the Netherlands ('IVBN').
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Remuneration and Nomination Committee
Interests in shares:	3,275,860 ordinary shares (500,000 held directly and 2,775,860 held indirectly)
Interests in options:	829,797 options over ordinary shares

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Joint Company secretaries

Richard Pillinger – *Chief Financial Officer and Joint Company Secretary*

Fellow of the Institute of Chartered Accountants England & Wales and holds a Bachelor of Science degree from the University of Nottingham, UK.

Richard joined EP&T in March 2018 as Chief Financial Officer and has over 15 years' experience in senior financial management activities within Australian and US publicly listed companies. Over the past 10 years, Richard's career has been focused on the global renewable energy and sustainability industries. Richard has been involved in the acquisition and subsequent integration of companies in Australia, USA and Europe. Richard has extensive experience in managing the transition to SaaS based business models.

Laura Newell – *Joint Company Secretary*

Laura is a Company Secretary of a number of ASX listed and unlisted public companies. She holds a degree with Honours in Law and Criminology and a Master's degree in Law and Corporate Governance. She is an Associate of the Governance Institute of Australia (GIA).

Laura is an experienced Chartered Company Secretary who has worked for a broad range of organisations, both in-house and for corporate secretarial service providers. Laura has over 11 years of experience in company secretarial and governance management of ASX and NSX listed entities, unlisted public entities and FTSE100 entities. She has worked with boards and executive management of listed and unlisted companies across a range of industry sectors.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each Director were:

	Full Board		Audit and Risk Committee		Remuneration and Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held
Jonathan Sweeney	8	8	2	2	1	1
Keith Gunaratne	8	8	2	2	–	–
John Balassis	8	8	2	2	1	1
Victor van Bommel	8	8	–	–	1	1

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the Key Management Personnel ('KMP') remuneration arrangements for the Group. Prior to the Group listing on the ASX on 11 May 2021, EP&T Global Limited was not required to prepare a Remuneration report in accordance with the *Corporations Act 2001*. As such, Remuneration report information is presented only for 2021 and covers remuneration arrangements both pre and post listing on the ASX.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to KMP

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation; and
- transparency.

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its Directors and Executives. The performance of the Group depends on the quality of its Directors and Executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In consultation with external remuneration consultants (refer to the section 'Use of remuneration consultants' below), the Remuneration and Nomination Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

Directors' report (continued)

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- improving financial drivers of the business including Annualised Contract Value ('ACV') growth, annualised recurring revenue growth, operating cash flow and operational drivers of the business including operational productivity, sales pipeline and expense management; and
- attracting and retaining high calibre executives.

Additionally, the reward framework seeks to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with good practice corporate governance, the structure of non-executive Director and Executive Director remuneration is separate.

Non-executive Directors' remuneration

Fees and payments to non-executive Directors reflect the demands and responsibilities of their role. Non-executive Directors' fees and payments are reviewed annually by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive Directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive Directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Subsequent to 11 May 2021 when the Group listed on the ASX, non-executive Directors do not receive share options or other incentives.

ASX listing rules require the aggregate non-executive Directors' remuneration be determined periodically by a general meeting. A maximum annual aggregate remuneration available to non-executive Directors was set at $500,000. The Board will not seek an increase to the aggregate non-executive Directors fee pool limit at the 2021 AGM.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Remuneration and Nomination Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The cash-based Short-Term Incentives ('STI') program is designed to align the targets of the business with the performance hurdles of executives. STI payments granted to executives are discretionary and based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include ACV growth, profit contribution, working capital management, operational productivity, customer satisfaction, and employee retention.

The total potential STI available is set at a level that provides sufficient reward to the executive for exceeding the financial and operational targets and at such a level that the cost to the Group is reasonable in the circumstances.

- STI awards are assessed annually and are paid in cash. Actual STI payments granted to each executive depend on the extent to which specific KPI's and annual financial and operational targets set at the beginning of the financial year are met or exceeded.
- Executives can achieve up to a maximum of between 30% and 50% of fixed remuneration as STI.

The Long-Term Incentives ('LTI') include long service leave and share-based payments. The Group has established an Employee Incentive Plan ('EIP') which provides the framework under which individual grants of employee incentives outside the STI can be made. As at 30 June 2021, no grants under the Employee Incentive Plan have been made. KMP were issued options, outside of the EIP prior to listing on ASX.

The LTI will be delivered in incentive options, performance rights, restricted shares or incentive rights ('Awards') by invitation to eligible participants, full-time or part-time employees of the Group, or any other person the Board deems eligible in its absolute discretion. Any shares issued under the EIP will rank equally with other shares issued by the Group, except for any rights attaching to shares by reference to a record date prior to the date of their issue. The maximum number of outstanding Awards that may be issued under the EIP is the equivalent of 8,500,000 shares.

Incentive options, performance rights and incentive rights will vest when the vesting conditions (or any other condition stipulated by the Board), have been satisfied. An incentive option may only be exercised if it has vested. Restricted shares cease to be restricted when the vesting conditions applicable have been satisfied, or upon notification from EP&T that the share is no longer restricted.

Incentive options will lapse on the earlier of:

- 7 years after vesting, or any other date specified in the invitation;
- a date or circumstance specified in the invitation for that incentive option;
- failure to meet a vesting condition within the vesting period; or
- the participant's election to surrender the incentive option.

Performance rights, incentive rights and restricted shares will lapse (or in the case of restricted shares will be forfeited) on the earlier of:

- a date or circumstance specified in the invitation;
- failure to meet a vesting condition within the vesting period; or
- the participant's election to surrender the relevant performance right, incentive right or restricted shares.

Group performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Group. A portion of cash bonus and incentive payments are dependent on KPI targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee is of the opinion that the adoption of performance-based compensation will contribute to future improvements in performance and will increase shareholder wealth over the coming years.

Use of remuneration consultants

During the financial year ended 30 June 2021 and prior to the ASX listing on 11 May 2021, the Group, through the Remuneration and Nomination Committee, engaged Mercer remuneration consultants, to perform an independent remuneration benchmarking review for the Executive Team. This benchmarking was taken into consideration when determining the remuneration packages of the Executive Team. The service fees were $16,000.

Directors' report (continued)

Details of remuneration

Prior to the ASX listing on 11 May 2021, EP&T Global Limited was not required to prepare a Remuneration report in accordance with the *Corporations Act 2001*. As such, Remuneration report information is presented only for 2021.

Amounts of remuneration

Details of the remuneration of KMP of the Group are set out in the following tables.

The KMP of the Group consisted of the following Directors of EP&T Global Limited:

- Jonathan Sweeney – Non-Executive Chairman
- Keith Gunaratne – Founder and Executive Director
- John Balassis – Non-Executive Director
- Victor van Bommel – Non-Executive Director

And the following persons:

- Trent Knox – Chief Executive Officer
- Richard Pillinger – Chief Financial Officer and Joint Company Secretary
- Rajesh Jampala – Chief Operating Officer

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
Consolidated 2021	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled[4] $	Total $
Non-Executive Directors:							
Jonathan Sweeney	22,855	–	–	2,171	–	77,443	102,469
John Balassis[1 & 2]	57,614	30,000	–	3,968	–	23,233	114,815
Victor van Bommel[1]	31,251	–	–	–	–	23,233	54,484
Executive Director:							
Keith Gunaratne[3]	456,276	201,252	6,617	–	45,725	–	709,870
Other KMP:							
Trent Knox[2]	213,631	150,625	–	18,081	–	116,164	498,501
Richard Pillinger[2]	247,208	156,349	–	20,599	–	166,489	590,645
Rajesh Jampala[2]	229,163	143,499	–	19,854	4,966	83,244	480,726
	1,257,998	681,725	6,617	64,673	50,691	489,806	2,551,510

1 John Balassis and Victor van Bommel were members of EP&T's Advisory Board prior to being appointed Non-Executive Directors. Under the terms of their agreements each received annual Advisory Board member fees of $25,000. From time to time, additional fees were payable for services provided outside the scope of the Advisory Board charter. The Advisory Board member agreements were terminated prior to being appointed Non-Executive Directors. The Advisory Board member fees paid during 2021 prior to being appointed Non-Executive Directors are included in the Cash salary and fees for 2021.

2 Discretionary bonus awards were made to the following KMP subject to successful completion of the listing on ASX and are included in the Cash Bonus benefits for 2021:

John Balassis – $30,000

Trent Knox – $20,000

Richard Pillinger – $82,465

Rajesh Jampala – $75,526

3 Keith Gunaratne is entitled to sales commission in line with the Sales Incentive Plan applicable to his role in force at the time. Sales commissions paid have been included in Short-Term cash bonuses and are 100% linked to performance.

4 Share-based payments expense relates to options issued prior to the IPO.

Non-executive Directors' salaries are 100% fixed. The proportion of remuneration linked to performance and the fixed proportion of Executive Directors and other KMP are as follows:

	Fixed remuneration	At risk – STI	At risk – LTI
Name	Consolidated 2021	Consolidated 2021	Consolidated 2021
Non-Executive Directors:			
Jonathan Sweeney	100%	–	–
John Balassis	100%	–	–
Victor van Bommel	100%	–	–
Executive Directors:			
Keith Gunaratne[1]	72%	28%	–
Other KMP:			
Trent Knox	47%	30%	23%
Richard Pillinger	46%	26%	28%
Rajesh Jampala	53%	30%	17%

1 At risk STI for Keith Gunaratne relates to Sales Commissions earned under the Sales Incentive Plan.

The proportion of the cash bonus paid/payable or forfeited is as follows:

	Cash bonus paid/payable	Cash bonus forfeited
Name	Consolidated 2021	Consolidated 2021
Executive Directors:		
Keith Gunaratne[1]	100%	–
Other KMP:		
Trent Knox	95%	5%
Richard Pillinger	90%	10%
Rajesh Jampala	90%	10%

1 Cash bonus for Keith Gunaratne relates to Sales Commissions earned under the Sales Incentive Plan.

Service agreements

Remuneration and other terms of employment for KMP are formalised in service agreements. Details of these agreements are as follows:

Name:	**Jonathan Sweeney**
Title:	Independent, Non-Executive Chairman
Agreement commenced:	11 March 2021
Term of agreement:	Open ended
Details:	Jonathan is entitled to receive a remuneration package including superannuation and other benefits of approximately $122,000 per annum inclusive of superannuation.

Directors' report (continued)

Name:	**John Balassis**
Title:	Independent Non-Executive Director
Agreement commenced:	15 October 2020 (joined the advisory board in 2009)
Term of agreement:	Open ended
Details:	John is entitled to receive a remuneration package including superannuation and other benefits of $67,000 per annum inclusive of superannuation.

Name:	**Victor van Bommel**
Title:	Independent Non-Executive Director
Agreement commenced:	11 March 2021 (joined the advisory board in 2016)
Term of agreement:	Open ended
Details:	Victor is entitled to receive a remuneration package including superannuation and other benefits of $60,000 per annum inclusive of superannuation.

Name:	**Trent Knox**
Title:	Chief Executive Officer
Agreement commenced:	17 September 2020
Term of agreement:	Open ended
Details:	Trent's annual remuneration package for the subsequent year ending 30 June 2022 is comprised of a base salary of $275,000, plus statutory superannuation, capped at the applicable maximum superannuation contribution base and an STI of up to 50% of his base salary. Trent's employment contract may be terminated by either EP&T or Trent by providing at least 3 months' notice in writing before the proposed date of termination.

Name:	**Keith Gunaratne**
Title:	Founder Executive Director – Chief Technology Officer and Enterprise Sales
Agreement commenced:	12 March 2021
Term of agreement:	Open ended
Details:	Keith is party to two employment contracts which govern his employment with EP&T, as follows: • with EP&T Global FZ LLC (EP&T Global Limited's Dubai subsidiary) dated 12 March 2021, (Dubai Employment Agreement)[1]; and • with EP&T Global Limited (EP&T Limited's Hong Kong subsidiary) dated 12 March 2021 (Hong Kong Employment Agreement)[2], (together 'Keith Gunaratne Employment Agreements'). Pursuant to the Keith Gunaratne Employment Agreements, Keith's combined annual remuneration package for the subsequent year ending 30 June 2022 is comprised of: • a base salary equivalent to $300,000; • annual pension contribution of $36,000; and • sales commission in line with the Sales Incentive Plan applicable to his role as in force at the time.

	Additional allowances are payable while based outside of Australia: • personal travel expenses to/from Australia capped at $30,000 per year; • housing and living allowance of equivalent to $18,850 per year; and • private medical cover costing up to the equivalent to $14,300 per year. Under the Keith Gunaratne Employment Agreements, Keith's Employment Agreements may be terminated by either EP&T or Keith by providing at least 3 months' notice in writing before the proposed date of termination. On termination of either of Keith's Employment Agreements, both agreements terminate and Keith will be entitled to a statutory end of service gratuity payment as required under UAE employment legislation. The maximum end of service gratuity available under this legislation is 24 months of salary. EP&T has agreed to accrue Keith's end of service gratuity payment based on an annual salary of AED1,905,500 (equivalent to A$680,000), being the salary paid to Keith prior to the amendment dated 15 March 2021. 1 Payments under Keith Gunaratne's Dubai Employment Agreement remuneration package will be paid in United Arab Emirates Dirham (AED) currency. The exchange rate to convert the AED amounts to the Australian dollar equivalents above is A$1= AED2.8. 2 Payments under Keith Gunaratne's Hong Kong Employment Agreement remuneration package will be paid in Hong Kong dollars (HKD) currency. The exchange rate to convert the AED amounts to the Australian dollar equivalents above is A$1= HKD6.0.

Name:	**Richard Pillinger**
Title:	Chief Financial Officer and Joint Company Secretary
Agreement commenced:	20 February 2018
Term of agreement:	Open ended
Details:	Richard's annual remuneration package for the subsequent year ending 30 June 2022 is comprised of a base salary of $259,507 plus statutory superannuation, capped at the applicable maximum superannuation contribution base and an STI of up to 30% of his Total Remuneration Package. Richard's employment contract may be terminated by either EP&T or Richard by providing at least 3 months' notice in writing before the proposed date of termination.

Name:	**Rajesh Jampala**
Title:	Chief Operating Officer
Agreement commenced:	27 December 2017
Term of agreement:	Open ended
Details:	Rajesh's annual remuneration package for the subsequent year ending 30 June 2022 is comprised of a base salary of $226,962 and a training allowance of $10,000 plus statutory superannuation, capped at the applicable maximum superannuation contribution base and an STI of up to 30% of his Total Remuneration Package. Rajesh's employment contract may be terminated by either EP&T or Rajesh by providing at least 3 months' notice in writing before the proposed date of termination.

KMP have no entitlement to termination payments in the event of removal for misconduct. Each Executive's employment contract includes a restraint of trade period of up to 24 months following termination. Enforceability of such restraints of trade is subject to all usual legal requirements.

Directors' report (continued)

Share-based compensation

Issue of shares

There were no shares issued to Directors and other KMP as part of compensation during the year ended 30 June 2021.

Options

Options were issued to KMP in March 2021 prior to listing on ASX and outside of the EIP. The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other KMP in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Jonathan Sweeney	276,599	17 March 2021	12 May 2021	15 March 2025	$0.20	$0.116
	553,198	17 March 2021	12 May 2021	15 March 2025	$0.29	$0.100
	553,198	17 March 2021	12 May 2023	15 March 2027	$0.34	$0.117
	1,382,995	17 March 2021	12 May 2024	15 March 2027	$0.38	$0.114
	2,765,990					
Keith Gunaratne	1,152,496	17 March 2021	12 May 2022	15 March 2025	$0.40	$0.086
	1,152,496	17 March 2021	12 May 2023	15 March 2025	$0.50	$0.076
	1,152,496	17 March 2021	12 May 2024	15 March 2027	$0.60	$0.096
	3,457,488					
John Balassis	82,980	17 March 2021	12 May 2021	15 March 2025	$0.20	$0.116
	165,959	17 March 2021	12 May 2021	15 March 2025	$0.29	$0.100
	165,959	17 March 2021	12 May 2023	15 March 2027	$0.34	$0.117
	414,899	17 March 2021	12 May 2024	15 March 2027	$0.38	$0.114
	829,797					
Victor van Bommel	82,980	17 March 2021	12 May 2021	15 March 2025	$0.20	$0.116
	165,959	17 March 2021	12 May 2021	15 March 2025	$0.29	$0.100
	165,959	17 March 2021	12 May 2023	15 March 2027	$0.34	$0.117
	414,899	17 March 2021	12 May 2024	15 March 2027	$0.38	$0.114
	829,797					
Trent Knox	414,899	17 March 2021	12 May 2021	15 March 2025	$0.20	$0.116
	829,797	17 March 2021	12 May 2021	15 March 2025	$0.29	$0.100
	829,797	17 March 2021	12 May 2023	15 March 2027	$0.34	$0.117
	2,074,493	17 March 2021	12 May 2024	15 March 2027	$0.38	$0.114
	4,148,986					
Richard Pillinger	864,372	17 March 2021	12 May 2021	15 March 2025	$0.20	$0.116
	864,372	17 March 2021	12 May 2021	15 March 2025	$0.29	$0.100
	864,372	17 March 2021	12 May 2023	15 March 2025	$0.30	$0.098
	864,372	17 March 2021	12 May 2024	15 March 2027	$0.34	$0.118
	3,457,488					
Rajesh Jampala	432,186	17 March 2021	12 May 2021	15 March 2025	$0.20	0.116
	432,186	17 March 2021	12 May 2021	15 March 2025	$0.29	0.100
	432,186	17 March 2021	12 May 2023	15 March 2025	$0.30	0.098
	432,186	17 March 2021	12 May 2024	15 March 2027	$0.34	0.118
	1,728,744					

The terms under which the existing options set out in the table above have been granted to the relevant holders are summarised below:

(1) Each existing option is exercisable into one share.

(2) The Board may determine how existing options are to be treated on cessation of employment or Director service. In making such decision, the Board may have regard to any matter they consider relevant, including the circumstances surrounding the cessation, satisfaction of any vesting conditions and the time elapsed in respect of the vesting period of the option.

Additional disclosures relating to KMP

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Jonathan Sweeney	–	–	250,000	–	250,000
Keith Gunaratne**	–	–	65,746,569	(7,500,000)	58,246,569
John Balassis*	–	–	1,018,038	–	1,018,038
Victor van Bommel*	–	–	3,275,860	–	3,275,860
Rajesh Jampala	–	–	263,912	–	263,912
	–	–	70,554,379	(7,500,000)	63,054,379

* John Balassis and Victor van Bommel held convertible notes which converted into ordinary shares of EP&T on 11 May 2021 (768,038 and 1,339,422 respectively).

** Entities controlled by Keith Gunaratne were issued 64,894,232 ordinary shares under the Group reorganisation on 19 March 2021. 7,500,000 of these shares were sold to new investors as part of EP&T's IPO on 11 May 2021.

Entities controlled by Keith Gunaratne held convertible notes which converted into 202,337 ordinary shares of EP&T on 11 May 2021.

Related parties to Keith Gunaratne subscribed to 650,000 shares as part of EP&T's IPO on 11 May 2021.

Directors' report (continued)

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Jonathan Sweeney	–	2,765,990	–	–	2,765,990
Keith Gunaratne	–	3,457,488	–	–	3,457,488
John Balassis	–	829,797	–	–	829,797
Victor van Bommel	–	829,797	–	–	829,797
Trent Knox	–	4,148,986	–	–	4,148,986
Richard Pillinger	–	3,457,488	–	–	3,457,488
Rajesh Jampala	–	1,728,744	–	–	1,728,744
	–	17,218,290	–	–	17,218,290

	Vested and exercisable	Unvested and exercisable	Balance at the end of the year
Options over ordinary shares			
Jonathan Sweeney	829,797	1,936,193	2,765,990
Keith Gunaratne	–	3,457,488	3,457,488
John Balassis	248,939	580,858	829,797
Victor van Bommel	248,939	580,858	829,797
Trent Knox	1,244,696	2,904,290	4,148,986
Richard Pillinger	1,728,744	1,728,744	3,457,488
Rajesh Jampala	864,372	864,372	1,728,744
	5,165,487	12,052,803	17,218,290

Loans to KMP and their related parties

As part of the IPO use of funds, loans of $1,067,639 were fully repaid to related parties of Keith Gunaratne during the financial year. At 30 June 2021 there were no loans issued to or from KMP.

Other transactions with KMP and their related parties

Energy Save Pty Ltd, an entity controlled by Keith Gunaratne, leased motor vehicles and IT equipment to EP&T on a month to month basis until April 2021. During 2021 EP&T was charged $69,600 excluding GST under this arrangement. This lease agreement was terminated in April 2021 and EP&T paid $89,914 to acquire the motor vehicles and IT equipment from Energy Save Pty Ltd under an Asset Sale Agreement. At 30 June 2021 there are no amounts owing to or from Energy Save Pty Ltd.

There were no other transactions with KMP during the financial year other than those already stated.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of EP&T Global Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
17 March 2021	15 March 2025	$0.20	2,501,864
17 March 2021	15 March 2025	$0.26	557,399
17 March 2021	15 March 2025	$0.29	3,149,771
17 March 2021	15 March 2025	$0.30	1,853,957
17 March 2021	15 March 2025	$0.40	2,545,992
17 March 2021	15 March 2025	$0.50	1,152,496
17 March 2021	15 March 2025	$0.60	1,152,496
17 March 2021	15 March 2027	$0.34	3,149,771
17 March 2021	15 March 2027	$0.38	4,633,034
			20,696,780

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of EP&T Global Limited issued on the exercise of options during the year ended 30 June 2021 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Directors' report (continued)

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 26 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in note 26 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Grant Thornton Audit Pty Ltd

There are no officers of the Company who are former partners of Grant Thornton Audit Pty Ltd.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Jonathan Sweeney

Jonathan Sweeney
Chairman

28 September 2021

Auditor’s independence declaration

Grant Thornton

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Auditor’s Independence Declaration

To the Directors of EP&T Global Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of EP&T Global Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

C F Farley
Partner – Audit & Assurance

Sydney, 28 September 2021

Contents

General information

The financial statements cover EP&T Global Limited as a consolidated entity consisting of EP&T Global Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is EP&T Global Limited's functional and presentation currency.

EP&T Global Limited ('EPX') was incorporated on 15 October 2020 and was admitted to the Official List of ASX Limited ('ASX') on 11 May 2021.

EP&T Global Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 2, 407 Pacific Highway
Artarmon NSW 2064

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 28 September 2021. The Directors have the power to amend and reissue the financial statements.

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

	Note	Consolidated 2021 $	Aggregated 2020 $
Revenue	4	6,077,746	6,733,134
Other income	5	1,219,357	850,652
Interest revenue calculated using the effective interest method		175,680	228,159
Expenses			
Raw materials and consumables used		(208,477)	(794,514)
Employee benefits expense	6	(8,934,275)	(6,918,007)
Depreciation expense	6	(546,668)	(528,563)
Impairment of receivables	6	(1,998,584)	(474,670)
Reverse of impairment of assets	6	–	3,591
Consultancy expense		(152,147)	(426,292)
Marketing expense		(251,483)	(114,982)
Occupancy expense		(231,147)	(194,954)
IPO expense		(980,288)	–
Change in fair value of convertible notes	6	(3,996,465)	(213,546)
Other expenses	6	(1,673,050)	(1,606,878)
Finance costs	6	(882,877)	(772,152)
Loss before income tax benefit		(12,382,678)	(4,229,022)
Income tax benefit	7	225,817	122,034
Loss after income tax benefit for the year attributable to the owners of EP&T Global Limited		(12,156,861)	(4,106,988)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(483,513)	(216,033)
Other comprehensive income for the year, net of tax		(483,513)	(216,033)
Total comprehensive income for the year attributable to the owners of EP&T Global Limited		(12,640,374)	(4,323,021)
		Cents	**Cents**
Basic earnings per share	35	(34.26)	(6.43)
Diluted earnings per share	35	(34.26)	(6.43)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2021

	Note	Consolidated 2021 $	Aggregated 2020 $
Assets			
Current assets			
Cash and cash equivalents	8	5,300,099	835,085
Trade and other receivables	9	1,464,097	2,077,657
Contract assets	12	833,554	1,642,205
Inventories	10	1,040,120	1,386,861
Other assets	11	570,460	353,101
Total current assets		9,208,330	6,294,909
Non-current assets			
Contract assets	12	1,992,935	2,310,110
Plant and equipment	13	1,732,810	84,615
Right-of-use assets	14	504,506	809,220
Deferred tax	7	761,035	535,218
Other assets	11	67,938	67,938
Total non-current assets		5,059,224	3,807,101
Total assets		14,267,554	10,102,010
Liabilities			
Current liabilities			
Trade and other payables	15	3,452,902	3,207,822
Contract liabilities		51,940	–
Borrowings	16	–	3,146,716
Lease liabilities	17	412,271	373,785
Derivative financial instruments	18	–	2,049,516
Employee benefits	19	1,388,058	1,142,336
Provisions		65,000	65,000
Total current liabilities		5,370,171	9,985,175
Non-current liabilities			
Borrowings	16	592,434	2,274,861
Lease liabilities	17	161,311	480,851
Derivative financial instruments	18	–	1,175,149
Employee benefits	19	32,402	–
Total non-current liabilities		786,147	3,930,861
Total liabilities		6,156,318	13,916,036
Net assets/(liabilities)		8,111,236	(3,814,026)
Equity			
Issued capital	20	36,219,410	–
Reserves	21	(15,951,313)	(3,814,026)
Accumulated losses		(12,156,861)	–
Total equity/(deficiency)		8,111,236	(3,814,026)

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2021

	Issued capital $	Reserves $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2019	2,018,870	45,841	(1,668,182)	396,529
Loss after income tax benefit for the year	–	–	(4,106,988)	(4,106,988)
Other comprehensive income for the year, net of tax	–	(216,033)	–	(216,033)
Total comprehensive income for the year	–	(216,033)	(4,106,988)	(4,323,021)
Transactions with owners in their capacity as owners:				
Group reorganisation	(2,018,870)	(3,643,834)	5,775,170	112,466
Balance at 30 June 2020	–	(3,814,026)	–	(3,814,026)

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2020	–	(3,814,026)	–	(3,814,026)
Loss after income tax benefit for the year	–	–	(12,156,861)	(12,156,861)
Other comprehensive income for the year, net of tax	–	(483,513)	–	(483,513)
Total comprehensive income for the year	–	(483,513)	(12,156,861)	(12,640,374)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 20)	36,219,410	–	–	36,219,410
Share-based payments (note 21)	–	896,457	–	896,457
Group reorganisation (note 21)	–	(12,550,231)	–	(12,550,231)
Balance at 30 June 2021	36,219,410	(15,951,313)	(12,156,861)	8,111,236

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2021

	Note	Consolidated 2021 $	Aggregated 2020 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		7,610,818	9,052,152
Payments to suppliers and employees (inclusive of GST)		(12,308,053)	(11,542,076)
		(4,697,235)	(2,489,924)
Interest received		175,680	228,159
Interest and other finance costs paid		(189,602)	(154,204)
Other income – grants and incentives		1,281,177	685,630
Net cash used in operating activities	32	(3,429,980)	(1,730,339)
Cash flows from investing activities			
Payments for property, plant and equipment	13	(1,757,833)	(22,199)
Payments for security deposits		–	(8,911)
Net cash used in investing activities		(1,757,833)	(31,110)
Cash flows from financing activities			
Proceeds from issue of shares net of issue costs		9,125,738	–
Proceeds from convertible notes net of issue costs		1,950,000	2,324,752
Proceeds from borrowings		592,434	–
Repayment of loan from shareholders		(1,048,359)	(64,383)
Repayment of lease liabilities		(397,898)	(480,665)
Net cash from financing activities		10,221,915	1,779,704
Net increase in cash and cash equivalents		5,034,102	18,255
Cash and cash equivalents at the beginning of the financial year		265,997	247,742
Cash and cash equivalents at the end of the financial year	8	5,300,099	265,997

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

30 June 2021

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Group has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Group's financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Effect of adoption of AASB 1 *First time adoption of Australian Accounting Standards*

Before listing on the ASX, the Group, as a non-reporting entity, has historically prepared 'aggregated financial statements' for the purposes of satisfying the Directors' reporting internal requirements. Since listing on the ASX, the Group, as a disclosing entity, is now required to prepare IFRS compliant 'general purpose financial statements' for the first time for the year ended 30 June 2021. In accordance with AASB 1 *First time adoption of Australian Accounting Standards*, the Group has applied all relevant IFRS standards with effect from the beginning of the comparative period, 1 July 2019. The adoption of AASB 1 has not resulted in any changes in recognition or measurement of amounts in the financial statements.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Going concern

The Group has incurred a loss after income tax attributable to owners of EP&T Global Limited for the financial year ended 30 June 2021 of $12,156,861 (2020: loss of $4,106,988), underlying EBITDA loss of $3,257,019 (2020: loss of $2,471,841) and had net operating cash outflows of $3,429,980 (2020: outflow of $1,730,339). As at 30 June 2021, current assets exceeded current liabilities by $3,838,159 (2020: deficiency of $3,690,266). As at 30 June 2021 the Group has net assets of $8,111,236 (2020: net liabilities of $3,814,026).

During the year ended 30 June 2021, the Group successfully completed its IPO and raised $9,125,738 (net of costs) to pay down debt and pursue its strategic growth objectives through a combination of investment in sales and marketing and installation of new projects under the Group's subscription based customer engagement model.

Notes to the financial statements (continued)

Note 1. Significant accounting policies (continued)

The Group lodged its IPO Prospectus on 19 March 2021 and since lodgement, has experienced growth in its contracted projects (Annual Contract Value) base. In addition, installation of new projects was impacted by COVID-19 restrictions, which limited access to client sites. This in turn has delayed commencement of billing and subsequent cash receipt from customers.

As at 30 June 2021, the Group has an Annual Contract Value (ACV) backlog of $4.9 million in contracted new projects which have not been installed to the point where invoicing of customers can commence as per signed agreements. On installation of these projects, this backlog is expected to convert into Annualised Recurring Revenue and contribute to the future revenue and cashflows of the Group.

Ongoing Cash Flow Management

To ensure that the Group has sufficient capital to meet its growth objectives, management continually assesses anticipated cash flows such that the business is appropriately funded to meet internal growth targets. In addition to this, the following actions have been initiated to assess and monitor the capital requirements of the Group:

- Detailed monthly cashflow forecast has been prepared for the period of 12 months from the date of this report;
- Implementation of key performance measures to track the conversion of the ACV backlog to operating revenue and cashflows; and
- A Board working group has been established to assess the future investment needs of the Group and the timing of any capital needed to continue to support the growth objectives of the Group.

Based on the above, the Directors believe that the funds available from existing cash reserves combined with conversion of the Group ACV backlog to operating cashflow and sourcing additional capital, will provide the Group with sufficient working capital to carry out its stated objectives for at least the next 12 month period from the date of this report. As such, the financial statements have been prepared on a going concern basis, which assumes the realisation of assets and settlement of liabilities in the normal course of business.

In the event the Group does not trade in line with its cashflow forecast and/or fails to raise additional capital, a material uncertainty would exist that may cast doubt on the Group's ability to continue as a going concern and, therefore, may be unable to realise its assets and discharge its liabilities in the normal course of business.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 30.

Principles of consolidation and common control transaction

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of EP&T Global Limited ('Company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. EP&T Global Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Note 1. Significant accounting policies (continued)

Corporate/Group reorganisation – EP&T Global Limited and EP&T Pty Limited Aggregated Group

EP&T Global Limited was incorporated on 15 October 2020. On 19 March 2021, the shareholders of the Company undertook a corporate reorganisation, in which EP&T Global Limited acquired EP&T Pty Limited Aggregate Group ('Aggregated Group') which is comprised of EP&T Pty Limited, EP&T Global Limited (UK), EP&T Global Limited (HK) and EP&T FZ LLC (Dubai).

This corporate reorganisation did not represent a business combination in accordance with AASB 3 *Business Combination*. Instead the appropriate accounting treatment for recognising the new Group structure is on the basis that the transaction is a form of capital reconstruction and Group reorganisation. Accordingly, the financial statements for the year ended 30 June 2021 presents the financial results for the consolidated Group under EP&T Global Limited for the period from acquisition to 30 June 2021 and the consolidated Group under the Aggregated Group for the 1 July 2020 and 30 June 2021. The comparatives presented in the financial statements represent the financial position of the Aggregated Group as at 30 June 2020, and the financial performance of the Aggregated Group for the year ended 30 June 2020.

The accounting for the corporate reorganisation is outlined below:

- the assets and liabilities recognised and measured are at carrying amounts of the Aggregated Group;
- the retained earnings and other equity balances recognised are the existing retained earnings and other equity balances of the Aggregated Group;
- the amount recognised as issued equity instruments is determined by adding the additional equity retained by the Group to the issued equity recorded in the Aggregated Group's financial statements immediately before the acquisition;
- no 'new' goodwill has been recognised as a result of the combination. The difference between the consideration paid and the equity 'acquired' is reflected in equity as a 'reorganisation reserve'; and
- the comparatives presented are that of the Aggregated Group.

Foreign currency translation

The financial statements are presented in Australian dollars, which is EP&T Global Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into the Group's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Notes to the financial statements (continued)

Note 1. Significant accounting policies (continued)

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Comparatives

Certain comparatives have been reclassified for consistency with the current period presentation. There was no effect on profit, assets, liabilities or equity.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Accounting for the internal restructure at Initial Public Offering ('IPO')

During the financial year, an internal restructure took place in preparation of the listing of the Group on the Australian Securities Exchange. This resulted in a newly incorporated company, EP&T Global Limited, becoming the legal parent of the Group, conditional on the IPO completing.

The Directors elected to account for the restructure as a capital reorganisation rather than a business combination. In the Directors' judgement, the continuation of the existing accounting values is consistent with the accounting that would have occurred if the assets and liabilities had already been in a structure suitable to IPO and most appropriately reflects the substance of the internal restructure. As such, the consolidated financial statements of the new EP&T Global Limited group have been presented as a continuation of the pre-existing accounting values of assets and liabilities in the Aggregated Group financial statements.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, and already accounted for in the financial statements for the year ended 30 June 2021, there does not currently appear to be any further significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Revenue recognition on projects

Revenue relating to the projects is determined with reference to the stage of completion of the transaction at reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date for performance obligations satisfied over time as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Contract liabilities (deferred revenue)/contract assets (as relates to accrued revenue) is therefore held in the statement of financial position depending on the stage of satisfaction of the performance obligation completed over time.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the COVID-19 pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 9, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Provision for impairment of contract assets – accrued revenue

The provision for impairment of contract assets – accrued revenue assessment requires a degree of estimation and judgement. It is based on the assessment of the expected recoverable amounts of contract assets – accrued revenue. These assumptions include recent sales experience, historical collection rates, the impact of the COVID-19 pandemic and forward-looking information that is available. The provision for impairment of contract assets – accrued revenue, as disclosed in note 12, is calculated based on the information available at the time of preparation. The actual impairment of contract assets – accrued revenue in future years may be higher or lower.

Guaranteed energy savings

In accordance with certain contracts signed with customers, the Group guarantees a pre-determined value of energy savings following the substantial completion of the contract. The savings are stipulated in the contracts based on the company's engineering reports. The savings are guaranteed annually and generally for a period of five years. To date there has been no instances of energy savings guaranteed to clients not being met. Accordingly in the view of the Directors, the possibility of any such amounts becoming a liability is remote and as such no liability or contingent liability has been reflected in the financial statements (refer note 28).

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Notes to the financial statements (continued)

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into four operating segments based on the geographic markets they serve. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Upon becoming a listed entity, the CODM now reviews EBITDA (earnings before interest, tax, depreciation and amortisation) for each reportable segment's measure of profit or loss. In the comparative period the CODM reviewed each reportable segment's share of statutory profit or loss before tax. The comparative period segment disclosures has not been updated to include EBITDA. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis. Refer to note 4 for revenue from products and services.

Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Major customers

There are no significant customers in any reported segment that comprise greater than 10% of the Group revenues.

Note 3. Operating segments (continued)

Operating segment information

Consolidated 2021	Australia $	United Kingdom $	Hong Kong $	Middle East $	Inter group elimin-ations $	Total $
Revenue						
Sales to external customers	3,020,315	1,878,200	247,067	932,164	–	6,077,746
Intersegment sales	1,390,052	–	–	–	(1,390,052)	–
Total sales revenue	4,410,367	1,878,200	247,067	932,164	(1,390,052)	6,077,746
Other income	–	–	–	–	–	–
Research and development tax incentive	500,000	212,798	–	–	–	712,798
Government grants – COVID-19 stimulus	483,000	–	23,559	–	–	506,559
Interest income	37,065	82,297	1	56,317	–	175,680
Total segment revenue	5,430,432	2,173,295	270,627	988,481	(1,390,052)	7,472,783
Total revenue	5,430,432	2,173,295	270,627	988,481	(1,390,052)	7,472,783
EBITDA	(2,419,839)	120,837	(580,307)	(354,125)	–	(3,233,434)
Depreciation and amortisation	(217,227)	(165,633)	(81,960)	(81,848)	–	(546,668)
Impairment of receivables	7,134	(102,353)	–	(1,903,365)	–	(1,998,584)
Interest revenue	37,065	82,297	1	56,317	–	175,680
Finance costs	(221,213)	(26,000)	(10,428)	(1,373)	–	(259,014)
Segment losses before income tax	(2,814,080)	(90,852)	(672,694)	(2,284,394)	–	(5,862,020)
Unallocated						
Change in fair value of convertible notes						(3,996,465)
IPO expense						(980,288)
Convertible note interest expense						(623,863)
Other non-cash expenses – SBP						(896,457)
Other expense						(23,585)
Income tax benefit						225,817
Loss after income tax benefit						(12,156,861)
Assets						
Segment assets	16,703,830	2,179,114	222,152	4,139,959	(8,977,501)	14,267,554
Total assets						14,267,554
Liabilities						
Segment liabilities	2,734,225	3,458,956	2,445,571	6,495,067	(8,977,501)	6,156,318
Total liabilities						6,156,318

Notes to the financial statements (continued)

Note 3. Operating segments (continued)

Aggregated 2020	Australia $	United Kingdom $	Hong Kong $	Middle East $	Inter group elimin- ations $	Total $
Revenue						
Sales to external customers	3,583,378	1,779,702	387,107	982,947	–	6,733,134
Intersegment sales	1,281,789	–	–	–	(1,281,789)	–
Total sales revenue	4,865,167	1,779,702	387,107	982,947	(1,281,789)	6,733,134
Interest received	–	–	–	–	228,159	228,159
Total revenue	4,865,167	1,779,702	387,107	982,947	(1,053,630)	6,961,293
Segment net operating profit/(loss) before tax	(2,036,074)	(424,712)	(740,575)	(1,027,661)	–	(4,229,022)
Loss before income tax benefit	(2,036,074)	(424,712)	(740,575)	(1,027,661)	–	(4,229,022)
Income tax benefit						122,034
Loss after income tax benefit						(4,106,988)
Assets						
Segment assets	8,955,949	2,281,605	260,994	4,588,165	(5,984,703)	10,102,010
Total assets						10,102,010
Liabilities						
Segment liabilities	9,736,707	3,440,279	1,963,428	4,615,069	(5,839,447)	13,916,036
Total liabilities						13,916,036

Accounting policy for operating segments

Operating segments are presented using the ‘management approach’, where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (‘CODM’). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 4. Revenue

	Consolidated 2021 $	Aggregated 2020 $
Projects revenue	780,784	783,120
Contracted service revenue	4,963,135	5,522,651
Service and maintenance revenue	333,827	427,363
Revenue	6,077,746	6,733,134

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 2021 $	Aggregated 2020 $
Timing of revenue recognition		
Projects revenue transferred over time	780,784	783,120
Contracted service revenue transferred over time	4,963,135	5,522,651
Service and maintenance revenue transferred at a point in time	333,827	427,363
	6,077,746	6,733,134

Accounting policy for revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue arises mainly from the sale of energy saving equipment and services and contracts for the installation of such systems (projects revenue), after-sales monitoring (contracted service revenue) and maintenance services (service and maintenance revenue). Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Projects revenue

Revenue from the installation of the system is recognised over time based on percentage of completion assessed on costs incurred as a percentage of total installation costs.

Contracted service revenue

Contracted service revenue is recognised over time as the services are provided to the customer.

Service and maintenance revenue

Service and maintenance revenue is recognised at a point in time when the service or maintenance has been provided.

Notes to the financial statements (continued)

Note 5. Other income

	Consolidated 2021 $	Aggregated 2020 $
Government grants – COVID-19 stimulus	506,559	273,380
Research and development tax incentive	712,798	577,272
Other income	1,219,357	850,652

During the COVID-19 pandemic, the Group has received JobKeeper support payments from the Australian Government which are passed on to eligible employees. The Group was eligible for JobKeeper support from the government on the condition that employee benefits continue to be paid.

Accounting policy for government grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the periods necessary to match them with the costs that they are intended to compensate.

Note 6. Expenses

	Consolidated 2021 $	Aggregated 2020 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	4,268	56,368
Computer equipment	31,534	32,336
Office and other equipment	8,196	8,744
Project equipment	82,990	–
Buildings right-of-use assets	419,680	431,115
Total depreciation expense	546,668	528,563
Impairment of receivables		
Impairment of receivables (note 9)	1,348,806	232,763
Impairment of contract assets – accrued revenue (note 12)	649,778	241,907
Total impairment of receivables	1,998,584	474,670
Reverse of inventory provision	–	(3,591)
Finance costs		
Interest and finance charges paid/payable on borrowings	47,471	51,640
Interest and finance charges paid/payable on lease liabilities	78,155	102,564
Interest charges on convertible notes	623,863	495,156
Amortised borrowing costs	133,388	122,792
Finance costs expensed	882,877	772,152
Net fair value loss		
Change in fair value of convertible notes (note 16)	3,996,465	213,546
Leases		
Short-term lease payments	230,818	194,954
Low-value assets lease payments	63,800	69,600
COVID-19 rent concessions	(7,236)	(6,306)
	287,382	258,248
Employee benefits expense		
Salary and wages	6,730,071	6,182,338
Sales commissions, bonus and incentives	689,008	135,616
Payroll related taxes	236,719	279,597
Defined contribution superannuation expense	382,020	320,456
Share-based payment expense (note 36)	896,457	–
Total employee benefits expense	8,934,275	6,918,007
Other expenses		
Legal and professional fees	619,820	374,034
Insurance	169,623	138,983
IT and communication costs	330,517	299,414
Travel and accommodation	135,022	441,986
Other	418,068	352,461
Total other expenses	1,673,050	1,606,878

Notes to the financial statements (continued)

Note 7. Income tax

	Consolidated 2021 $	Aggregated 2020 $
Income tax benefit		
Deferred tax – origination and reversal of temporary differences	(225,817)	(122,034)
Aggregate income tax benefit	(225,817)	(122,034)
Deferred tax included in income tax benefit comprises:		
Increase in deferred tax assets	(225,817)	(122,034)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(12,382,678)	(4,229,022)
Tax at the statutory tax rate of 26% (2020: 27.5%)	(3,219,496)	(1,162,981)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Difference in overseas tax rates	664,208	283,695
Other non-allowable items	1,618,645	315,444
	(936,643)	(563,842)
Current year tax losses not recognised	936,643	462,880
Prior year tax losses not recognised now recouped	–	(21,072)
Current year temporary differences not recognised	(225,817)	–
Income tax benefit	(225,817)	(122,034)

	Consolidated 2021 $	Aggregated 2020 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	5,901,223	4,638,223
Potential tax benefit at statutory tax rates @19.8% (2020: 19.6%)	1,169,761	909,990

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

The corporate tax rate applicable to base rate Australian entities reduces from 27.5% to 26% for the 2020-21 income year and further reduces to 25% prospectively from the 2021-22 income year. The Company qualifies as a base rate entity as it has a turnover of less than $50 million and less than 80% of its assessable income is derived from base rate entity passive income. The corporate tax rate applied to overseas Group entities are as follows: United Kingdom 19% (2020: 19%), Hong Kong 16.5% (2020: 16.5%) and the Middle East 0% (2020: 0%). The Company has remeasured its deferred tax balances, and any unrecognised potential tax benefits arising from carried forward tax losses, based on the effective tax rate that is expected to apply in the year the temporary differences are expected to reverse or benefits from tax losses realised. The impact of the change in tax rate on deferred tax balances has been recognised as tax expense in profit or loss or as an adjustment to equity to the extent to which the deferred tax relates to items previously recognised outside profit or loss.

Note 7. Income tax (continued)

	Consolidated 2021 $	Aggregated 2020 $
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Employee benefits	314,686	165,836
Provisions	163,946	325,755
Blackhole costs related to equity issuances	282,403	43,627
Deferred tax asset	761,035	535,218
Movements:		
Opening balance	535,218	413,184
Credited to profit or loss	225,817	122,034
Closing balance	761,035	535,218

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Notes to the financial statements (continued)

Note 8. Cash and cash equivalents

	Consolidated 2021 $	Aggregated 2020 $
Current assets		
Cash at bank	5,300,099	835,085

Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	5,300,099	835,085
Bank overdraft (note 16)	–	(569,088)
Balance as per statement of cash flows	5,300,099	265,997

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Note 9. Trade and other receivables

	Consolidated 2021 $	Aggregated 2020 $
Current assets		
Trade receivables	2,507,817	1,759,077
Less: Allowance for expected credit losses	(1,658,189)	(309,383)
	849,628	1,449,694
R&D tax rebate receivable	566,144	627,963
BAS receivable	48,325	–
	1,464,097	2,077,657

Allowance for expected credit losses

For the year ended 30 June 2021, the Group has recognised a loss of $1,348,806 (2020: $232,763) in the Statement of profit or loss in respect of expected credit losses.

The Group recognises lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, trade receivable balances due from customers who have consistently failed to make payments within 180 days of invoice date are assessed for expected credit losses on an individual basis. The remaining trade receivables have been assessed on a geographical basis as each territory can possess different credit risk characteristics. Trade receivables are written off when there is no reasonable expectation of recovery. The Group has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay, due to COVID-19. As a result, the calculation of expected credit losses has been revised as at 30 June 2021 and 30 June 2020.

Note 9. Trade and other receivables (continued)

The allowance for expected credit losses provided for the above receivables are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	Consolidated 2021 %	Aggregated 2020 %	Consolidated 2021 $	Aggregated 2020 $	Consolidated 2021 $	Aggregated 2020 $
Not overdue	17.5%	0.6%	312,756	394,495	54,825	2,239
0 to 3 months overdue	34.0%	2.7%	572,798	540,341	194,472	14,519
3 to 6 months overdue	65.9%	4.4%	382,150	305,619	251,653	13,347
Over 6 months overdue	93.3%	53.9%	1,240,113	518,622	1,157,239	279,278
			2,507,817	1,759,077	1,658,189	309,383

Movements in the allowance for expected credit losses are as follows:

	Consolidated 2021 $	Aggregated 2020 $
Opening balance	309,383	76,620
Additional provisions recognised	1,348,806	232,763
Closing balance	1,658,189	309,383

Accounting policy for trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 10. Inventories

	Consolidated 2021 $	Aggregated 2020 $
Current assets		
Work in progress – at cost	34,188	26,184
Finished goods – at cost	1,409,982	1,764,727
Less: Provision for impairment	(404,050)	(404,050)
	1,005,932	1,360,677
	1,040,120	1,386,861

In 2021, a total of $273,105 of inventories was included in profit and loss as an expense (2020: $300,057).

Notes to the financial statements (continued)

Note 10. Inventories (continued)

Accounting policy for inventories

Finished goods are stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 11. Other assets

	Consolidated 2021 $	Aggregated 2020 $
Current assets		
Prepayments	511,447	292,400
Security deposits	48,695	49,543
Other current assets	10,318	11,158
	570,460	353,101
Non-current assets		
Security deposits	67,938	67,938
	638,398	421,039

Note 12. Contract assets

	Consolidated 2021 $	Aggregated 2020 $
Current assets		
Contract assets – accrued revenue	1,133,940	1,871,817
Less: Provision for impairment	(300,386)	(229,612)
	833,554	1,642,205
Non-current assets		
Contract assets – accrued revenue	2,068,614	2,883,655
Less: Provision for impairment	(1,152,549)	(573,545)
Contract assets – incremental contract costs	1,094,056	–
Less: Accumulated amortisation	(17,186)	–
	1,992,935	2,310,110
	2,826,489	3,952,315

Note 12. Contract assets (continued)

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	Consolidated 2021 $	Aggregated 2020 $
Opening balance	3,952,315	3,526,378
Additions	1,094,056	2,351,260
Transfer to trade receivables	(1,552,918)	(1,683,416)
Increase in provision	(649,778)	(241,907)
Amortisation of assets	(17,186)	–
Closing balance	2,826,489	3,952,315

Provision for impairment of contract assets – accrued revenue

For the year ended 30 June 2021, the Group has recognised a loss of $649,778 (2020: $241,907) in the Statement of profit or loss in respect of impairment of contract assets – accrued revenue.

The provision for impairment provided for the above contract assets – accrued revenue are as follows:

	Expected impairment rate		Carrying amount		Allowance for expected impairment	
	Consolidated 2021 $	Aggregated 2020 %	Consolidated 2021 $	Aggregated 2020 $	Consolidated 2021 $	Aggregated 2020 $
Not invoiced	45.4%	16.9%	3,202,554	4,755,472	1,452,935	803,157

Movements in the provision for impairment are as follows:

	Consolidated 2021 $	Aggregated 2020 $
Opening balance	803,157	561,250
Additional provisions recognised	649,778	241,907
Closing balance	1,452,935	803,157

Accounting policy for contract assets

Contract assets – accrued revenue

Amounts relating to goods transferred to a customer and not yet invoiced. The Group has entered into a contractual agreement with the respective customers under which the accrued revenue is invoiced and paid over time. The Group has an unconditional right to receive payment for these goods.

Contract assets – incremental contract costs

Contract assets are recognised in relation to the incremental costs of acquiring new contracts that would not be incurred if the contract were not obtained. These costs represent sales commissions under a new sales commission model introduced for the 2021 financial year in relation to the Group's subscription based revenue model and are amortised over the term of the contract to which they relate which ranges from 3 years to 7 years. Contract assets are treated as financial assets for impairment assessment purposes.

Notes to the financial statements (continued)

Note 13. Plant and equipment

	Consolidated 2021 $	Aggregated 2020 $
Non-current assets		
Leasehold improvements – at cost	403,502	367,945
Less: Accumulated depreciation	(395,981)	(350,598)
	7,521	17,347
Computer equipment – at cost	841,277	723,652
Less: Accumulated depreciation	(710,738)	(672,669)
	130,539	50,983
Office and other equipment – at cost	544,754	508,542
Less: Accumulated depreciation	(463,307)	(492,257)
	81,447	16,285
Project equipment at cost	635,491	–
Less: Accumulated depreciation	(67,218)	–
	568,273	–
Projects under deployment	945,030	–
	1,732,810	84,615

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Leasehold improve-ments $	Computer equipment $	Office and other equipment $	Project equipment $	Projects under deployment $	Total $
Balance at 1 July 2019	68,851	73,506	16,207	–	–	158,564
Additions	–	5,313	16,886	–	–	22,199
Exchange differences	4,864	4,500	(8,064)	–	–	1,300
Depreciation expense	(56,368)	(32,336)	(8,744)	–	–	(97,448)
Balance at 30 June 2020	17,347	50,983	16,285	–	–	84,615
Additions	–	111,871	65,441	635,491	945,030	1,757,833
Exchange differences	(5,558)	(781)	7,917	15,772	–	17,350
Depreciation expense	(4,268)	(31,534)	(8,196)	(82,990)	–	(126,988)
Balance at 30 June 2021	7,521	130,539	81,447	568,273	945,030	1,732,810

Project equipment and projects under deployment relate to the costs incurred by the Group in fulfilling contracts with customers. These are direct costs of materials and third party installation costs associated with specific contracts with customers. Project equipment is depreciated over the term of the contract to which the costs relate.

Note 13. Plant and equipment (continued)

Accounting policy for plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	5 years (or term of lease if shorter per policy note)
Computer equipment	4 years
Office and other equipment	4 – 5 years
Project equipment	3 – 7 years (depreciated over the contract term of the project to which they relate or the estimated useful life of the assets, whichever is shorter)
Project under deployment	Nil depreciation until project completed and transferred to project assets

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 14. Right-of-use assets

	Consolidated 2021 $	Aggregated 2020 $
Non-current assets		
Buildings – right-of-use	1,355,426	1,240,335
Less: Accumulated depreciation	(850,920)	(431,115)
	504,506	809,220

The Group leases buildings for its offices under agreements of between 1 to 2.5 years with, in some cases, options to extend. Leases are for office space in Australia, Hong Kong, UK and Dubai. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

Notes to the financial statements (continued)

Note 14. Right-of-use assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Buildings $
Balance at 1 July 2019	1,181,837
Additions	50,900
Exchange differences	7,598
Depreciation expense	(431,115)
Balance at 30 June 2020	809,220
Additions	116,844
Exchange differences	(1,878)
Depreciation expense	(419,680)
Balance at 30 June 2021	504,506

For other lease disclosures refer to:

- note 6 for depreciation on right-of-use assets, interest on lease liabilities and other lease expenses;
- note 17 for lease liabilities; and
- consolidated statement of cash flows for repayment of lease liabilities.

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are reviewed for impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Note 15. Trade and other payables

	Consolidated 2021 $	Aggregated 2020 $
Current liabilities		
Trade payables	1,332,417	1,135,551
Payroll related payables	764,070	634,610
Accrued convertible note interest	–	640,922
Accrued commission, bonus and incentives*	927,329	134,582
BAS payable	–	133,089
Other payables	429,086	529,068
	3,452,902	3,207,822

Refer to note 23 for further information on financial instruments.

* Includes accrued sales commissions which are included in note 12 – contract assets and short-term incentive payments relating to the 2021 financial year.

Accounting policy for trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 16. Borrowings

	Consolidated 2021 $	Aggregated 2020 $
Current liabilities		
Bank overdraft	–	569,088
Convertible notes payable	–	2,613,089
Convertible notes issue costs	–	(35,461)
	–	3,146,716
Non-current liabilities		
Bank loan	592,434	–
Shareholder related payable	–	1,048,359
Convertible notes payable	–	1,285,783
Convertible notes issue costs	–	(59,281)
	592,434	2,274,861
	592,434	5,421,577

Refer to note 23 for further information on financial instruments.

Shareholder related payable

The shareholder related payable was repaid in the year ended 30 June 2021. Prior to repayment, this amount was unsecured and non-interest bearing.

Notes to the financial statements (continued)

Note 16. Borrowings (continued)

Borrowings at amortised cost

The interest rate on the bank loan is 2.75% per annum. This loan is denominated in Hong Kong dollars and is repayable in equal monthly instalments over 60 months commencing on 4 February 2021. The bank loan was provided under the Hong Kong SME Financing Guarantee Scheme introduced in response to COVID-19 and is unsecured.

The bank overdraft facility was repaid in May 2021. The interest rate on the bank overdraft facility was 4.6% (2020: 4.6%) per annum. The carrying amount of the bank overdraft is considered to be a reasonable approximation of the fair value.

Convertible notes

The convertible notes were converted to ordinary shares in EP&T Global Limited at the time of the IPO in May 2021. The face value of the convertible notes on issue at the conversion event was $7,956,000. The terms of the notes at the time of conversion were as follows:

Redemption	24 months unless converted earlier
Conversion	Forced conversion to ordinary shares in case of a liquidity event within 24 months of issuance
Liquidity event	IPO, Reverse Take Over ('RTO') or trade sale
Interest rate	10% p.a. compounded daily from date of issue
Interest capitalisation	Noteholders can elect to capitalise the interest
Offer price	Price of ordinary share • under prospectus for IPO/RTO • offered by the purchaser in a trade sale
Conversion price	Tranche 1 – Face Value of $3,445,000 – 50% of the offer price Tranche 2 – Face Value of $2,261,000 – 70% of the offer price Tranche 3 – Face Value of $2,250,000 – 75% of the offer price
Conversion price (interest)	100% of the offer price $1,189,455 of accrued interest was converted to ordinary shares at the Liquidity event

A total of 71,520,424 ordinary shares in EP&T Global Limited were issued to holders of convertible notes on conversion of the convertible notes and accrued interest. An expense of $3,996,465 (2020: $213,546) was recognised in the Statement of profit or loss and other comprehensive income in relation to the change in fair value of convertible notes. Refer to note 24 for further information.

Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The components of the convertible notes are assessed in order to determine how they are to be accounted for. Convertible notes that have a conversion feature that is determined to be an embedded derivative are considered to be hybrid financial instruments. The debt host liability and the embedded derivative are accounted for separately, with the fair value of the embedded derivative determined first and the residual amount assigned to the debt host liability. Transaction costs are apportioned between both components. Subsequently, the debt host liability is carried at amortised cost and the embedded derivative is measured at fair value through profit or loss at each reporting date. Upon conversion, the carrying amount of the debt host together with the embedded derivative (which is remeasured to fair value before conversion) are transferred to equity such that no gain or loss is recognised on settlement.

Note 16. Borrowings (continued)

Accounting policy for finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 17. Lease liabilities

	Consolidated 2021 $	Aggregated 2020 $
Current liabilities		
Lease liability	412,271	373,785
Non-current liabilities		
Lease liability	161,311	480,851
	573,582	854,636

Refer to note 23 for the contractual maturity of lease liability.

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. Variable lease payments include rent concessions that are in the form of rent forgiveness or waivers granted as a direct consequence of the COVID-19 pandemic and which relate to payments originally due on or before 30 June 2021.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 18. Derivative financial instruments

	Consolidated 2021 $	Aggregated 2020 $
Current liabilities		
Embedded derivative at fair value through profit or loss ('FVPL')	–	2,049,516
Non-current liabilities		
Embedded derivative at fair value through profit or loss ('FVPL')	–	1,175,149
	–	3,224,665

Refer to note 23 for further information on financial instruments.

Refer to note 24 for further information on fair value measurement.

Notes to the financial statements (continued)

Note 18. Derivative financial instruments (continued)

Accounting policy for derivative financial instruments

Derivatives refer to the Group issued convertible notes, which upon IPO on the ASX in the year ended 30 June 2021, were converted to ordinary shares of the Company. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Note 19. Employee benefits

	Consolidated 2021 $	Aggregated 2020 $
Current liabilities		
Annual leave	494,520	304,415
Long service leave	240,905	216,741
Gratuity pay*	652,633	621,180
	1,388,058	1,142,336
Non-current liabilities		
Long service leave	32,402	–
	1,420,460	1,142,336

* Gratuity provision relates to the Middle East employees' end of service employment entitlements which are required under United Arab Emirates Labour Laws.

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave and end of services entitlements that are not expected to be taken or settled within the next 12 months:

	Consolidated 2021 $	Aggregated 2020 $
Employee benefits obligation expected to be settled after 12 months	909,208	771,734

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 19. Employee benefits (continued)

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 20. Issued capital

	Consolidated 2021	Aggregated 2020	Consolidated 2021	Aggregated 2020
	Shares	Shares	$	$
Ordinary shares – fully paid	185,799,500	–	36,219,410	–

Group reorganisation

When EP&T Global Limited ('EPT') (the legal parent and legal acquirer) acquired the entities that comprise the Aggregated Group (the legal subsidiaries), the acquisition did not meet the definition of a business combination in accordance with AASB 3 *Business Combinations*. Instead, the acquisition has been treated as a Group reorganisation.

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2019	7,505,300		2,054,753
Adjustment to issued capital on corporate reorganisation		(7,505,300)	$0.00	(2,054,753)
Balance	30 June 2020	–		–
Issue of shares on incorporation	15 October 2020	1,000,000	$0.01	10,000
Shares issued as consideration for acquisition of subsidiaries	19 March 2021	63,921,081	$0.20	12,784,216
Conversion of convertible notes	12 May 2021	71,520,424	$0.20	14,304,085
Issue of shares at IPO	12 May 2021	47,500,000	$0.20	9,500,000
Shares issued as consideration for IPO costs	12 May 2021	1,857,995	$0.20	371,599
Share of IPO costs, net of tax		–	$0.00	(750,490)
Balance	30 June 2021	185,799,500		36,219,410

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Notes to the financial statements (continued)

Note 20. Issued capital (continued)

Share buy-back

There is no current on-market share buy-back.

Shares on escrow

The total number of shares subject to voluntary or mandatory escrow is 116,537,533 on 30 June 2021. These shares are subject to various exceptions and release dates, which prevent the escrowed shareholders from dealing in their escrowed shares for the applicable escrow period.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group is currently focussed on continued growth of its existing businesses. The Group would look to raise capital when an opportunity to invest in additional growth or an opportunity presents itself to acquire a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short-term.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 21. Reserves

	Consolidated 2021 $	Aggregated 2020 $
Reorganisation reserve	(16,364,257)	(3,814,026)
Foreign currency reserve	(483,513)	–
Share-based payments reserve	896,457	–
	(15,951,313)	(3,814,026)

Reorganisation reserve

The reserve is used to recognise the contribution of the subsidiaries to EP&T Global Limited prior to IPO.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Note 21. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Reorganisation Reserve $	Foreign currency $	Share-based payments $	Total $
Balance at 1 July 2019	–	(45,841)	–	(45,841)
Foreign currency translation	–	216,033	–	216,033
Group reorganisation	(3,984,218)	–	–	(3,984,218)
Group reorganisation – transfer of opening Foreign currency balance to Group reorganisation reserve	170,192	(170,192)	–	–
Balance at 30 June 2020	(3,814,026)	–	–	(3,814,026)
Foreign currency translation	–	(483,513)	–	(483,513)
Group reorganisation	(12,550,231)	–	–	(12,550,231)
Share-based payments expense	–	–	896,457	896,457
Balance at 30 June 2021	(16,364,257)	(483,513)	896,457	(15,951,313)

Note 22. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 23. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk), interest rate risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Notes to the financial statements (continued)

Note 23. Financial instruments (continued)

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	Consolidated 2021 $	Aggregated 2020 $	Consolidated 2021 $	Aggregated 2020 $
Pound Sterling	2,186,577	2,281,605	(669,266)	(600,285)
Hong Kong Dollars	222,151	260,993	(794,049)	(603,236)
United Arab Emirates Dirham	4,139,960	4,588,164	(1,910,454)	(2,944,332)
	6,548,688	7,130,762	(3,373,769)	(4,147,853)

The Group had net assets denominated in foreign currencies of $3,174,919 (assets of $6,548,688 less liabilities of $3,373,769) as at 30 June 2021 (2021: $2,982,909 (assets of $7,130,762 less liabilities of $4,147,853)). Based on this exposure, had the Australian dollars weakened by 10%/strengthened by 10% (2020: weakened by 5%/strengthened by 5%) against these foreign currencies with all other variables held constant, the Group's profit before tax for the year would have been $317,492 lower/$317,492 higher (2020: $149,145 lower/$149,145 higher) and equity would have been $317,492 lower/$317,492 higher (2020: $149,145 lower/$149,145 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date. The actual foreign exchange loss for the year ended 30 June 2021 was $22,049 (2020: loss of $14,195).

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group's main interest rate risks arise from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

As at the reporting date, the Group had the following variable or fixed rate borrowings outstanding:

	Consolidated 2021		Aggregated 2020	
	Weighted average interest rate %	Balance $	Weighted average interest rate %	Balance $
Bank overdraft	–	–	4.60%	(569,088)
Bank loan	2.75%	(592,434)	–	–
Convertible notes payable	–	–	10.00%	(1,285,783)
Net exposure to cash flow interest rate risk		(592,434)		(1,854,871)

Note 23. Financial instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available. As disclosed in note 9, due to COVID-19, the calculation of expected credit losses has been revised as at 30 June 2021 and 30 June 2020.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Prudent liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Notes to the financial statements (continued)

Note 23. Financial instruments (continued)

Consolidated 2021	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	–	1,332,417	–	–	–	1,332,417
Other payables	–	429,086	–	–	–	429,086
Interest-bearing – fixed						
Bank loans	2.75%	74,743	156,573	404,481	–	635,797
Interest-bearing – variable						
Lease liability	5.00%	440,627	164,818	–	–	605,445
Total non-derivatives		2,276,873	321,391	404,481	–	3,002,745

Aggregated 2020	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	–	1,135,551	–	–	–	1,135,551
Other payables	–	529,068	–	–	–	529,068
BAS payable	–	133,039	–	–	–	133,039
Interest-bearing – variable						
Bank overdraft	4.60%	569,088	–	–	–	569,088
Shareholder loans	–	–	1,048,359	–	–	1,048,359
Convertible notes payables	10.00%	2,613,089	1,285,783	–	–	3,898,872
Lease liability	5.00%	438,443	355,703	160,271	–	954,417
Total non-derivatives		5,418,278	2,689,845	160,271	–	8,268,394
Derivatives						
Embedded derivative at FVPL	–	2,049,516	1,175,149	–	–	3,224,665
Total derivatives		2,049,516	1,175,149	–	–	3,224,665

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 24. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Total assets	–	–	–	–
Total liabilities	–	–	–	–

Aggregated 2020	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Current				
Embedded derivative at FVPL	–	2,049,516	–	2,049,516
Non-current				
Embedded derivative at FVPL	–	1,175,149	–	1,175,149
Total liabilities	–	3,224,665	–	3,224,665

There were no transfers between levels during the financial year.

The embedded derivative at FVPL is the fair value of the conversion feature of the convertible notes.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Valuation techniques for fair value measurements categorised within level 2 and level 3

The fair value estimate of the embedded derivative has been determined by an independent expert using a present value technique, the Probability Weighted Expected Returns Method.

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques used to measure fair value are those that are appropriate in the circumstances and which maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Notes to the financial statements (continued)

Note 24. Fair value measurement (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 25. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of KMP of the Group is set out below:

	Consolidated 2021 $	Aggregated 2020 $
Short-term employee benefits	1,946,341	1,431,912
Post-employment benefits	64,672	48,802
Long-term benefits	50,691	60,080
Share-based payments	489,806	–
	2,551,510	1,540,794

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Company:

	Consolidated 2021 $	Aggregated 2020 $
Audit services – Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	280,274	266,856
Other services – Grant Thornton Audit Pty Ltd		
IPO due diligence	131,200	78,050
Tax due diligence and advice	81,963	42,482
	213,163	120,532
	493,437	387,388

Note 27. Contingent liabilities

The Group has given bank guarantees as at 30 June 2021 of $67,485 (30 June 2020: $67,485) to various landlords.

Other property lease guarantees have been paid as deposits for Dubai, HK and UK premises to the amount of $60,076 (2020: $63,022).

Note 28. Guaranteed energy savings

In accordance with certain contracts signed with customers, the Group guarantee a pre-determined value of energy savings following installation of monitoring equipment and the commencement of monitoring and reporting services. The Group is obligated to pay the customer in cash for a shortfall between actual savings achieved and the guaranteed energy savings amount. The savings are stipulated in the applicable contracts and are based on modelled savings determined by the Group's engineers and technical services team. The timeframe for measurement of guaranteed ranges from annually to a maximum of 5 years as stipulated in the individual service contracts. For annual savings guarantees, a shortfall in guaranteed savings reimbursed to a customer can be recovered from any excess savings achieved by that same customer in future years. The guarantees are unsecured.

The maximum remaining savings guaranteed to customers and the timeframes for measurement are shown below:

Guarantee measurement date	Within 12 months	In 1-2 years	In 3-5 years	Over 5 years	Total
Uncovered actual guaranteed savings*	–	279,331	4,056,831	3,606,089	7,942,251

* Calculated as total guarantee amount less actual savings achieved to date.

To date there have been no instances of energy savings guaranteed to customers not being met and accordingly no claims for payment by any customers have been received. Accordingly in the view of the Directors, the possibility of any amounts disclosed above becoming probable and hence, actual liabilities, is considered to be remote.

Note 29. Related party transactions

Parent entity

EP&T Global Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 31.

Key management personnel

Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the Directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated 2021 $	Aggregated 2020 $
Payment for goods and services:		
Payment for services from other related party	63,800	69,600
Purchase of assets from other related party	89,914	–

Notes to the financial statements (continued)

Note 29. Related party transactions (continued)

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 2021 $	Aggregated 2020 $
Current payables:		
Trade payables to other related party	–	44,660
Shareholders loans	–	–

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated 2021 $	Aggregated 2020 $
Current borrowings:		
Convertible notes	–	606,000
Non-current borrowings:		
Shareholders loans	–	1,048,359

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 30. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2021 $
Loss after income tax	(23,435,194)
Total comprehensive income	(23,435,194)

Note 30. Parent entity information (continued)

Statement of financial position

	Parent 2021 $
Total current assets	283,761
Total assets	12,784,216
Total current liabilities	–
Total liabilities	–
Equity	
Issued capital	36,219,410
Accumulated losses	(23,435,194)
Total equity	12,784,216

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Notes to the financial statements (continued)

Note 31. Interests in subsidiaries

Effective from 15 October 2020, the Company acquired EP&T Pty Limited Aggregate Group ('Aggregated Group') which is composed by the companies detailed in the table below. For accounting purposes, the acquisition was treated as a Group reorganisation.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

		Ownership interest	
Name	Principal place of business/ Country of incorporation	Consolidated 2021 %	Aggregated 2020 %
EP&T Pty Limited	Australia	100.00%	100.00%
EP&T Global Limited (UK)	United Kingdom	100.00%	100.00%
EP&T Global Limited (HK)	Hong Kong	100.00%	100.00%
EP&T FZ LLC (Dubai)	United Arab Emirates	100.00%	100.00%

Note 32. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2021 $	Aggregated 2020 $
Loss after income tax benefit for the year	(12,156,861)	(4,106,988)
Adjustments for:		
Depreciation and amortisation	546,668	528,563
Share-based payments	896,457	–
Foreign exchange differences	(247,816)	(112,465)
Impairment of receivables	1,998,584	474,670
Impairment of inventory	–	(3,591)
Amortisation of borrowing costs	144,742	122,792
Change in fair value of convertible notes	3,996,465	213,546
Expenses settled through issuance of shares	548,533	–
Change in operating assets and liabilities:		
Decrease in trade and other receivables	811,643	1,296,408
Increase in contract assets	(1,094,049)	–
Decrease/(increase) in inventories	354,478	(557,727)
Decrease in income tax refund due	61,819	–
Increase in deferred tax assets	(225,817)	(122,034)
Increase in other assets	(208,312)	63,515
Increase in trade and other payables	865,362	271,285
Increase in employee benefits	278,124	99,123
Increase in other operating liabilities	–	102,564
Net cash used in operating activities	(3,429,980)	(1,730,339)

Note 33. Non-cash investing and financing activities

	Consolidated 2021 $	Aggregated 2020 $
Additions to the right-of-use assets	116,844	50,900
Shares issued on conversion of convertible notes	14,304,085	–
Shares issued as consideration for acquisition of subsidiaries	12,784,216	–
Shares issued as consideration for IPO costs	371,599	–
Reduction in lease liability from rent concessions	7,236	6,306
	27,583,980	57,206

Note 34. Changes in liabilities arising from financing activities

	Convertible notes $	Bank loan $	Shareholder loans $	Leases liabilities $	Total $
Balance at 1 July 2019	2,526,804	–	1,112,742	–	3,639,546
Net cash from/(used in) financing activities	2,324,752	–	(64,383)	(480,665)	1,779,704
Acquisition of plant and equipment by means of leases	–	–	–	1,181,837	1,181,837
Other changes	(1,047,426)	–	–	153,464	(893,962)
Balance at 30 June 2020	3,804,130	–	1,048,359	854,636	5,707,125
Net cash from/(used in) financing activities	1,950,000	592,434	(1,048,359)	(397,898)	1,096,177
Acquisition of plant and equipment by means of leases	–	–	–	124,080	124,080
Reduction in lease liability from rent concessions	–	–	–	(7,236)	(7,236)
Other changes	(5,754,130)	–	–	–	(5,754,130)
Balance at 30 June 2021	–	592,434	–	573,582	1,166,016

Note 35. Earnings per share

	Consolidated 2021 $	Aggregated 2020 $
Loss after income tax attributable to the owners of EP&T Global Limited	(12,156,861)	(4,106,988)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	35,481,407	63,921,081
Weighted average number of ordinary shares used in calculating diluted earnings per share	35,481,407	63,921,081

	Cents	Cents
Basic earnings per share	(34.26)	(6.43)
Diluted earnings per share	(34.26)	(6.43)

Notes to the financial statements (continued)

Note 35. Earnings per share (continued)

20,696,780 options over ordinary shares are not included in the calculation of diluted earnings per share because they are antidilutive for the year ended 30 June 2021. These options could potentially dilute basic earnings per share in the future.

The weighted average number of ordinary shares for 2020 has been restated for the effect of the group reorganisation (-54.72 for -6.43) completed in 19 March 2021, in accordance with AASB 133 *Earnings per share*.

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of EP&T Global Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Note 36. Share-based payments

On 17 March 2021, prior to listing on ASX the Company granted options over ordinary shares to certain Directors, employees and advisors to the Group. These options were not granted under a long-term incentive plan, but as a reward to management and employees for the Group's IPO. As such, the only vesting condition relates to continued employment.

Set out below are summaries of options granted:

Consolidated 2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
17/03/2021	15/03/2025	$0.20	–	2,501,864	–	–	2,501,864
17/03/2021	15/03/2025	$0.26	–	557,399	–	–	557,399
17/03/2021	15/03/2025	$0.29	–	3,149,771	–	–	3,149,771
17/03/2021	15/03/2025	$0.30	–	1,853,957	–	–	1,853,957
17/03/2021	15/03/2025	$0.40	–	2,545,992	–	–	2,545,992
17/03/2021	15/03/2025	$0.50	–	1,152,496	–	–	1,152,496
17/03/2021	15/03/2025	$0.60	–	1,152,496	–	–	1,152,496
17/03/2021	15/03/2027	$0.34	–	3,149,771	–	–	3,149,771
17/03/2021	15/03/2027	$0.38	–	4,663,034	–	–	4,663,034
			–	20,696,780	–	–	20,696,780
Weighted average exercise price			$0.00	$0.35	$0.00	$0.00	$0.35

The weighted average share price during the financial year was $0.20.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 4 years.

Note 36. Share-based payments (continued)

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
17/03/2021	15/03/2025	$0.20	$0.20	80.00%	–	0.41%	$0.116
17/03/2021	15/03/2025	$0.20	$0.26	80.00%	–	0.41%	$0.105
17/03/2021	15/03/2025	$0.20	$0.29	80.00%	–	0.41%	$0.100
17/03/2021	15/03/2025	$0.20	$0.30	80.00%	–	0.41%	$0.098
17/03/2021	15/03/2025	$0.20	$0.40	80.00%	–	0.41%	$0.086
17/03/2021	15/03/2025	$0.20	$0.50	80.00%	–	0.41%	$0.076
17/03/2021	15/03/2025	$0.20	$0.60	80.00%	–	0.41%	$0.096
17/03/2021	15/03/2027	$0.20	$0.34	80.00%	–	0.96%	$0.117
17/03/2021	15/03/2027	$0.20	$0.38	80.00%	–	0.96%	$0.114

Accounting policy for share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification. There have been no modifications for the year ended 30 June 2021.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification. There have been no equity-settled awards forfeited for the financial year ended 30 June 2021. There have been no equity-settled awards cancelled, replaced or substituted for the financial year ended 30 June 2021.

Notes to the financial statements (continued)

Note 37. Events after the reporting period

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on the Group for the financial year ended 30 June 2021 has been reflected in its published results to date. Whilst it would appear that control measures and related government policies, including the roll out of the vaccine, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact the Group's operations going forward. The Group now has procedures in place to monitor the ongoing COVID-19 impact on its customers and operations and the experience in the swift implementation of business continuation processes, should future lockdowns of the population occur. These processes continue to evolve to minimise operational disruption and management also continues to monitor the situation both locally and internationally.

On 27 August 2021, 23,460,000 fully paid ordinary shares were released from escrow. 93,077,533 fully paid ordinary shares remain subject to mandatory and voluntary escrow.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Jonathan Sweeney
Chairman

28 September 2021

Independent auditor's report to the members of EP&T Global Limited

Grant Thornton

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Independent Auditor's Report

To the Members of EP&T Global Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of EP&T Global Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Grant Thornton

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Group incurred a net loss of $12,156,861, and had net cash used in operating activities of $3,429,980, during the year ended 30 June 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Corporate/Group reorganisation – Notes 1 and 21	
EP&T Global Limited was incorporated on 15 October 2020 and on 19 March 2021 the shareholders of the Company undertook a Group reorganisation. This resulted in EP&T Global Limited acquiring the EP&T Pty Limited Aggregate Group ('Aggregated Group') which is comprised of EP&T Pty Limited, EP&T Global Limited (UK), EP&T Global Limited (HK) and EP&T FZ LLC (Dubai). As disclosed in Note 1, this group reorganisation did not represent a business combination in accordance with AASB 3 *Business Combinations*. Instead management has accounted for the transaction as a form of capital reconstruction and Group reorganisation. Accordingly the financial statements are a continuation of the Aggregated Group. This area is a key audit matter due to corporate reorganisations being a complex accounting area and there is no specific Australian accounting standard for these types of transactions. In the absence of specific Australian guidance, management is required to use its judgement in developing and applying an accounting policy that is relevant and reliable.	Our procedures included, amongst others: • Obtaining an understanding of the structure of the Group from review of contracts, registration documents and legal documents provide in connection with the reorganisation; • Obtaining an understanding of the terms and business purpose of the reorganisation, relationships and transactions with related parties and equity balances to affect the reorganisation; • Assessing the application of applicable accounting standards, approaches and guidance for the transaction and evaluating the appropriateness of the reorganisation reserve; and • Assessing the adequacy of related disclosures in the financial statements.
IPO – Notes 16, 18 and 20	
On 11 May 2021 the Group listed on the Australian Securities Exchange ('ASX'). As part of the IPO: • The Group raised $11,000,000 through the issuance of 55,000,000 shares at an issue price of $0.20 per share; • Transaction costs of $1,730,778 were incurred, of which $980,288 were expensed in the statement of profit or loss and other comprehensive income, and $750,490 were capitalised in the Group's statement of financial position as an offset to equity; • $10,307,620 of convertible notes (comprising face value of convertible notes, accrued interest and embedded derivative) were converted into $14,304,085 of equity, resulting in a $3,996,465 loss on conversion; This area is a key audit matter due to the significant of the transactions and the judgement applied in allocating costs between share capital and the statement of profit or loss and other comprehensive income.	Our procedures included, amongst others: • Agreeing the recorded proceeds from the issuance of shares to supporting documentation such as the prospectus document, ASX announcement, share registry records and bank statements; • Testing a sample of transaction costs to supporting documentation, and testing the allocation between expense and offset to equity; • Assessing that the calculation to convert the convertible notes into equity was based upon the terms stipulated in the original Converting Note Deed Poll document, including: – Performing tests over the mathematical accuracy of the underlying conversion calculations; and – Assessing the fair value adjustments recognised in the consolidated statement of profit or loss and other

Independent auditor's report to the members of EP&T Global Limited (continued)

Key audit matter	How our audit addressed the key audit matter
	comprehensive income associated with the conversion of convertible notes; and • Assessing the adequacy of related disclosures in the financial statements.
Revenue recognition – Note 4	
Revenue of $6,077,746 has been recognised during the year ended 30 June 2021. The Group recognises revenue across three separate revenue streams: projects revenue, contracted service revenue, and service and maintenance revenue. The revenue recognition process and policies differ for each stream depending on the nature of the products and services provided to the customer in accordance with AASB 15: *Revenue from Contracts with Customers*. Estimation and judgement are used regarding timing and amount of revenue to be recognised. This area is a key audit matter due to the material nature of the balance, the volume of transactions and the importance of the revenue balance to the current stakeholders.	Our procedures included, amongst others: • Assessing the revenue recognition policies for appropriateness and compliance with AASB 15 as well as reviewing consistency with the prior period; • Testing a sample of revenue transactions for each revenue stream by tracing through to sales contracts, assessing the identification of performance obligations, and evaluating the timing of revenue recognition; • Assessing whether revenue has been recognised in accordance with revenue recognition policies; and • Assessing the adequacy of related disclosures in the financial statements.
Recoverability of trade and other receivables and contract assets – Notes 9 and 12	
At 30 June 2021 the Group has trade receivables of $849,628 and contract assets of $2,826,489. During the year the Group recognised a loss of $1,348,806 in respect of expected credit losses and $649,778 provision for impairment of contract assets. This area is a key audit matter due the fact that the determination of the provision under AASB 9: *Financial Instruments* was driven by subjective judgements made by the Group in predicting expected credit losses (ECL).	Our procedures included, amongst others: • Examining and assessing the ECL model developed by the Group in considering the key judgements and assumptions supporting the ECL against the requirements of AASB 9, focusing on changes and new developments; • Challenging management's assumptions regarding the level of provisioning against the ageing of receivables and contract assets, along with consistency and appropriateness of provisioning with reference to subsequent cash received; • Critically assessing the recoverability of overdue debts, including those which have been and have not been provided against; and • Assessing the adequacy of related disclosures in the financial statements.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Grant Thornton

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilites/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 17 to 26 of the Directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of EP&T Global Limited, for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

C F Farley
Partner – Audit & Assurance

Sydney, 28 September 2021

Shareholder information

The shareholder information set out below was applicable as at 2 September 2021.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	12	–	–	–
1,001 to 5,000	51	0.10	–	–
5,001 to 10,000	95	0.49	–	–
10,001 to 100,000	102	1.96	–	–
100,001 and over	91	97.45	10	100.00
	351	100.00	10	100.00
Holding less than a marketable parcel	11	–	–	–

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
MAGNETAR CAPITAL LIMITED	57,394,232	30.89
NATIONAL NOMINEES LIMITED (PERENNIAL VALUE MICROCAP A/C)	13,593,828	7.32
NATIONAL NOMINEES LIMITED	12,398,237	6.67
MALKANTHI HETTIARACHCHI	8,590,975	4.62
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,141,550	4.38
WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	7,988,615	4.30
MAINSTREAM FUND SERVICES PTY LIMITED (PERENNIAL PRIVATE PUB OP A/C)	5,902,099	3.18
UBS NOMINEES PTY LTD	5,000,000	2.69
ROHAN GUNARATNA	4,431,260	2.38
CS THIRD NOMINEES PTY LIMITED (HSBC CUST NOM AU LTD 13 A/C)	3,852,889	2.07
CERTANE CT PTY LTD (CHARITABLE FOUNDATION)	3,500,000	1.88
CONTEC PROPERTIES PTY LIMITED	3,236,871	1.74
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	3,200,000	1.72
BNP PARIBAS NOMS PTY LTD (DRP)	2,117,021	1.14
CONTEC NOMINEES PTY LIMITED (SEIDLER PENSION FUND A/C)	2,081,918	1.12
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD (DRP A/C)	2,014,219	1.08
BELL POTTER NOMINEES LIMITED	1,857,995	1.00
MR ANTHONY DAVID GANDEL	1,840,000	0.99
MR MARK STEPHEN CHURCHMICHAEL (CHURCHMICHAEL FAMILY A/C)	1,760,185	0.95
CERTANE CT PTY LTD (BIPETA)	1,750,000	0.94
	150,651,894	81.06

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	20,696,780	10

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
KEITH GUNARATNE	58,246,569	31.35
PERENNIAL VALUE MANAGEMENT LIMITED	27,141,660	14.61

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Securities subject to voluntary escrow

Class	Expiry date	Number of shares
Fully paid ordinary shares	Variable – being 12 months from the date of issue	93,077,533

Corporate directory

Directors

Jonathan Sweeney – Chairman
Kirthi ('Keith') Gunaratne
John Balassis
Victor van Bommel

Joint Company secretaries

Laura Newell
Richard Pillinger

Registered office and principal place of business

Suite 2, 407 Pacific Highway
Artarmon NSW 2064

Phone: (02) 8422 6000

Share register

Boardroom Pty Limited

Level 12, 225 George Street
Sydney NSW 2000

Phone: (02) 9290 9600

Auditor

Grant Thornton Audit Pty Ltd

Level 17, 383 Kent Street
Sydney NSW 2000

Solicitors

Hamilton Locke

Australia Square
Level 42, 264 George Street
Sydney NSW 2000

Bankers

Commonwealth Bank of Australia

166 Redfern Street
Redfern NSW 2016

Stock exchange listing

EP&T Global Limited shares are listed on the Australian Securities Exchange (ASX code: EPX)

Website

www.eptglobal.com

Business objectives

In accordance with Listing Rule 4.10.19 the Company confirms that the Group has been utilising the cash and assets in a form readily convertible to cash that it held at the time of its admission to the Official List of ASX since its admission to the end of the reporting period in a way that is consistent with its business objectives.

Corporate Governance Statement

EP&T Global Limited and the Board of Directors are committed to achieving and demonstrating the highest standards of corporate governance. EP&T Global Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th Edition) published by the ASX Corporate Governance Council.

Details of the corporate governance report is available on the Group website at https://eptglobal.com/investor-centre/.

ep&t global

ENVIRONMENT I PROPERTY I TECHNOLOGY

EP&T Global Limited
ACN 645 144 314