

ASX Announcement 21st October 2021

EP&T Global (ASX:EPX)

TRADING UPDATE : EP&T FORECASTS 85% GROWTH IN ANNUALISED RECURRING REVENUE (ARR) FOR FY22

Highlights

- ARR is forecast to grow from \$5.3m at June 30 2021, to \$9.8m by 30 June 2022, an increase of 85%
- Forecast FY22 ARR is from existing contracts on hand as at end Q1 FY22 as a result of 43% growth in Annualised Contract Value (ACV) in FY21 to \$10.9m
- Contracted buildings increased by 128 sites (49%) from 259 at June 20 to 387 at June 21
- Covid restrictions easing enabling building access and installations to accelerate, sales initiatives generating continued pipeline growth
- In Q1 FY22 EP&T installed their EDGE Intelligent Systems in 29 buildings, resulting in increased ARR of \$1.1m (21%) to \$6.4m
- The 3-year contract with leading asset manager, DWS, remains on track to be deployed and live before the end of FY22. The annual contract value (ACV) is A\$2.0m with total contract value (TCV) of A\$6.1m

21 October 2021 With markets opening up as covid restrictions ease building analytics company EP&T Global Limited (ASX: EPX) ('EP&T' or 'the Company') is pleased to provide a trading update regarding its key reporting metrics, notably its increase in Annualised Recurring Revenue (ARR³) which is forecast to grow 85% during FY22 to \$9.8m from \$5.3m at June 21.

| Key Metrics | | |
|---|--------------------------------|---|
| \$10.9m | 43% | \$108m |
| Annualised Contract Value ¹ (ACV) (June 21A) | ACV growth (FY21A) | Lifetime Value ² (FY21A) |
| \$9.8m | 85% | 82% |
| Annualised Recurring Revenue Forecast (ARR) ³ (FY22F) | ARR Growth Forecast (FY22F) | Recurring Revenue ⁴ (FY21A) |

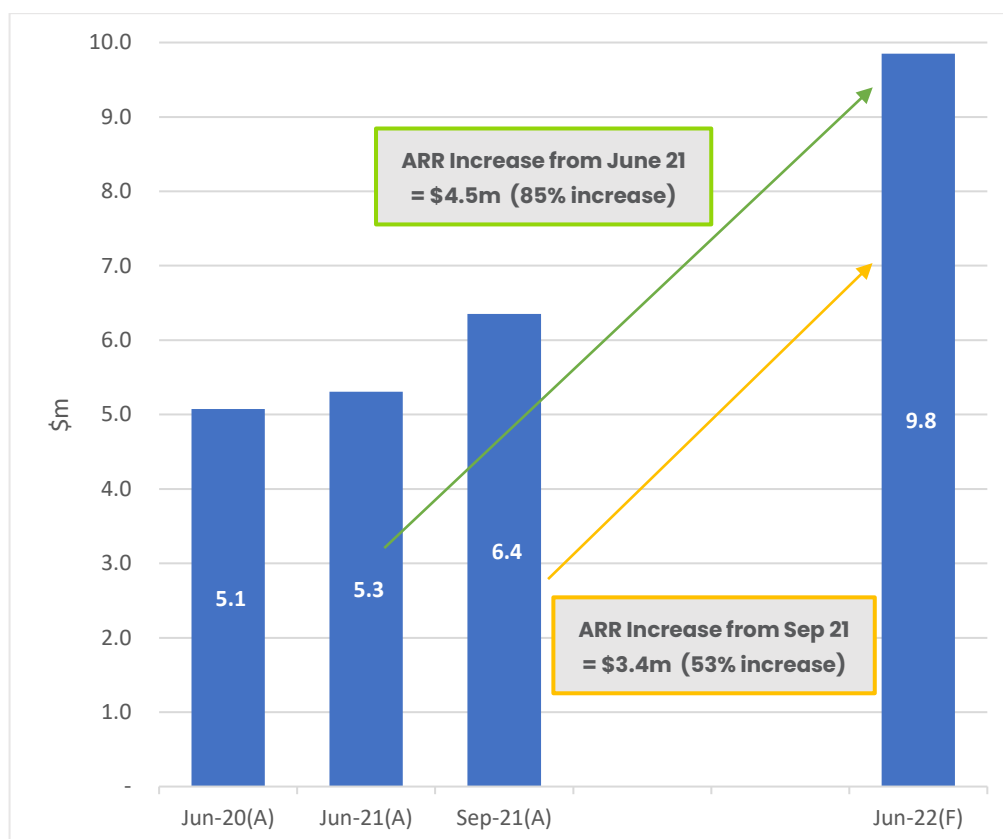
¹ ACV is defined as the annualised monthly fees charged under contracts on hand at each period end.

² Lifetime value LTV is the estimated gross margin contribution from contracts on hand over the projected life of the customer, including initial contract term and projected renewal rates. LTV has been calculated assuming a GP% of 73.4% (COGS as at Jun-20 of 4.8% and ongoing support costs as a % of ACV (21.8%) and a 3 year average ACV churn rate of 7.4%. ACV churn is calculated as total ACV losses as a percentage of opening ACV for a period

³ ARR is the contracted recurring revenue component of subscriptions on an annualised basis - forecast based on existing contracts only as at Oct 21

⁴ Recurring revenue is defined as contracted service and software revenue

ARR growth on implementation of ACV backlog (Global, \$m)



Contract Awards since IPO

The Company's current and forecasted ARR growth is driven by new customer wins achieved since listing on the ASX in May 2021. Some of the wins are listed in the table below:

| New business wins | ACV (\$000) |
|---|--------------|
| DWS Group - Global Competitive tender process resulting in award of 42 buildings across 11 countries, 3yr initial contract | 2,000 |
| Education sector - Dubai and Australia 10 buildings in Dubai and Australian markets | 355 |
| New clients - Dubai 16 buildings – mixed use commercial, retail, high rise residential | 455 |
| ASX listed property investor and manager - Australia Awarded 3 initial sites from portfolio of 12. Won through competitive tender | 66 |
| Other various - Australia 7 sites, across commercial and hospitality sectors | 100 |
| ASX listed portfolio owner - Australia 7 sites - previously lost to competitor in 2019, now reinstated with EP&T | 56 |
| Hong Kong listed transportation and property corporation Proof of concept trial - 1 site | 10 |
| Total – 86 sites | \$3m+ |

Sales and operational initiatives

Since listing on the ASX, the Company has invested in a number of growth initiatives which are expected to contribute to further ACV and as a result ARR. These include:

- Sales and account managers have grown from 7 at June 2021 to currently 11 and expected to be 15 at FY22 end
- Improved EP&T brand awareness from successful marketing activities leading to increasing inbound enquiries
- Improved customer awareness of zero upfront capex cost / high ROI under EP&T subscription service thereby shortening the sales cycle significantly.
- Drive efficiencies to shorten timeframe from signing of contract to installation and revenue commencement
- Continued product innovation to meet the evolving requirements of clients and to anticipate future expectations – demonstrated through ongoing user experience (UX) improvements

Trent Knox, EP&T CEO, said: “We continue to have a strong focus on the conversion of ACV to Annualised Recurring Revenue (ARR) which is key to increasing revenues and improving operating cash flows.

As markets and travel restrictions open, the value proposition of the EP&T solution and its subscription engagement model should significantly enhance sales opportunities. We have spent the past 12 months revitalising and boosting interest in all things EP&T which was realised in our sales as we closed out FY21 with Annualised Contract Value (ACV) of \$10.9 million - an increase of \$3.3 million (43%) on the previous year.

We are well positioned to capitalise on future sales opportunities 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.”

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

About EP&T Global

EP&T Global is optimising buildings for a sustainable future. For over 25 years EP&T Global has been a leader in reducing operating costs and carbon emissions in the built environment. EP&T’s proprietary technology solution combines multiple information sources with cloud-based data analytics to detect real-time energy inefficiencies in buildings. This highly accurate identification of faults and inefficiencies enables EP&T to collaborate with building managers to improve and optimise building plant operating systems.

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

To learn more visit www.eptglobal.com

For more information, please contact:

Trent Knox
Chief Executive Officer
investor@eptglobal.com

Simon Hinsley
Investor Relations
simon@nwrcommunications.com.au
+61 401 809 653