



**ep&t global**

ENVIRONMENT | PROPERTY | TECHNOLOGY

**30 November 2022**

ASX Announcement (ASX: EPX)

### **CHAIRMAN'S AGM ADDRESS**

I would like to touch on the following items in my address:

- An overview of EP&T's Financial year to 30 June 2022 and
- Today's Agenda and Resolutions

Trent Knox, EPX's CEO, left the Company in early June 2022 and since early May, one of our directors, John Balassis, has been acting as our interim CEO. Trent provided stable leadership during his tenure and the Board is grateful for his contribution and thank him for it.

After my address I will hand over to our interim CEO, John Balassis, for his address. After John's interim CEO address we will turn to the formal business of the meeting.

Shareholders will recall that EP&T listed on the ASX on 12 May 2021 after many years as a founder led organisation. The world is now a very different place from when EPX listed. Whilst COVID is still impacting parts of the world, most countries have adapted to living with the virus and are quickly returning to a "new" normal.

Just when it seemed we had moved beyond COVID and economies were picking up steam, supply chain disruptions, war in Ukraine and emerging inflation set investment markets back. Reserve banks around the world have been fighting to keep inflation under control and have increased interest rates rapidly. The Russian invasion of Ukraine has impacted European energy prices causing them to more than double over the past year.

This has caused the end of cheap money with interest rates increasing significantly in all major economies. Now that money has a price, investor confidence has been dented and the valuation of growth stocks, in particular, has been severely impacted. For example, in the last 12 months, the NASDAQ Composite index is down almost 30% whereas the S&P 500 is down only half that.

Technology stocks in Australia have not been immune and have been re-priced accordingly. Perversely, whilst EPX's share price has suffered, our underlying business continues to grow. Over the year to 30 June 2022 our ACV has grown 23%, our ARR has grown 74% and our unbilled contract value grew 20% to \$44m.

Importantly, we have a clear pathway to achieving operating cashflow breakeven during the third quarter of the 2023 Financial Year and the tailwinds from rising energy prices and the move towards Net Zero have become even stronger. Under John Balassis' leadership, as interim CEO, we have rearranged our senior management team, adding Product Officer, Head of Global Sales and Head of People & Culture roles, as well as made changes to how we deliver our services. These organisational and operational changes were necessary and provide a sound base to build upon.

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The search for our new CEO has taken time but is close to completion and we will update the market as soon as the appointment is finalised.

Shareholders will note that Victor van Bommel is standing for election as a director and I ask you to support his election. Victor has been an engaged and active director. I and the rest of the board have relied on his wise counsel. He adds great value and perspective, being based in Europe, which is one of our key markets. Further information about Victor is contained in the Notice of Meeting and Explanatory Memorandum.

EPX is in an exciting space, as we have a proven solution to optimise energy efficiency and reduce water usage in buildings around the world. Rising energy prices and the focus on greenhouse gas emissions and the environment provides us with a wonderful opportunity to grow our business as well as help our clients contribute to a greener future.

I believe the Company now has a clear roadmap for success:

- Achieve operating cashflow breakeven during the third quarter of the 2023 Financial Year
- Broaden the technology skill set of the Board with the addition of a new director
- Appoint a new CEO and other key executive roles to manage a global business
- Speed up the conversion of ACV to ARR
- Reinvest in our products and services
- Improve our operational efficiency and
- Fund an increased rate of growth

Some of these we have already implemented and others are near completion.

In order to fund our future growth and ensure the continued conversion of ACV to ARR we raised approximately \$5.0m in November of which some \$0.5m will be subject to shareholder approval at an EGM in December. John will provide you with details about how those funds will be deployed.

There are a number of items on the Agenda for this year's AGM, which have been explained in detail in the Notice of Meeting and Explanatory Memorandum. In summary they are:

- Our Financial Statement and Reports
- Adoption of the Remuneration Report
- Re-election of Victor van Bommel as Director
- Approval of amendment to the Company's Constitution; and
- Approval of the grant of securities under the Employee Incentive Plan

Before I hand over to John, I would like to express my and the Board's gratitude for the enormous amount of work he has done in re-positioning the business. The difference John has made over the last few months is significant and the Company is now in much better shape both operationally and organisationally.

I would also like to thank the Board and management for all their hard work and support over what has been an extraordinarily uncertain and rapidly changing environment. The continued support of shareholders is also greatly appreciated by myself and the Board.

**Jonathan Sweeney**  
**Chairman**

This announcement has been authorised for release to ASX by the Chairman of EP&T Global Limited.

**ENDS**