

## EP&T Global Limited June 2023 Quarterly Activity Report and Appendix 4C

**28 July 2023** Building energy optimisation company EP&T Global Limited (ASX: EPX) is pleased to release its quarterly activity report and Appendix 4C for the quarter ending **30 June 2023**.

### Quarterly Highlights

- Cash receipts of \$3.3million in the quarter takes the total for the second half of the financial year to \$6.7m, a 46% increase over the first half of FY23.
- Total net operating cashflows for the quarter were (\$0.7m). Included within this number is approx. (\$0.2m) of termination and one-off costs associated with staff efficiencies implemented in May 2023.
- Continued improvement towards operating cashflow breakeven<sup>1</sup>, with the operating breakeven ratio improving since the last quarter to 87% (being operating cash receipts covering 87% of operating cash outflows). An improvement from 73% and 61% in the preceding two quarters
- Annualised Contract Value (ACV) as at 30 June 2023 of \$14.4m<sup>2</sup>, representing an increase of \$0.2m from March 2022 and an annual 8% increase over June 2022.
- Multiple new contracts awarded in the quarter with a Total Contract Value (TCV) of approximately \$0.8m.
- Annualised Recurring Revenue (ARR<sup>3</sup>) of \$11.7m installed as at 30 June 2023 representing an increase of \$0.6m (5%) from March 2023 and an annual 27% increase from June 2022.
- At the end of the quarter the business had a further \$1.9m in ARR in the process of installation, to bring total ARR to \$13.6m once installed.
- The Company continues to focus on installation conversion of the ACV backlog to hit its projected operating cashflow breakeven point of approx. \$12.2m. As at 30 June, the Company is at 96% of the projected operating cashflow breakeven inflection point of the business.
- Total cash on hand of \$1.2m at 30 June 2023.

### ACV growth (Global, \$m)

At 30 June 2023 ACV is \$14.4 million representing a \$1.1m (8%) increase since 30 June 22. Contract wins in Q4 FY23 include:

- Continued rollout of our EDGE product for the Australian based Salter Brothers, where an eleven-site portfolio is being implemented.
- Additional two sites for a major British property owner (\$0.1m ACV), which continues to add to the sites already monitored for this customer.
- Further wins with a large UAE based international private education provider in now providing both water and energy monitoring for six sites.
- Additional site win for a European hotel from Cedar Capital Partners, total ACV of approx. \$0.1m (TCV approx. \$0.3m), increasing the number of sites for this customer.

EP&T is continuing to see high levels of interest in our building energy efficiency and optimisation product offering. Success with our existing major customers is anticipated to continue, supporting

<sup>1</sup> Operating cashflow is defined as monthly operating cash inflows (being receipts from operations and other revenue) less monthly operating cash outflows (being ordinary operating costs of the business including employment costs, direct cost of goods sold, occupancy, marketing, corporate and other operating costs) but excluding new project deployment costs and other investing and financing cash flows. Prospective financial information may be affected by inaccurate assumptions or by other risks and uncertainties and may differ materially from results ultimately achieved.

<sup>2</sup> Annual Contract Value (ACV) is calculated in Australian dollars based on historical long term exchange rates. On conversion to actual cashflow, the exchange rate prevailing at the time of billing may be higher or lower than the historical long-term average exchange rates used to determine the ACV value.

<sup>3</sup> ARR is the contracted recurring revenue component of subscriptions on an annualised basis.

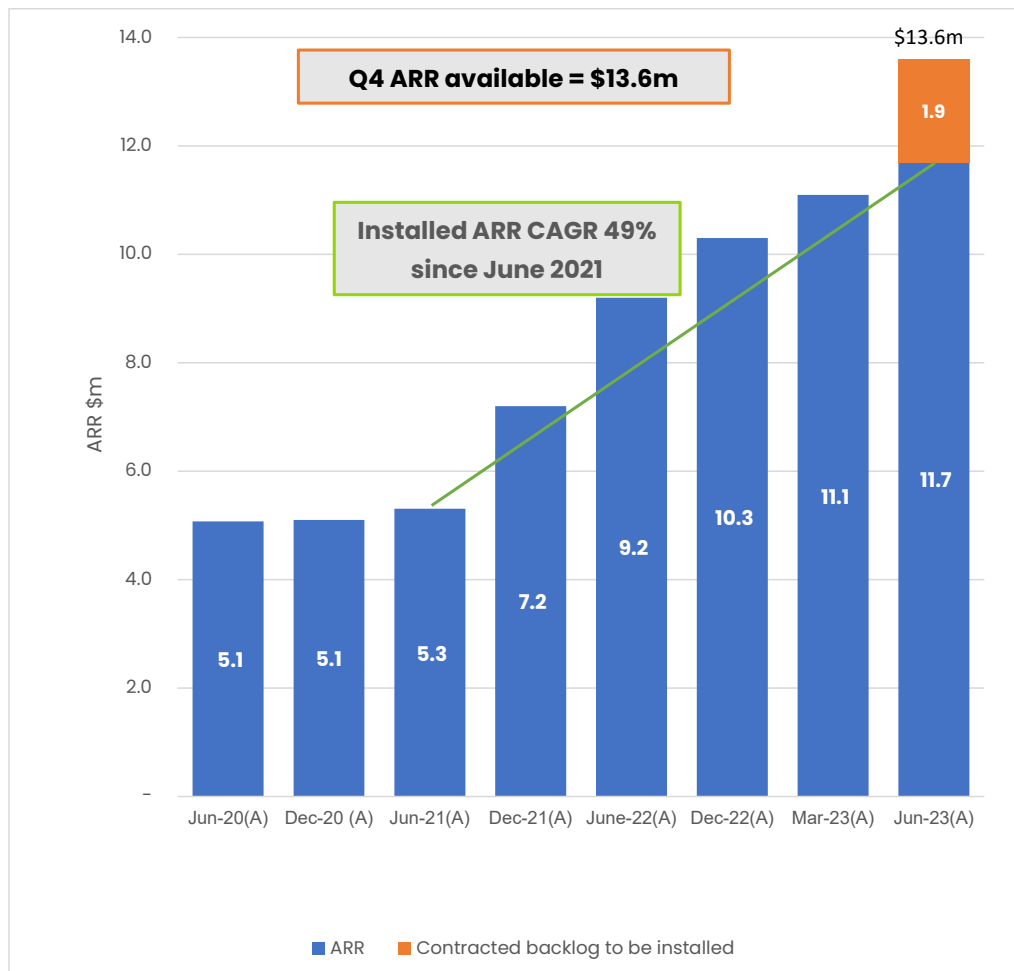
ongoing steady growth to ACV. EP&T also has a large, qualified pipeline which will be the focus of conversion during H1 FY24.



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

ARR as at 30 June 2023 was \$11.7m, an increase of \$0.6m from March 2023.

As at 30 June 2023, a further \$1.9m in ARR is being installed taking the total ARR available to \$13.6m. The Company's focus remains on installing the backlog.



## EPX continues to focus on achieving operating cashflow breakeven<sup>4</sup>

EP&T implemented operating cost efficiencies during the quarter, resulting in \$1.3m in annual costs being reduced from the business. EP&T has projected the point at which Operating Cashflow Breakeven is achieved is when ARR reaches approx. \$12.2m. As at 30 June 2023, ARR was \$11.7m, being 96% of the projected operating cashflow breakeven inflection point of the business.

<sup>4</sup> Operating cashflow is defined as monthly operating cash inflows (being receipts from operations and other revenue) less monthly operating cash outflows (being ordinary operating costs of the business including employment costs, direct cost of goods sold, occupancy, marketing, corporate and other operating costs) but excluding new project deployment costs and other investing and financing cash flows. Prospective financial information may be affected by inaccurate assumptions or by other risks and uncertainties and may differ materially from results ultimately achieved.

## Financial

Receipts from customers for the quarter (excluding one-off receipts) were \$3.3m. Total receipts from customers continue to increase as ARR is installed, with total FY23 H2 inflows totalling \$6.7m, a 46% increase over FY23 H1. This growth in cash receipts was driven by increasing ARR and upfront billing to customers.

Total net operating cashflows for the quarter were (\$0.7m). Included within this number is (\$0.2m) of termination and one-off costs associated with staff efficiencies implemented in May 2023.

Payments for property, plant and equipment include payments for hardware and installation costs for new customer projects of (\$0.4m) for the quarter. This investment is required to deliver future ARR growth.

During the quarter payments (\$0.2m) were made to related parties of EP&T which comprised of non-executive director fees and executive director salaries and sales commissions.

Total cash on hand as at 30 June 2023 was \$1.2m.

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

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## About EP&T Global

EP&T Global, the most trusted building efficiency platform provider, is a data as a service platform that delivers sector leading cost and energy efficiency in buildings. EP&T is a global leader in reducing energy costs and delivering energy efficiency in the built environment, servicing over 7 million sqm of floorspace across 5 continents. EP&T's proprietary technology solution combines multiple information sources with cloud-based data analytics to detect real-time energy inefficiencies in buildings. This highly accurate identification of faults and inefficiencies enables EP&T to collaborate with building managers to improve and optimise building plant operating systems.

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

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

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