

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

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

Highlights

- ACV as at 30 September 2021 of \$11.1 million representing 38% trailing twelve-month (TTM) 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
- ARR is forecast to grow to \$9.8m by 30 June 2022, an increase of 85% over the course of FY22
- 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
- Cash receipts of \$1.6 million in the quarter
- Contracted buildings as at 30 September of 393 sites
- Covid restrictions easing enabling building access and installations to accelerate and sales initiatives are generating continued pipeline growth
- The 3-year contract with leading asset manager, DWS remains on track with site visits, system designs and equipment orders underway. The annual contract value (ACV) is A\$2.04m with total contract value (TCV) of A\$6.12m
- Current contracts on hand at September 2021 have \$35.2m of future ongoing fees yet to be invoiced and the average remaining unexpired term on current contracts is 3 years and 2 months
- Total cash on hand of \$2.85 million as at 30 September 2021

Key Metrics		
\$6.4m	21%	85%
Annualised Recurring Revenue (ARR) ¹ (Sep 21A)	ARR Growth QoQ (Sep 21A)	Recurring Revenue ² (Sep 21A)
\$11.1m	38%	\$109m
Annualised Contract Value ³ (ACV) (Sep 21A)	ACV growth (TTM Sep 21A)	Lifetime Value ⁴ (Sep 21A)

¹ ARR is the contracted recurring revenue component of subscriptions on an annualised basis - forecast based on existing contracts only as at Oct 21

² Recurring revenue is defined as contracted service and software revenue

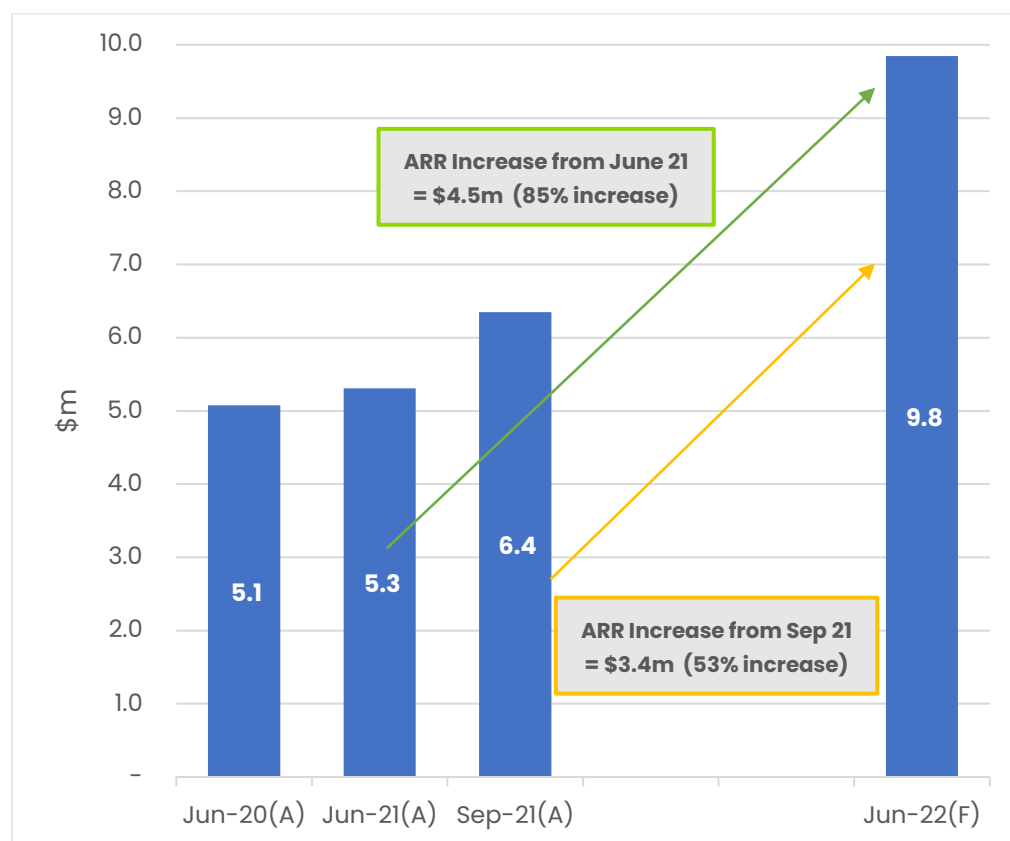
³ ACV is defined as the annualised monthly fees charged under contracts on hand at each period end.

⁴ 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-21 of 2.8% and ongoing support costs as a % of ACV (23.8%) 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

EP&T continued to engage a subscription-based model in the September quarter to drive ACV and ARR growth after winding down its project revenue-based customer engagement model in FY20. At 30 September 2021 the ACV backlog yet to be deployed totalled \$4.0 million. Current contracts on hand have \$35.2m of future ongoing fees yet to be invoiced and the average remaining unexpired term on current contracts is 3 years and 2 months.

The Company added 6 new contracted buildings in the quarter and converted \$1.0m of ACV to ARR, increasing ARR by 21% at 30 September 21 to \$6.4m.

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



Sales & operating update

As COVID restrictions continued to ease EP&T made progress installing contracted backlogs across all regions. Installation was completed in 29 buildings during the quarter with a combined ARR of over \$1 million.

In the June quarter the Company announced a significant contract win with three subsidiaries of DWS Group ("DWS"), as per DWS' instruction the contract will be rolled out in 3 phases. Phase 1 commenced during the September quarter with a high-level of client engagement and site visits, system designs and equipment orders are all underway.

Product development

During the September quarter EP&T continued to invest in enhancing its product suite, undertaking multiple developments with a focus on enhanced savings capability in addition to system efficiency and scalability. An additional resource was hired for the R&D team and a newly designed client dashboard in EP&T's EDGE Intelligent System portal was released.

Financial

Receipts from customers for the quarter were \$1.6 million. Under EP&T's subscription revenue model, actual cash receipts lag ACV growth due to the timeframe from being awarded a new contract (i.e. winning new ACV) and the commencement of services to the client. Cash receipts track ARR more closely and as such, increased ARR provides a forward indication of cash receipts.

Total operating cashflows for the quarter were (\$1.6) million, which included \$0.3m of annual incentive and annual sales commission payments.

Operating cashflows are expected to improve as the Company increases monthly billing and cash collection from increased Annualised Recurring Revenues. The Company also expects to receive R&D tax incentives of around \$450,000 in the upcoming quarter ending 31 December 2021.

Payments for property, plant and equipment include payments for hardware and installation costs of new customer projects of \$0.75 million for the quarter. This investment drives ARR growth.

Use of funds

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

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

Use of funds 12 May 21 to 30 September 21	Allocated Amounts (\$000)	Utilised Amounts (\$000)	Commentary
Sales and Marketing	2,610	1,428	In line with expectations
Project material and installation costs	2,340	1,255	In line with expectations
Operating expenditure (inc. R&D and working capital)	1,160	1,028	Growth in ACV and ARR ahead of expectations has increased working capital requirements.
Repayment of shareholder loans and purchase of assets from the Founder	1,190	1,190	In line with expectations
Repayment of debt	1,140	549	No movement in quarter ended 30 September 2021
Costs of the Offer	1,060	1,202	All costs of the offer have been paid and the total payment was \$0.1m above the Prospectus value as a result of additional costs incurred following submission of the Prospectus and prior to IPO date.
Total from proceeds of issue of New Shares	9,500	6,652	

Total cash on hand as at 30 September 2021 was \$2.85 million.

Payments totalling \$156,610 included in cashflows from operating activities were made to related parties of EP&T in the quarter as per Section 6.1 of the 4C. These payments comprise NED fees, Executive Director salary and sales commission payments.

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

About EP&T Global

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

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

To learn more visit www.eptglobal.com

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