EP&T Global Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	EP&T Global Limited
ABN:	50 645 144 314
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	50.0%	to	10,629,870
Loss from ordinary activities after tax attributable to the owners of EP&T Global Limited	down	19.7%	to	(6,745,640)
Loss for the year attributable to the owners of EP&T Global Limited	down	19.7%	to	(6,745,640)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the Group after providing for income tax amounted to $6,745,640 (30 June 2022: $8,404,633).

EP&T Global Limited advises that its Annual General Meeting will be held on or about 29 November 2023. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to ASX immediately after despatch.

In accordance with the ASX Listing Rules, valid nominations for the position of director are required to be lodged at the registered office of the Company by 5.00pm (AEDT) 11 October 2023.

Further information on the results is detailed in the 'Review of operations' section of the Directors' report which is part of the Annual Report.

Underlying earnings before interest, taxation, depreciation and amortisation ('EBITDA') is a financial measure which is not prescribed by the Australian Accounting Standards (‘AAS’) and represents the loss under AAS adjusted for specific items, including share-based payments expense and the impairment of assets. 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	
	2023 $	2022 $
Loss after income tax	(6,745,640)	(8,404,633)
Add: Income tax expense	85,893	267,050
Less: Interest income	(148,019)	(189,748)
Add: Interest expense	114,020	77,701
Add: Depreciation expense	1,780,825	1,009,552
EBITDA	(4,912,921)	(7,240,078)
Add: Impairment of project equipment (1)	431,078	-
Add: Impairment of inventory	170,714	119,520
Add: Share-based payments expense (2)	252,333	426,597
Add: Impairment of receivables	18,326	160,559
Less: Recovery of receivables	(901,731)	-
Underlying EBITDA	(4,942,201)	(6,533,402)

(1) Impairment of project equipment relates to the impairment of the capex component of sites where the customer is unable to meet their commitments.
(2) Expense recognised in relation to the issue and forfeiture of options over ordinary shares of EP&T Global Limited.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.57	3.42

Net tangible assets per ordinary security has been calculated by excluding the net right-of-use assets and leases liabilities of ($74,020) (2022: ($56,791)).

The net tangible assets per ordinary shares is calculated based on 445,913,710 ordinary shares on issue as at 30 June 2023 (30 June 2022: 240,799,500 ordinary shares).

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued. The auditor's report contains a paragraph addressing material uncertainty related to going concern.

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11. Attachments

Details of attachments (if any):

The Annual Report of EP&T Global Limited for the year ended 30 June 2023 is attached.

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12. Signed

Signed ______________________________ Date: 28 August 2023

Jonathan Sweeney
Chairman

EP&T Global Limited

ABN 50 645 144 314

Annual Report - 30 June 2023

Directors	Jonathan Sweeney - Chairman Kirthi ('Keith') Gunaratne John Balassis Victor van Bommel Richard Doyle
Joint Company secretaries	Laura Newell Patrick Harsas
Registered office	Level 8, 210 George Street Sydney NSW 2000
Principal place of business	Suite 1102, 213 Miller Street North Sydney NSW 2060 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 for the whole reporting period in a way that is consistent with its business objectives.
Corporate Governance Statement	The Directors and management are committed to conducting the business of EP&T Global Limited in an ethical manner and in accordance with high standards of corporate governance. EP&T Global Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have been followed, which is approved at the same time as the Annual Report can be found at: https://eptglobal.com/investor-centre/

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 2023.

Directors

The following persons were Directors of EP&T Global Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Jonathan Sweeney	Independent Non-Executive Chairman
Keith Gunaratne	Founder and Executive Director
John Balassis	Executive Director and Interim Chief Executive Officer (appointed Chief Executive Officer on 1 January 2023)
Victor van Bommel	Independent Non-Executive Director
Richard Doyle	Non-Executive Director (appointed on 1 December 2022)
Stephe Wilks	Independent Non-Executive Director (appointed on 1 December 2022 and resigned on 10 May 2023)

Principal activities

During the year, the principal continuing activities of the Group were the delivery of 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 $(6,745,640) (30 June 2022: $(8,404,633)). Earnings before interest, taxation, depreciation and amortisation ('EBITDA') for the same period has improved from $(7,240,078) in 2022 to $(4,912,921) in 2023.

Revenue for the Group was $10,629,870 for the year ended 30 June 2023, a 50% increase from the year ended 30 June 2022. The Group's other Key Operating Metrics, as outlined immediately below, mostly all improved from the corresponding period in 2022.

Key Operating Metrics	30 June 2023	30 June 2022	Change %
Annualised Contract Value ('ACV') ($000)	14,407	13,256	8.7%
Annualised Recurring Revenue ('ARR') ($000)	11,673	9,248	26.2%
Statutory Revenue ($000)	10,630	7,086	50.0%
Underlying EBITDA ($000)	(4,942)	(6,533)	24.3%
Recurring revenue %	90	89	1.1%
Number of contracted sites	523	471	11.0%
Number of FTEs	67	72	(7.0%)

Annual Contract Value ('ACV') is calculated as the annualised monthly fees charged under contracts with customers. During the year ended 30 June 2023, ACV increased by $1.1 million to $14.4 million.

Annualised Recurring Revenue ('ARR') represents recurring revenue component of contracted subscriptions with customers at a point in time. The difference between ACV and ARR is the backlog of projects contracted and yet to be installed. During the 2023 financial year the backlog has decreased from $3.2 million (30 June 2022) to $1.9 million as projects were commissioned and installation efficiency significantly improved during this financial year. The backlog is an indicator of future ARR growth to be delivered from the pipeline of projects on hand once ongoing services commence.

The new contract wins in the 2023 financial year added 52 new buildings to EP&T's portfolio, increasing the Group's total contracted buildings to 523 and its global customer footprint from 26 to 29 countries.

Statutory Revenue for the year to 30 June 2023, increased by $3.5m, from $7.1m in 2022 to $10.6m in 2023.

Underlying EBITDA represents the loss under AAS adjusted for specific items, including share-based payments expense and the impairment of assets.

Underlying EBITDA, Annualised Contract Value ('ACV') and Annualised Recurring Revenue ('ARR') are financial measures which are not prescribed by the Australian Accounting Standards ('AAS') and are unaudited. The directors consider Underlying EBITDA, ACV and ARR to be 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	
	2023 $	2022 $
Loss after income tax	(6,745,640)	(8,404,633)
Add: Income tax expense	85,893	267,050
Less: Interest income	(148,019)	(189,748)
Add: Interest expense	114,020	77,701
Add: Depreciation expense	1,780,825	1,009,552
EBITDA	(4,912,921)	(7,240,078)
Add: Impairment of project equipment (1)	431,078	-
Add: Impairment of inventory	170,714	119,520
Add: Share-based payments expense (2)	252,333	426,597
Add: Impairment of receivables	18,326	160,559
Less: Recovery of receivables	(901,731)	-
Underlying EBITDA	(4,942,201)	(6,533,402)

(1) Impairment of project equipment relates to the impairment of the capex component of sites where the customer is unable to meet their commitments.
(2) Expense recognised in relation to the issue and forfeiture of options over ordinary shares of EP&T Global Limited.

As a result of the loss incurred, the net operating cash outflows for the year ended 30 June 2023 and the future cash needs to continue the growth of the Group, the directors have 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 2 to the financial statements *'Going Concern'.*

Significant changes in the state of affairs

During the financial year ended 30 June 2023 the Company successfully raised $4,804,178 (net of costs) via the placement of ordinary shares in three tranches being:

- On 1 December 2022, the Group successfully issued $3,694,839 of ordinary shares via the placement of 147,793,560 shares at an issue price of $0.025 per share.
- In December 2022, the Group successfully issued $958,016 of ordinary shares via the placement of 38,320,651 shares at an issue price of $0.025 per share.
- On 8 February 2023, the Group successfully issued $475,000 of ordinary shares via the placement of 18,999,999 shares at an issue price of $0.025 per share.

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

No matter or circumstance has arisen since 30 June 2023 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.

Business risks
The following is a summary of material business risks that could adversely affect our financial performance and growth potential in future years and how we propose to mitigate such risks.

Macroeconomic risks
The Group is exposed to changes in general economic conditions in the United Kingdom, Dubai, Hong Kong, Australia and globally. Adverse changes in inflation rates, interest rates, exchange rates, employment rates, government policies (including fiscal, monetary and regulatory policies), other structural changes and other factors driving global macroeconomic conditions are outside the control of the Group, the Directors and the Group management, and are not reliably predictable. Any of these factors may have an adverse impact on the Group's business and financial performance. There is a risk that external factors impacting the Group's industry may cause the Group's clients and potential clients to reduce, delay or cancel expenditure on the Group's products and services. Any reduction, delay or cancellation may have a material adverse effect on the Group's financial performance.

Competitive market and changes to market trends
In the competitive landscape that the Group operates in, there is a risk that the Group may:
- fail to implement changes to satisfy the changing expectations of its clients, relative to and with the same efficiencies as its competitors;
- be slower to anticipate and adapt to technological changes and updates, which may result in a prolonged period of product obsolescence; and/or
- face the risk that in-house building management teams developed internal solutions may become preferred to outsourced building energy management system solutions.

If any of these risks arise, the Group's ability to effectively compete and increase its market share will be adversely effected which could result in the reduction of the Group's market share and revenue, having a material adverse impact on the Group's revenue and profitability.

Failure to retain existing clients and attract new business
Whilst the Group is an established participant in the building energy management system industry, it remains in the relatively early stages of its subscription based growth strategy, and its ability to scale its business is heavily reliant on new client growth. The Group's business also depends on its ability to retain existing clients and attract further additional business from existing clients. There is a risk the Group's existing clients reduce their usage of its building energy management solution (for example the number of sites, services or modules used) or terminate their relationship with EP&T. This would result in a reduction in the level of payments made from clients resulting in a decrease in the Group's revenue.

Failure to successfully implement its business strategy
There is a risk that EP&T's business strategy or any of its growth initiatives will not be successfully implemented, deliver the expected returns or ultimately be profitable.

Work, health and safety ('WHS')
The Group has a zero-risk tolerance for serious safety incidents. During the financial year, the Group continued to improve its WHS practices by using the existing safety culture across the business to continue to develop and train its workforce on WHS matters. In July 2023 the Australian EP&T entity has successfully obtained the first time certification under ISO 45001:2018 (Occupational Health & Safety systems).

Inability to attract or retain key personnel
The Group's success is dependent upon the ongoing retention of key personnel across its departments. There is a risk that the Group may not be able to retain key personnel or be able to find effective replacements for key personnel without causing disruption to the Company's operations. The loss of such personnel, or any delay in their replacement, could have a material adverse impact on management's ability to operate the business and execute the Group's growth strategies and prospects, including through the development and commercialisation of new solutions or modules. Any prolonged periods of disruption would adversely impact the Group's operations and financial performance, and result in the potential loss of key client relationships and business process knowledge.

Compliance with laws and regulations
The Group’s business is subject to laws and regulations that may evolve and be subject to uncertain interpretation. In addition, new laws and regulations may be implemented in the future that could impact the Group’s business. While the Group has developed internal processes around compliance with legal and regulatory requirements, these processes may not ensure compliance with all relevant laws and regulations across all the jurisdictions in which the Group operates.

Cybersecurity and Information technology ('IT') infrastructure
The use of information technology is critical to the Group’s ability to deliver its products and services to clients and the growth of its business. Through the ordinary course of business, the Group collects confidential information that may be confidential about its clients. Cyber-attacks may compromise or breach the technology platform used by EP&T to protect confidential information on energy and water consumption which may have an adverse effect on the Group‘s reputation and consequently its financial performance. There is a risk that the measures the Group takes to prevent technology breaches may prove to be inadequate to protect us from evolving cyber threats which may result in cyber attacks, unauthorised access to data, financial theft and disruption to business as usual services.

Failure to meet minimum guaranteed savings levels
The Group has guaranteed a pre-determined value of energy savings following installation of monitoring equipment and the commencement of monitoring and reporting services to certain clients in accordance with their specific agreements. Under the various guarantees, the Group is obligated to pay the relevant client in cash for any 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 in accordance with an approval process which involves a rigorous review and assessment being undertaken by the technical services department of data points against comparable buildings. There is a risk that the approval process to determine the appropriate guarantee is ineffective or that the guarantees are called upon. Whilst the guarantees are unsecured, maintaining the strength of the Group’s reputation is important to retaining and growing its client base and if the Group fails to generate minimum guaranteed savings for clients this may adversely impact its reputation. In addition, failure to generate guaranteed savings for clients will result in the Group incurring a liability to repay the shortfall which may adversely impact the Group’s future financial performance.

Failure to recover long term receivables from clients
Prior to the Group’s adoption of its recurring revenue business model the Group’s client contracts included deferred payment arrangements (Zero Investment Plan or ZIP) and as such the Group is exposed to credit risk from certain clients who have entered a deferred payment arrangement. The extended nature of these payments increases the Group’s risk of exposure to clients who may encounter financial difficulties. The Group’s ability to recover deferred payments from clients who encounter financial difficulties may be impacted and this may lead to impairment charges being recognised in the Group’s financial statements and reduced cash collections in the future.

Increase competitive pressure
The Group’s competitors include global building management system companies who have greater financial and operational resources, as well as in-house building management teams who develop internal energy management solutions. This is coupled with the current evolution of the broader building energy management solution market, which has seen a number of new entrants over recent years. In this competitive landscape, there is a risk that the Group may:
- fail to implement changes to satisfy the changing expectations of the Company’s clients, relative to and with the same efficiencies as its competitors;
- be slower to anticipate and adapt to technological changes and updates, which may result in a prolonged period of product obsolescence; and/or
- face the risk that in-house building management teams developed internal solutions may become preferred to outsourced building energy management system solutions.

If any of these risks arise, the Group’s ability to effectively compete and increase its market share will be adversely effected which could result in the reduction of the Group’s market share and revenue, having a material adverse impact on revenue and profitability.

Disruption or failure of technology systems and software
Both the Group and its clients are dependent on the performance, reliability and availability of the Group’s technology platforms, data centres and global communications systems (including servers, the internet and the cloud environment in which the Group provides its products). There is a risk that these systems may fail to perform as expected or be adversely affected by factors outside the control of the Group including, service outages or data corruption that could occur as a result of computer viruses, “bugs” or “worms”, malware, internal or external misuse by websites, cyber-attacks or other disruptions including natural disasters, power outages or other similar events. These events may be caused by factors outside of the Group’s control, and may lead to prolonged disruption to its platform, or operational or business delays and damage to the Group’s reputation. This could potentially lead to a loss of clients, legal claims by clients, and an inability to attract new clients, any of which could have a material adverse impact on the Group’s business, operations and financial performance.

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 36 years. He was the Managing Director of Trust Company (now part of Perpetual) from 2000 till 2008. 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 until he left in early 2013. Jonathan is currently a non-executive director of BT Funds Group, Dexus Asset Management, 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.
Other current directorships:	Non-Executive Director of Dexus Asset Management, the Responsible Entity for Dexus Convenience Retail REIT (ASX code: 'DXC') and Dexus Industrial REIT (ASX code: 'DXI')
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:	3,904,163 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 21 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:	None
Interests in shares:	114,768,921 ordinary shares (1,350,000 held directly and 113,418,921 held indirectly)
Interests in options:	3,457,488 options over ordinary shares

Name:	John Balassis
Title:	Executive Director and Chief Executive Officer
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 26 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.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Remuneration and Nomination Committee (Former Chairman of the Audit and Risk Committee until appointed as Interim CEO)
Interests in shares:	5,418,038 ordinary shares (held indirectly)
Interests in options:	5,829,797 options over ordinary shares

Name:	Victor van Bommel
Title:	Independent Non-Executive Director
Qualifications:	Master in Economics and Finance from the University of Amsterdam (UVA)
Experience and expertise:	Victor joined the advisory board for EP&T in 2016. He has over 21 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$5.0bn. 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:	Chairman of the Audit and Risk Committee and member of the Remuneration and Nomination Committee
Interests in shares:	19,153,952 ordinary shares (11,798,982 held directly and 7,354,970 held indirectly)
Interests in options:	829,797 options over ordinary shares

Name:	Richard Doyle
Title:	Non-Executive Director (appointed on 1 December 2022)
Qualifications:	Bachelor of Law LLB and Commerce from the Australian National University
Experience and expertise:	Richard is a corporate advisor of Magnetar Capital Limited, a major shareholder of the Company. Richard has extensive experience in providing strategic corporate and legal advice to large and medium sized companies. He is currently the principal of Doyle Corporate Pty Limited, a corporate law firm. He is also the group general counsel of StayWell Holdings Pty Limited, a large hotel management company which operates in 10 countries internationally. Richard was a co-founder and director of Staywell from start-up until its sale to Prince Hotels, the largest hotel company in Japan. Richard is also the chair of the Tourism Accommodation Association NSW. Richard is a former partner of Baker & McKenzie law firm, with extensive exposure to a cross section of clients in the tourism, finance and property industries
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	2,303,929 ordinary shares (held indirectly)

'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
Laura Newell 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 13 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.

Patrick Harsas was appointed as Joint Company Secretary on 13 March 2023.

Richard Pillinger resigned as Chief Financial Officer and Joint Company Secretary effective on 31 January 2023.

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 2023, 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	15	16	4	4	5	5
Keith Gunaratne	16	16	-	-	-	-
John Balassis	16	16	-	-	4	4
Victor van Bommel	13	16	4	4	5	5
Richard Doyle *	8	8	-	-	-	-
Stephe Wilks **	4	5	1	1	1	1

* Richard Doyle was appointed Non-Executive Director on 1 December 2022.
** Stephe Wilks was appointed Independent Non-Executive Director on 1 December 2022 and resigned on 10 May 2023.

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 remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel ('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 information
- 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, the Remuneration and Nomination Committee has structured an executive remuneration framework in the prior year that is market competitive and complementary to the reward strategy of the Group.

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 12 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 2023 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;
- long-term incentives; 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. The key features are as follows:

- 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 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.

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 20,000,000 shares, approved in the November 2022 AGM.

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 2023, the Group did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs.

Voting and comments made at the Company's 2021 Annual General Meeting ('AGM')
At the 2022 AGM, 99.5% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

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 - Independent Non-Executive Chairman
- Keith Gunaratne - Founder and Executive Director
- John Balassis - Executive Director and Chief Executive Officer
- Victor van Bommel - Independent Non-Executive Director
- Richard Doyle - Non-Executive Director (appointed on 1 December 2022)
- Stephe Wilks - Independent Non-Executive Director (appointed on 1 December 2022, resigned on 10 May 2023)

And the following persons:
- Rajesh Jampala - Chief Operating Officer (resigned on 4 November 2022)
- Patrick Harsas - Chief Financial Officer and Joint Company Secretary (appointed on 13 March 2023)
- Richard Pillinger - Chief Financial Officer and Joint Company Secretary (resigned on 31 January 2023)

	Short-term benefits			Post-employment benefits	Long-term benefits	Termination benefits	Share-based payments	
2023	Salary and fees $	Cash commission/ bonus $	Non-monetary $	Super-annuation $	Long service leave $	Ex gratia payment $	Equity-settled $	Total $
Non-Executive Directors:								
Jonathan Sweeney [1, 4]	97,721	-	-	4,874	-	-	72,358	174,953
	-	-	-	-	-	-	-	-
Victor van Bommel [1, 4]	54,170	-	-	-	-	-	21,707	75,877
Richard Doyle	29,035	-	-	3,049	-	-	-	32,084
Stephe Wilks	27,997	-	-	-	-	-	-	27,997
Executive Director:								
John Balassis [1]	251,297	-	-	25,472	-	-	52,567	329,336
Keith Gunaratne [2]	457,384	129,851	17,016	-	64,322	-	66,978	735,551
Other KMP:								
Patrick Harsas	93,375	-	-	9,046	-	-	8,408	110,829
Richard Pillinger [3]	171,366	-	-	16,807	-	24,224	(6,399)	205,998
Rajesh Jampala [3]	86,201	-	-	10,390	(25,155)	-	(3,200)	68,236
	1,268,546	129,851	17,016	69,638	39,167	24,224	212,419	1,760,861

1 Share-based payments expense relates to options issued prior to the IPO and options issued to KMP's under the LTI plan during the financial year to the CEO and CFO. The options issued to the CEO during the financial year are still subject to shareholder approval. The valuation of options issued prior to the IPO reflected in the Remuneration Report was determined at the time they were issued. The weighted average exercise price of the options on issue is $0.26. EP&T's closing share price on 30 June 2023 was $0.03 (2022: $0.06).

2 The payments to Keith Gunaratne are translated against the average foreign currency rates during the year.

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 contracted sales achieved by Keith Gunaratne.

3 Upon resignation, all options vesting in 2024 granted to the KMP were forfeited, resulting in a reversal of the cost.

4 The Non-Executive Directors of the Board (Jonathan Sweeney and Victor van Bommel) have agreed to each forgo two months of their full board fees on a no recourse basis during the financial year.

	Short-term benefits			Post-employment benefits	Long-term benefits	Termination benefits	Share-based payments	
2022	Salary and fees $	Cash commission/ bonus $	Non-monetary $	Super-annuation $	Long service leave $	Ex gratia payment $	Equity-settled [3] $	Total $
Non-Executive Directors:								
Jonathan Sweeney	111,416	-	-	11,142	-	-	76,197	198,755
John Balassis [1]	75,688	-	-	7,569	-	-	22,859	106,116
Victor van Bommel	62,918	-	-	-	-	-	22,859	85,777
Executive Director:								
Keith Gunaratne [2]	384,078	235,877	11,976	-	49,900	-	142,721	824,552
Other KMP:								
Trent Knox [1]	261,552	-	-	23,568	-	80,000	53,221	418,341
Richard Pillinger [4]	271,066	16,531	-	25,951	-	-	61,131	374,679
Rajesh Jampala [4]	248,520	20,417	-	22,696	5,874	-	30,566	328,073
	1,415,238	272,825	11,976	90,926	55,774	80,000	409,554	2,336,293

1 Trent Knox resigned as Chief Executive Officer effective 3 June 2022. John Balassis, who was serving as Non-Executive Director, assumed the position of interim Chief Executive Officer on 2 May 2022 following the resignation of Trent Knox. John Balassis did not receive any compensation for acting as interim CEO on top of his standard Board fees for the month of May 2022 and received a fixed amount of $14,500 for the month of June 2022 in addition to his standard Board fees.

2 The payments to Keith Gunaratne are translated against the average foreign currency rates during the year.

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 contracted sales achieved by Keith Gunaratne.

3 Share-based payments expense relates to options issued prior to the IPO. The valuation of these options as reflected in the Remuneration Report was determined at the time they were issued. The weighted average exercise price of the options on issue is $0.35. EP&T's closing share price on 30 June 2022 was $0.06 (2021: $0.225).

4 The bonus was Board approved and reflected the performance of the consolidated entity and individual performance measures.

The proportion of remuneration linked to performance and the fixed proportion of Directors and other KMP are as follows:

Name	Fixed remuneration 2023	2022	At risk - STI 2023	2022	At risk - LTI 2023	2022
Non-Executive Directors:						
Jonathan Sweeney	100%	100%	-	-	-	-
Victor van Bommel	100%	100%	-	-	-	-
Stephe Wilks	100%	-	-	-	-	-
Richard Doyle	100%	-	-	-	-	-
Executive Directors:						
John Balassis [1]	84%	100%	-	-	16%	-
Keith Gunaratne [2]	77%	54%	15%	29%	8%	17%
Other KMP:						
Patrick Harsas	90%	-	-	-	10%	-
Richard Pillinger [3]	103%	80%	-	4%	(3%)	16%
Rajesh Jampala [3]	105%	85%	-	6%	(5%)	9%

1 LTI portion (options granted during the financial year) are still subject to shareholder approval.

2 At risk STI for Keith Gunaratne relates to sales commissions earned under the Sales Incentive Plan.

3 Upon resignation, all options vesting in 2024 granted to the KMP are forfeited, resulting in a reversal of the SBP expense.

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

Name	Cash bonus paid/payable 2023	2022	Cash bonus forfeited 2023	2022
Executive Directors:				
John Balassis [2]	-	-	-	-
Keith Gunaratne [1]	100%	100%	-	-
Other KMP:				
Richard Pillinger	-	20%	-	80%
Rajesh Jampala	-	27%	-	73%
Patrick Harsas [2]	-	-	-	-

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

2 STI for the period to 30 June 2023 is yet to be determined.

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 and other benefits of approximately $122,000 per annum inclusive of superannuation.

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 year ended 30 June 2023 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 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:	John Balassis
Title:	Executive Director and Chief Executive Officer (Interim CEO until 31 December 2022)
Agreement commenced:	1 January 2023
Term of agreement:	18 months
Details:	John is entitled to receive a fixed remuneration of $250,000 per annum plus superannuation from 1 January 2023 onwards. John is entitled to a short-term incentive of 50% of the fixed remuneration subject to the achievement of key performance targets. He is also entitled to a long-term incentive grant of 5,000,000 ordinary shares subject to vesting conditions and shareholder approval. John received a fixed remuneration of $130,000 (inclusive of superannuation) for the period from 1 July 2022 to 31 December 2022 as interim CEO of the Group.

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 and other benefits of approximately $65,000 per annum inclusive of superannuation.

Name:	Richard Doyle
Title:	Non-Executive Director
Agreement commenced:	1 December 2022
Term of agreement:	Open ended
Details:	Richard is entitled to receive a remuneration package and other benefits of approximately $55,000 per annum inclusive of superannuation.

Name:	Stephe Wilks
Title:	Independent Non-Executive Director
Agreement commenced:	1 December 2022
Term of agreement:	Resigned on 10 May 2023
Details:	Stephe is entitled to receive a remuneration package and other benefits of approximately $65,000 per annum inclusive of superannuation.

Name:	Patrick Harsas
Title:	Chief Financial Officer
Agreement commenced:	13 March 2023
Term of agreement:	Open ended
Details:	Patrick's annual remuneration package is comprised of a base salary of $280,000 plus superannuation, capped at the maximum superannuation contribution base and an STI up to 30% of his Total Remuneration Package. He is also entitled to a LTI grant of 2,000,000 ordinary shares subject to vesting conditions. Patrick's employment contract may be terminated by either EP&T or Patrick 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.

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 2023.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other key management personnel 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	$0.200	$0.116
	553,198	17 March 2021	12 May 2021	15 March 2025	$0.290	$0.100
	553,198	17 March 2021	12 May 2023	15 March 2027	$0.340	$0.117
	1,382,995	17 March 2021	12 May 2024	15 March 2027	$0.380	$0.114
	2,765,990					
Keith Gunaratne	1,152,496	17 March 2021	12 May 2022	15 March 2025	$0.400	$0.086
	1,152,496	17 March 2021	12 May 2023	15 March 2025	$0.500	$0.076
	1,152,496	17 March 2021	12 May 2024	15 March 2027	$0.600	$0.096
	3,457,488					
John Balassis	82,980	17 March 2021	12 May 2021	15 March 2025	$0.200	$0.116
	165,959	17 March 2021	12 May 2021	15 March 2025	$0.290	$0.100
	165,959	17 March 2021	12 May 2023	15 March 2027	$0.340	$0.117
	414,899	17 March 2021	12 May 2024	15 March 2027	$0.380	$0.114
	2,000,000	1 January 2023	1 January 2024	31 December 2027	$0.060	$0.019
	1,500,000	1 January 2023	1 January 2025	31 December 2028	$0.150	$0.019
	1,500,000	1 January 2023	1 January 2026	31 December 2028	$0.250	$0.019
	5,829,797					
Victor van Bommel	82,980	17 March 2021	12 May 2021	15 March 2025	$0.200	$0.116
	165,959	17 March 2021	12 May 2021	15 March 2025	$0.290	$0.100
	165,959	17 March 2021	12 May 2023	15 March 2027	$0.340	$0.117
	414,899	17 March 2021	12 May 2024	15 March 2027	$0.380	$0.114
	829,797					
Patrick Harsas	1,000,000	13 March 2023	13 March 2024	13 March 2031	$0.060	$0.019
	500,000	13 March 2023	13 March 2025	13 March 2032	$0.150	$0.019
	500,000	13 March 2023	13 March 2026	13 March 2033	$0.250	$0.019
	2,000,000					

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.

Values of options over ordinary shares granted for Directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

Name	Total value of options granted during the year $
John Balassis *	96,288
Patrick Harsas	39,766

* Options granted to the CEO are still subject to shareholder approval.

Additional information
The earnings of the Group for the three years to 30 June 2023 are summarised below:

	2023 $	2022 $	2021 $
Sales revenue	10,629,870	7,085,739	6,077,746
Underlying EBITDA	(4,942,201)	(6,533,402)	(3,257,019)
Loss after income tax	(6,745,640)	(8,404,633)	(12,156,861)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022	2021
Share price at financial year end ($)*	0.03	0.05	0.19
Basic earnings per share (cents per share)	(1.90)	(3.87)	(34.26)
Diluted earnings per share (cents per share)	(1.90)	(3.87)	(34.26)

* Listed on 12 May 2021.

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:

Ordinary shares	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other *	Balance at the end of the year
Jonathan Sweeney	450,000	-	3,454,163	-	3,904,163
Keith Gunaratne	72,768,921	-	42,000,000	-	114,768,921
John Balassis	1,668,038	-	3,750,000	-	5,418,038
Victor van Bommel	4,275,860	-	14,878,092	-	19,153,952
Patrick Harsas	-	-	1,407,391	-	1,407,391
Richard Doyle	-	-	2,303,929	-	2,303,929
	79,162,819	-	67,793,575	-	146,956,394

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:

Options over ordinary shares	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other [1]	Balance at the end of the year
Jonathan Sweeney	2,765,990	-	-	-	2,765,990
Keith Gunaratne	3,457,488	-	-	-	3,457,488
John Balassis [2]	829,797	5,000,000	-	-	5,829,797
Victor van Bommel	829,797	-	-	-	829,797
Richard Pillinger	3,457,488	-	-	(3,457,488)	-
Rajesh Jampala	1,728,744	-	-	(1,728,744)	-
Patrick Harsas	-	2,000,000	-	-	2,000,000
	13,069,304	7,000,000	-	(5,186,232)	14,883,072

1 1,296,558 options were forfeited on resignation.
2 Options granted to the CEO are still subject to shareholder approval.

	Vested and exercisable	Unvested and exercisable	Balance at the end of the year
Options over ordinary shares			
Jonathan Sweeney	1,382,995	1,382,995	2,765,990
Keith Gunaratne	2,304,992	1,152,496	3,457,488
John Balassis	414,899	5,414,898	5,829,797
Victor van Bommel	414,899	414,898	829,797
Patrick Harsas	-	2,000,000	2,000,000
	4,517,785	10,365,287	14,883,072

The only vesting condition is continued employment until the vesting date of the options. There were no incentive options, performance rights, restricted shares or incentive rights issued or outstanding to any KMP for 30 June 2023 and 30 June 2022.

Loans to KMP *and their related parties*
At 30 June 2023 there were no loans issued to or from KMP.

Other transactions with KMP *and their related parties*
At 30 June 2023 there were no other transactions to or from KMP and their related parties.

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	$0.200	2,501,864
17 March 2021	15 March 2025	$0.260	557,399
17 March 2021	15 March 2025	$0.290	3,149,771
17 March 2021	15 March 2025	$0.300	1,853,956
17 March 2021	15 March 2025	$0.400	2,545,993
17 March 2021	15 March 2025	$0.500	1,152,496
17 March 2021	15 March 2027	$0.600	1,152,496
17 March 2021	15 March 2027	$0.340	1,853,213
17 March 2021	15 March 2027	$0.380	2,558,541
1 January 2023	31 December 2027	$0.060	2,000,000
1 January 2023	31 December 2027	$0.150	2,000,000
1 January 2023	31 December 2028	$0.250	1,000,000
27 February 2023	26 March 2031	$0.060	500,000
27 February 2023	26 March 2032	$0.150	1,000,000
27 February 2023	26 March 2033	$0.250	500,000
13 March 2023	12 March 2031	$0.060	1,000,000
13 March 2023	12 March 2032	$0.150	500,000
13 March 2023	12 March 2033	$0.250	500,000
1 April 2023	31 December 2030	$0.060	1,150,000
1 April 2023	31 March 2032	$0.150	1,175,000
1 April 2023	31 March 2033	$0.250	1,175,000
			29,825,729

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 2023 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.

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 25 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 25 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
Chairman

28 August 2023

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
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Queen Victoria Building NSW 1230

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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 2023, 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 Audit Pty Ltd
Chartered Accountants

C F Farley
Partner – Audit & Assurance

Sydney, 28 August 2023

EP&T Global Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 2023 $	2022 $
Revenue	5	10,629,870	7,085,739
Other income	6	78,137	601,962
Interest income calculated using the effective interest method		148,019	189,748
Expenses			
Raw materials and consumables used		(736,167)	(805,696)
Employee benefits expense	7	(10,834,186)	(10,355,929)
Depreciation and amortisation expense	7	(1,780,825)	(1,009,552)
Net recovery/(impairment) of assets	7	281,612	(280,079)
Other expenses	7	(4,332,187)	(3,486,075)
Finance costs	7	(114,020)	(77,701)
Loss before income tax expense		(6,659,747)	(8,137,583)
Income tax expense	8	(85,893)	(267,050)
Loss after income tax expense for the year attributable to the owners of EP&T Global Limited		(6,745,640)	(8,404,633)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		355,038	118,477
Other comprehensive income for the year, net of tax		355,038	118,477
Total comprehensive income for the year attributable to the owners of EP&T Global Limited		(6,390,602)	(8,286,156)
		Cents	**Cents**
Basic earnings per share	34	(1.90)	(3.87)
Diluted earnings per share	34	(1.90)	(3.87)

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

EP&T Global Limited
Statement of financial position
As at 30 June 2023

	Note	Consolidated 2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	9	1,243,241	4,218,773
Trade and other receivables	10	3,395,270	1,905,980
Contract assets	13	683,346	738,065
Inventories	11	682,428	731,709
Other assets	12	352,845	501,760
Total current assets		6,357,130	8,096,287
Non-current assets			
Contract assets	13	1,901,818	1,896,044
Plant and equipment	14	5,321,464	3,619,381
Right-of-use assets	15	1,288,783	354,782
Deferred tax	8	595,872	600,846
Other assets	12	171,043	67,980
Total non-current assets		9,278,980	6,539,033
Total assets		15,636,110	14,635,320
Liabilities			
Current liabilities			
Trade and other payables	16	4,089,792	3,422,315
Contract liabilities		526,185	9,865
Borrowings	17	307,204	405,504
Lease liabilities	18	579,910	274,783
Employee benefits	19	1,975,765	1,671,996
Provisions		65,000	65,000
Total current liabilities		7,543,856	5,849,463
Non-current liabilities			
Borrowings	17	273,559	421,213
Lease liabilities	18	782,893	136,790
Employee benefits	19	107,880	46,761
Total non-current liabilities		1,164,332	604,764
Total liabilities		8,708,188	6,454,227
Net assets		6,927,922	8,181,093
Equity			
Issued capital	20	49,033,924	44,148,826
Reserves	21	(14,798,868)	(15,406,239)
Accumulated losses		(27,307,134)	(20,561,494)
Total equity		6,927,922	8,181,093

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

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2021	36,219,410	(15,951,313)	(12,156,861)	8,111,236
Loss after income tax expense for the year	-	-	(8,404,633)	(8,404,633)
Other comprehensive income for the year, net of tax	-	118,477	-	118,477
Total comprehensive income for the year	-	118,477	(8,404,633)	(8,286,156)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 20)	7,929,416	-	-	7,929,416
Share-based payments (note 21)	-	426,597	-	426,597
Balance at 30 June 2022	44,148,826	(15,406,239)	(20,561,494)	8,181,093

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2022	44,148,826	(15,406,239)	(20,561,494)	8,181,093
Loss after income tax expense for the year	-	-	(6,745,640)	(6,745,640)
Other comprehensive income for the year, net of tax	-	355,038	-	355,038
Total comprehensive income for the year	-	355,038	(6,745,640)	(6,390,602)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 20)	4,885,098	-	-	4,885,098
Share-based payments (note 21)	-	252,333	-	252,333
Balance at 30 June 2023	49,033,924	(14,798,868)	(27,307,134)	6,927,922

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

	Note	Consolidated 2023 $	Consolidated 2022 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		12,064,461	7,804,500
Payments to suppliers and employees (inclusive of GST)		(16,995,545)	(14,560,065)
		(4,931,084)	(6,755,565)
Interest received		146,763	187,715
Interest and other finance costs paid		(113,398)	(75,668)
Other income - grants and incentives		423,576	526,338
Net cash used in operating activities	31	(4,474,143)	(6,117,180)
Cash flows from investing activities			
Payments for property, plant and equipment	14	(2,637,290)	(2,210,433)
Net cash used in investing activities		(2,637,290)	(2,210,433)
Cash flows from financing activities			
Proceeds from issue of shares net of issue costs		4,805,915	7,822,555
Proceeds from borrowings		184,351	312,874
Repayment of borrowings		(430,305)	(391,465)
Repayment of lease liabilities		(551,626)	(497,677)
Net cash from financing activities		4,008,335	7,246,287
Net decrease in cash and cash equivalents		(3,103,098)	(1,081,326)
Cash and cash equivalents at the beginning of the financial year		4,218,773	5,300,099
Effects of exchange rate changes on cash and cash equivalents		127,566	-
Cash and cash equivalents at the end of the financial year	9	1,243,241	4,218,773

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

Note 1. 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 is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Level 8, 210 George Street Sydney NSW 2000	Suite 1102, 213 Miller Street North Sydney NSW 2060

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 August 2023. The Directors have the power to amend and reissue the financial statements.

Note 2. 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 material 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:

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
AASB 2020-3 was issued in June 2020 and is applicable to annual periods beginning on or after 1 January 2022. Early adoption is permitted.

This standard amends:
- AASB 1 'First-time Adoption of Australian Accounting Standards' to simplify the application of AASB 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences;
- AASB 3 'Business Combinations' to update a reference to the Conceptual Framework (see below) without changing the accounting requirements for business combinations;
- AASB 9 'Financial Instruments' to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;
- AASB 116 'Property, Plant and Equipment' to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset;
- AASB 137 'Provisions, Contingent Liabilities and Contingent Assets' to specify the costs that an entity includes when assessing whether a contract will be loss-making; and
- AASB 141 'Agriculture' to remove the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other AAS.

These standards and interpretations are not expected to have a material impact on the Group in the current or future reporting periods.

Note 2. Significant accounting policies (continued)

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').

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 3.

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 2023 of $6,745,640 (2022: loss of $8,404,633) and had net operating cash outflows of $4,474,143 (2022: outflow of $6,117,180). As at 30 June 2023, current liabilities exceeded current assets by $1,186,726 (2022: current assets exceeded current liabilities by $2,246,824). As at 30 June 2023, the Group has net assets of $6,927,922 (2022: $8,181,093).

The Directors have prepared the financial report on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has experienced growth in its contracted projects (Annual Contract Value 'ACV') base and Annualised Recurring Revenue ('ARR'). Installation of new projects during the financial year ended 30 June 2023 were impacted and this caused delays in the commencement of billing and subsequent cash receipt from customers. At 30 June 2023, the Group has an ACV backlog of $1.9 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 ARR 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 objectives, management continually assesses anticipated cash flows such that the business is appropriately funded to meet internal performance measures. In addition to this, the following actions have been initiated during the financial year ended 30 June 2023:
- Commercial and operating efficiency measures have been introduced to better manage the cost base across the global operations of the Company, to reduce operating costs by $1.3 million annually.
- Installation backlog has improved since FY22, with ARR, increasing from $9.2 million (FY22) to $11.7 million (FY23).
- Operating Cashflow breakeven inflection point projected to be at the point of ARR hitting approx. $12.2 million.

Board and management are continually assessing the future investment needs of the Company.

Based on the above, the Directors believe that the funds available from existing cash reserves, conversion of the Company ACV backlog to operating cashflow, improved collection of debtors outstanding and continued cost prudence, 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, if required, 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.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Note 2. Significant accounting policies (continued)

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 29.

Principles of consolidation
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 2023 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.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

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 presentational 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.

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.

Note 2. Significant accounting policies (continued)

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.

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 2023. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Amending accounting standards issued are not considered to have a material impact on the financial statements of the Group as their amendments provide either clarification of existing accounting treatment or editorial amendments.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2024, as extended by AASB 2020-6. Early adoption is permitted. AASB 2022-6 was issued in December 2022 and is applicable to annual periods beginning on or after 1 January 2023. Early adoption is permitted where AASB 2020-1 is also early adopted.

These standards amend AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is subject to the entity complying with covenants in the loan arrangement based on information up to and including reporting date, the deferral right will exist where the entity is able to comply with the covenant on or before the end of the reporting date even if compliance is assessed after the reporting date. The deferral right will be deemed to exist at reporting date if the entity is required to comply with the covenant only after the reporting date based on post-reporting date information. Additional disclosure is required about loan arrangements classified as non-current liabilities in such circumstances which enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified.

Note 3. 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.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

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 and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 10, 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 and forward-looking information that is available. The provision for impairment of contract assets - accrued revenue, as disclosed in note 13, 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 27).

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.

Note 4. 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 5 for revenue from products and services.

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

Note 4. Operating segments (continued)

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's revenues.

Operating segment information

Consolidated - 2023	Australia $	United Kingdom $	Hong Kong $	Middle East $	Inter group eliminations $	Total $
Revenue						
Sales to external customers	3,357,199	3,773,957	55,723	3,442,991	-	10,629,870
Intersegment sales	550,666	-	-	-	(550,666)	-
Total sales revenue	3,907,865	3,773,957	55,723	3,442,991	(550,666)	10,629,870
Research and development tax incentive	73,606	-	-	-	-	73,606
Government grants - COVID-19 stimulus	-	-	4,531	-	-	4,531
Interest income	11,239	20,134	340	116,306	-	148,019
Total revenue	3,992,710	3,794,091	60,594	3,559,297	(550,666)	10,856,026
EBITDA	(3,812,936)	33,268	(573,106)	141,783	-	(4,210,991)
Depreciation and amortisation	(388,364)	(661,000)	(85,109)	(646,352)	-	(1,780,825)
Impairment of assets	(63,942)	(89,657)	-	(466,520)	-	(620,119)
Client financial settlement	-	-	-	901,731	-	901,731
Interest revenue	11,239	20,134	340	116,306	-	148,019
Finance costs	(46,499)	(33,825)	(19,627)	(14,069)	-	(114,020)
Segment (loss)/profit before income tax expense	(4,300,502)	(731,080)	(677,502)	32,879	-	(5,676,205)
Unallocated						
Other non-cash expenses - share based payments						(252,333)
Other expense						(731,209)
Income tax expense						(85,893)
Loss after income tax expense						(6,745,640)
Assets						
Segment assets	20,432,910	5,550,209	133,509	6,574,073	(17,054,591)	15,636,110
Total assets						15,636,110
Liabilities						
Segment liabilities	3,975,231	8,143,625	3,883,032	9,760,891	(17,054,591)	8,708,188
Total liabilities						8,708,188

Note 4. Operating segments (continued)

Consolidated - 2022	Australia $	United Kingdom $	Hong Kong $	Middle East $	Inter group eliminations $	Total $
Revenue						
Sales to external customers	2,754,428	1,966,021	220,942	2,144,348	-	7,085,739
Intersegment sales	1,545,023	-	-	-	(1,545,023)	-
Total sales revenue	4,299,451	1,966,021	220,942	2,144,348	(1,545,023)	7,085,739
Research and development tax incentive	389,047	204,220	-	-	-	593,267
Government grants - COVID-19 stimulus	-	-	8,695	-	-	8,695
Interest income	23,295	48,826	1	117,626	-	189,748
Total segment revenue	4,711,793	2,219,067	229,638	2,261,974	(1,545,023)	7,877,449
Total revenue	4,711,793	2,219,067	229,638	2,261,974	(1,545,023)	7,877,449
EBITDA	(4,168,791)	(844,245)	(467,972)	(518,546)	-	(5,999,554)
Depreciation and amortisation	(305,282)	(218,368)	(89,071)	(396,831)	-	(1,009,552)
Recovery/(impairment) of assets	64,070	(105,705)	-	(238,444)	-	(280,079)
Interest revenue	23,295	48,826	1	117,626	-	189,748
Finance costs	(23,222)	(13,307)	(19,011)	(22,161)	-	(77,701)
Segment loss before income tax expense	(4,409,930)	(1,132,799)	(576,053)	(1,058,356)	-	(7,177,138)
Unallocated						
Other non-cash expenses - SBP						(426,597)
Other expense						(533,848)
Income tax expense						(267,050)
Loss after income tax expense						(8,404,633)
Assets						
Segment assets	20,429,220	2,815,976	168,507	5,141,616	(13,919,999)	14,635,320
Total assets						14,635,320
Liabilities						
Segment liabilities	3,300,226	5,154,075	3,171,345	8,748,580	(13,919,999)	6,454,227
Total liabilities						6,454,227

Australia acts as the corporate headquarter of the Group and costs associated with IT, HR, R&D, manufacturing, listing, and corporate costs are included in the Australian segment.

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 5. Revenue

	Consolidated 2023 $	Consolidated 2022 $
Projects revenue	1,045,516	470,910
Contracted service revenue	9,406,322	6,303,616
Service and maintenance revenue	178,032	311,213
Revenue	10,629,870	7,085,739

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

	Consolidated 2023 $	Consolidated 2022 $
Timing of revenue recognition		
Projects revenue transferred over time	1,045,516	470,910
Contracted service revenue transferred over time	9,406,322	6,303,616
Service and maintenance revenue transferred at a point in time	178,032	311,213
	10,629,870	7,085,739

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), ongoing monitoring services following installation (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.

Note 6. Other income

	Consolidated 2023 $	Consolidated 2022 $
Government grants - COVID-19 stimulus	4,531	8,695
Research and development tax incentive	73,606	593,267
Other income	78,137	601,962

Accounting policy for:

Research and development tax incentive
The research and development tax incentive ('RDTI') represents a refundable tax offset that is available on eligible research and development expenditure incurred by the Group. The RDTI is considered to be a form of government assistance and the accounting policy adopted is analogous to accounting for government grants.

The RDTI is recognised at fair value where there is a reasonable assurance that the incentive will be received and the Group will comply with all attached conditions.

The RDTI relating to expenses is recognised as incurred at the point of time in profit or loss.

Note 7. Expenses

	Consolidated 2023 $	Consolidated 2022 $
Loss before income tax includes the following specific expenses:		
Depreciation and amortisation		
Leasehold improvements (note 14)	19,423	12,888
Computer equipment (note 14)	87,025	62,576
Office and other equipment (note 14)	26,913	17,140
Project equipment (note 14)	745,129	274,358
Buildings right-of-use assets (note 15)	554,055	475,702
Motor vehicles right-of-use assets (note 15)	11,799	9,832
Contract assets - incremental costs (note 13)	336,481	157,056
Total depreciation and amortisation expense	1,780,825	1,009,552
Impairment of assets		
Impairment of receivables (note 10)	314,732	465,963
Recovery of contract assets - accrued revenue (note 13)	(296,405)	(305,404)
Impairment of inventory (note 11)	170,714	119,520
Impairment of contract assets – incremental contract costs (note 13)	124,834	-
Client financial settlement	(901,731)	-
Impairment of plant and equipment (note 14)	306,244	-
Total impairment (reversal)/impairment of assets	(281,612)	280,079
Finance costs		
Interest and finance charges paid/payable on borrowings	25,343	20,476
Interest and finance charges paid/payable on lease liabilities	88,677	57,225
Finance costs expensed	114,020	77,701

Note 7. Expenses (continued)

	Consolidated 2023 $	Consolidated 2022 $
Leases		
Short-term lease payments	162,384	205,582
Employee benefits expense		
Salary and wages	9,349,336	8,837,324
Sales commissions, bonus and incentives	352,809	158,217
Payroll related taxes	367,107	407,366
Defined contribution superannuation expense	512,601	526,425
Share-based payment expense (note 35)	252,333	426,597
Total employee benefits expense	10,834,186	10,355,929
Other expenses		
Legal and professional fees	517,841	512,901
Insurance	525,361	456,298
IT and communication costs	505,881	359,536
Travel and accommodation	610,231	239,893
Consultancy	688,519	304,170
Marketing	221,346	470,201
Occupancy	345,671	205,582
Other	917,337	937,494
Total other expenses	4,332,187	3,486,075

Note 8. Income tax

	Consolidated 2023 $	Consolidated 2022 $
Income tax expense		
Deferred tax - origination and reversal of temporary differences	85,893	267,050
Aggregate income tax expense	85,893	267,050
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets	85,893	267,050
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(6,659,747)	(8,137,583)
Tax at the statutory tax rate of 25%	(1,664,937)	(2,034,396)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Difference in overseas tax rates	92,767	381,522
Other non-allowable items	255,258	315,881
	(1,316,912)	(1,336,993)
Current year tax losses not recognised	1,316,912	1,336,993
Current year temporary differences not recognised	85,893	267,050
Income tax expense	85,893	267,050

Note 8. Income tax (continued)

	Consolidated 2023 $	Consolidated 2022 $
Amounts credited directly to equity		
Deferred tax assets	(80,919)	(106,861)
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	19,050,440	11,518,918
Potential tax benefit at statutory tax rates @22% (2022: 21.2%)	4,192,768	2,457,170

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 reduced to 25% for the 2021-22 income year onwards. The Company qualifies as a base rate entity as it has a turnover of less than $50million 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% (2022: 19%), Hong Kong 16.5% (2022: 16.5%) and the Middle East 0% (2022: 0%). The Company has remeasured its deferred tax balances, and any unrecognised potential tax benefits arising from carried forward tax losses, based on these effective tax rates.

	Consolidated 2023 $	Consolidated 2022 $
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Employee benefits	254,912	243,218
Provisions	85,540	51,712
Blackhole costs related to equity issuances	255,420	305,916
Deferred tax asset	595,872	600,846
Movements:		
Opening balance	600,846	761,035
Charged to profit or loss	(85,893)	(267,050)
Credited to equity	80,919	106,861
Closing balance	595,872	600,846

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.

Note 8. Income tax (continued)

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.

Note 9. Cash and cash equivalents

	Consolidated	
	2023 $	2022 $
Current assets		
Cash at bank	1,243,241	4,218,773

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 10. Trade and other receivables

	Consolidated	
	2023 $	2022 $
Current assets		
Trade receivables	4,341,185	3,236,771
Less: Allowance for expected credit losses	(1,270,913)	(1,987,462)
	3,070,272	1,249,309
R&D tax incentive receivable	324,998	656,671
	3,395,270	1,905,980

Allowance for expected credit losses
For the year ended 30 June 2023, the Group has recognised a loss of $314,732 (2022: $465,963) 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.

Note 10. Trade and other receivables (continued)

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

Consolidated	Expected credit loss rate 2023 %	Expected credit loss rate 2022 %	Carrying amount 2023 $	Carrying amount 2022 $	Allowance for expected credit losses 2023 $	Allowance for expected credit losses 2022 $
Not overdue	4.6%	4.2%	468,374	322,526	21,410	13,463
0 to 3 months overdue	6.7%	6.2%	1,654,743	630,959	110,258	39,096
3 to 6 months overdue	13.5%	14.7%	791,411	296,847	107,235	43,665
Over 6 months overdue	72.3%	95.2%	1,426,657	1,986,439	1,032,010	1,891,238
			4,341,185	3,236,771	1,270,913	1,987,462

The expected credit loss rates for the year-ended 30 June 2023 for receivables overdue over 6 months reduced to 72.3% (30 June 2022: 95.2%) following the settlement of overdue receivables in Dubai during the year, and consequent reassessment of lifetime expected credit losses.

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

	Consolidated 2023 $	Consolidated 2022 $
Opening balance	1,987,462	1,658,189
Additional provisions recognised	314,732	465,963
Utilised provision against accounts receivables	(1,090,424)	(284,413)
Exchange differences	59,143	147,723
Closing balance	1,270,913	1,987,462

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 11. Inventories

	Consolidated 2023 $	Consolidated 2022 $
Current assets		
Work in progress - at cost	76,557	28,931
Finished goods - at cost	776,585	702,778
Less: Provision for impairment	(170,714)	-
	605,871	702,778
	682,428	731,709

In 2023, a total of $497,272 of inventories was included in profit or loss as an expense (2022: $625,929).

Note 11. 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 12. Other assets

	Consolidated	
	2023	2022
	$	$
Current assets		
Prepayments	231,721	441,925
Security deposits	103,390	48,790
Other current assets	17,734	11,045
	352,845	501,760
Non-current assets		
Security deposits	171,043	67,980
	523,888	569,740

Note 13. Contract assets

	Consolidated 2023 $	Consolidated 2022 $
Current assets		
Contract assets - accrued revenue	683,346	1,142,433
Less: Provision for impairment	-	(404,368)
	683,346	738,065
Non-current assets		
Contract assets - accrued revenue	9,149	1,311,920
Less: Provision for impairment	-	(751,404)
Contract assets - incremental contract costs	2,411,846	1,515,033
Less: Accumulated amortisation	(519,177)	(179,505)
	1,901,818	1,896,044
	2,585,164	2,634,109

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

	Consolidated 2023 $	Consolidated 2022 $
Opening balance	2,634,109	2,826,489
Additions	937,964	503,351
Transfer to trade receivables	(942,521)	(837,463)
Movement in provision	171,571	305,404
Exchange differences	120,522	(6,616)
Amortisation of assets	(336,481)	(157,056)
Closing balance	2,585,164	2,634,109

Provision for impairment of contract assets - accrued revenue
For the year ended 30 June 2023, the Group has recognised a gain following the reversal of historical provisions of $171,571 (2022: a reversal of $305,404) 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 Consolidated 2023 %	Expected impairment rate Aggregated 2022 %	Carrying amount Consolidated 2023 $	Carrying amount Aggregated 2022 $	Allowance for expected impairment Consolidated 2023 $	Allowance for expected impairment Aggregated 2022 $
Not invoiced	-	47.1%	692,495	2,454,353	-	1,155,772

Note 13. Contract assets (continued)

Movements in the provision for impairment are as follows:

	Consolidated 2023 $	Consolidated 2022 $
Opening balance	1,155,772	1,452,935
Unused amount reversed	(296,405)	(305,404)
Utilised provision against contract assets	(859,367)	(81,021)
Exchange differences	-	89,262
Closing balance	-	1,155,772

The provision for impairment has been utilised during the financial year ended 30 June 2023 to write of the remaining accrued revenue for client contract following a settlement. The remaining provision for impairment has been reversed to profit or loss during the financial year ended 30 June 2023.

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.

Note 14. Plant and equipment

	Consolidated 2023 $	Consolidated 2022 $
Non-current assets		
Leasehold improvements - at cost	91,922	467,284
Less: Accumulated depreciation	(23,870)	(413,725)
	68,052	53,559
Computer equipment - at cost	602,010	619,883
Less: Accumulated depreciation	(141,222)	(294,291)
	460,788	325,592
Office and other equipment - at cost	89,514	256,774
Less: Accumulated depreciation	(29,865)	(203,830)
	59,649	52,944
Project equipment at cost	5,433,462	2,274,704
Less: Accumulated depreciation	(1,123,584)	(346,094)
Less: Impairment	(306,244)	-
	4,003,634	1,928,610
Projects under deployment	729,341	1,258,676
	5,321,464	3,619,381

Note 14. Plant and equipment (continued)

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

Consolidated	Leasehold improvements $	Computer equipment $	Office and other equipment $	Project equipment $	Projects under deployment $	Total $
Balance at 1 July 2021	7,521	130,539	81,447	568,273	945,030	1,732,810
Additions	55,888	256,496	5,476	11,155	1,881,418	2,210,433
Disposals	-	-	(17,814)	-	-	(17,814)
Exchange differences	3,038	1,133	975	54,397	1,371	60,914
Transfers in/(out)	-	-	-	1,569,143	(1,569,143)	-
Depreciation expense	(12,888)	(62,576)	(17,140)	(274,358)	-	(366,962)
Balance at 30 June 2022	53,559	325,592	52,944	1,928,610	1,258,676	3,619,381
Additions	30,784	225,552	35,726	-	2,345,228	2,637,290
Disposals	1,260	(5,655)	(3,486)	-	-	(7,881)
Exchange differences	1,872	2,324	1,378	198,873	52,961	257,408
Impairment of assets *	-	-	-	(306,244)	-	(306,244)
Depreciation expense	(19,423)	(87,025)	(26,913)	(745,129)	-	(878,490)
Transfers in/(out)	-	-	-	2,927,524	(2,927,524)	-
Balance at 30 June 2023	68,052	460,788	59,649	4,003,634	729,341	5,321,464

* Indicators of impairment were identified during the year and therefore management performed an impairment assessment of the recoverable amounts of these assets. This resulted in an impairment expense of $306,244 which has been recognised in the statement of profit or loss and other comprehensive income.

Costs capitalised as projects under deployment relate to direct costs of materials and third party installation costs associated with equipment that is in the process of being commissioned at customer sites. Upon completion of the installation, these are then transferred from projects under deployment to project equipment, and it is at this point that depreciation commences. Project equipment is depreciated over the term of the contract to which the costs relate.

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	3 - 4 years
Office and other equipment	3 - 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 15. Right-of-use assets

	Consolidated 2023 $	Consolidated 2022 $
Non-current assets		
Buildings - right-of-use	2,223,373	1,302,949
Less: Accumulated depreciation	(960,155)	(985,531)
	1,263,218	317,418
Motor vehicles - right-of-use	47,196	47,196
Less: Accumulated depreciation	(21,631)	(9,832)
	25,565	37,364
	1,288,783	354,782

The Group leases buildings for its offices under agreements of between 1 to 3 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.

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

Consolidated	Buildings $	Motor vehicles $	Total $
Balance at 1 July 2021	504,506	-	504,506
Additions	289,456	47,196	336,652
Exchange differences	(842)	-	(842)
Depreciation expense	(475,702)	(9,832)	(485,534)
Balance at 30 June 2022	317,418	37,364	354,782
Additions	1,473,834	-	1,473,834
Disposals	-	-	-
Exchange differences	26,021	-	26,021
Depreciation expense	(554,055)	(11,799)	(565,854)
Balance at 30 June 2023	1,263,218	25,565	1,288,783

For other lease disclosures refer to:
- note 7 expenses for depreciation on right-of-use assets, interest on lease liabilities and other lease expenses;
- note 18 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.

Note 15. Right-of-use assets (continued)

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 16. Trade and other payables

	Consolidated	
	2023 $	2022 $
Current liabilities		
Trade payables	1,805,807	1,799,251
Payroll related payables	821,026	894,092
Accrued commission, bonus and incentives *	832,738	337,062
BAS payable	90,652	17,390
Other payables	539,569	374,520
	4,089,792	3,422,315

Refer to note 23 for further information on financial instruments.

* Includes accrued sales commissions which are included in note 13 - contract assets and short-term incentive payments relating to the 2023 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 17. Borrowings

	Consolidated	
	2023 $	2022 $
Current liabilities		
Bank loan	165,402	155,193
Insurance premium funding arrangement	141,802	250,311
	307,204	405,504
Non-current liabilities		
Bank loan	273,559	421,213
	580,763	826,717

Refer to note 23 for further information on financial instruments.

Note 17. Borrowings (continued)

Borrowings at amortised cost
The interest rate on the insurance premium funding arrangement is a flat rate of 2.56% over the premium being funded. The loan is denominated in Australian dollars, is repayable in equal monthly instalments over 9 months and is unsecured. Repayment commenced on 11 May 2023.

The interest rate on the bank loan is HKD best lending rate + 2.25% per annum. This loan is denominated in Hong Kong dollars and is repayable in equal monthly instalments over 48 months commencing on 4 February 2022. The bank loan was provided under the Hong Kong SME Financing Guarantee Scheme introduced in response to COVID-19 and is unsecured.

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.

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 18. Lease liabilities

	Consolidated	
	2023 $	2022 $
Current liabilities		
Lease liability	579,910	274,783
Non-current liabilities		
Lease liability	782,893	136,790
	1,362,803	411,573

During the financial year ended 30 June 2023 the Group entered into new rental lease agreements in Australia and the United Kingdom.

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.

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 19. Employee benefits

	Consolidated 2023 $	Consolidated 2022 $
Current liabilities		
Annual leave	702,592	655,796
Long service leave	280,595	243,562
Gratuity pay *	992,578	772,638
	1,975,765	1,671,996
Non-current liabilities		
Long service leave	107,880	46,761
	2,083,645	1,718,757

* 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 2023 $	Consolidated 2022 $
Employee benefits obligation expected to be settled after 12 months	1,254,554	1,062,699

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.

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			
	2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares - fully paid	445,913,710	240,799,500	49,033,924	44,148,826

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2021	185,799,500		36,219,410
Issue of shares	9 November 2021	27,869,925	$0.150	4,180,489
Issue of shares	29 December 2021	27,130,075	$0.150	4,069,511
Deferred tax credit directly recognised in equity				106,861
Transaction costs				(427,445)
Balance	30 June 2022	240,799,500		44,148,826
Issue of shares	1 December 2022	147,793,560	$0.025	3,694,839
Issue of shares	16 December 2022	38,320,651	$0.025	958,016
Issue of shares	8 February 2023	18,999,999	$0.025	475,000
Deferred tax credit directly recognised in equity				80,919
Transaction costs				(323,676)
Balance	30 June 2023	445,913,710		49,033,924

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.

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

Shares on escrow
58,917,697 shares were released from mandatory escrow during the financial year ended 30 June 2023. There are no shares subject to voluntary or mandatory escrow on 30 June 2023

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.

Note 20. Issued capital (continued)

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 2023 $	Consolidated 2022 $
Reorganisation reserve	(16,364,257)	(16,364,257)
Foreign currency reserve	(9,998)	(365,036)
Share-based payments reserve	1,575,387	1,323,054
	(14,798,868)	(15,406,239)

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.

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

Consolidated	Reorganisation reserve $	Foreign currency $	Share-based payments $	Total $
Balance at 1 July 2021	(16,364,257)	(483,513)	896,457	(15,951,313)
Foreign currency translation	-	118,477	-	118,477
Share-based payments expense	-	-	426,597	426,597
Balance at 30 June 2022	(16,364,257)	(365,036)	1,323,054	(15,406,239)
Foreign currency translation	-	355,038	-	355,038
Share-based payments expense	-	-	252,333	252,333
Balance at 30 June 2023	(16,364,257)	(9,998)	1,575,387	(14,798,868)

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.

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	**2023 $**	**2022 $**	**2023 $**	**2022 $**
Pound Sterling	5,550,209	2,815,976	(1,984,922)	(720,492)
Hong Kong Dollars	133,509	168,507	(592,049)	(670,097)
United Arab Emirates Dirham	6,574,073	5,141,616	(2,155,986)	(1,769,560)
	12,257,791	8,126,099	(4,732,957)	(3,160,149)

The Group had net assets denominated in foreign currencies of $7,524,834 (assets of $12,257,791 less liabilities of $4,732,957) as at 30 June 2023 (2022: $4,965,950 (assets of $8,126,099 less liabilities of $3,160,149)). Based on this exposure, had the Australian dollars weakened by 10%/strengthened by 10% (2022: weakened by 10%/strengthened by 10%) against these foreign currencies with all other variables held constant, the Group's profit before tax for the year would have been $752,483 lower/$752,483 higher (2022: $496,595 lower/$496,595) and equity would have been $752,483 lower/$752,483 higher (2022: $496,595 lower/$496,595 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 2023 was $104,776 (2022: loss of $63,749).

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.

Note 23. Financial instruments (continued)

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

Consolidated	2023 Weighted average interest rate %	2023 Balance $	2022 Weighted average interest rate %	2022 Balance $
Bank loan	3.38%	(438,961)	2.75%	(576,406)
Net exposure to cash flow interest rate risk	2.56%	(141,802)	3.23%	(250,311)
Net exposure to cash flow interest rate risk		(580,763)		(826,717)

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.

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.

Note 23. Financial instruments (continued)

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.

Consolidated - 2023	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	-	1,805,807	-	-	-	1,805,807
Other payables	-	539,569	-	-	-	539,569
Interest-bearing - fixed						
Bank loans	3.38%	177,674	177,674	103,643	-	458,991
Insurance premium funding arrangement	2.56%	141,802	-	-	-	141,802
Interest-bearing - variable						
Lease liability	10.00%	681,444	362,757	534,975	-	1,579,176
Total non-derivatives		3,346,296	540,431	638,618	-	4,525,345

Consolidated - 2022	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	-	1,799,251	-	-	-	1,799,251
Other payables	-	374,520	-	-	-	374,520
Interest-bearing - fixed						
Bank loans	2.75%	169,097	169,097	267,737	-	605,931
Insurance premium funding arrangement	3.23%	257,298	-	-	-	257,298
Interest-bearing - variable						
Lease liability	5.00%	293,980	117,018	26,188	-	437,186
Total non-derivatives		2,894,146	286,115	293,925	-	3,474,186

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

Note 24. Key management personnel disclosures

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

	Consolidated 2023 $	Consolidated 2022 $
Short-term employee benefits	1,415,413	1,700,039
Post-employment benefits	69,638	90,926
Long-term benefits	39,167	55,774
Termination benefits	24,224	80,000
Share-based payments	212,419	409,554
	1,760,861	2,336,293

Note 25. 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, and its network firms:

	Consolidated 2023 $	Consolidated 2022 $
Audit services - Grant Thornton		
Audit or review of the financial statements	239,990	202,161
Other services - Grant Thornton		
Tax due diligence and advice	2,000	26,500
	241,990	228,661
Other Auditors		
Audit of the financial statements - controlled entities	30,299	28,460

Note 26. Contingent liabilities

The Group has given bank guarantees as at 30 June 2023 of $171,043 (30 June 2022: $67,485) to various landlords.

Other property lease guarantees have been paid as deposits for HK and UK premises to the amount of $70,121 (2022: $47,841).

Note 27. 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.

Note 27. Guaranteed energy savings (continued)

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 $
2023					
Uncovered actual guaranteed savings *	360,418	5,482,834	6,132,407	14,843,084	26,818,743
2022					
Uncovered actual guaranteed savings *	-	1,264,442	6,076,430	16,469,692	23,810,564

* 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 28. Related party transactions

Parent entity
EP&T Global Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 30.

*K*ey management personnel
Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the Directors' report.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 29. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent 2023 $	Parent 2022 $
Loss after income tax	(6,390,602)	(12,959,136)
Total comprehensive income	(6,390,602)	(12,959,136)

Note 29. Parent entity information (continued)

Statement of financial position

	Parent 2023 $	Parent 2022 $
Total current assets	374,235	3,461,330
Total assets	7,163,575	8,314,270
Total current liabilities	235,653	133,177
Total liabilities	235,653	133,177
Equity		
Issued capital	49,033,924	44,148,826
Share-based payments reserve	1,575,387	1,323,054
Accumulated losses	(43,681,389)	(37,290,787)
Total equity	6,927,922	8,181,093

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 2023 and 30 June 2022.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, 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.

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
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 31. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2023 $	Consolidated 2022 $
Loss after income tax expense for the year	(6,745,640)	(8,404,633)
Adjustments for:		
Depreciation and amortisation	1,780,825	1,009,552
Share-based payments	252,333	426,597
Foreign exchange differences	71,609	118,473
Impairment of assets	449,405	160,559
Impairment of inventory	170,714	119,520
Change in operating assets and liabilities:		
Increase in trade and other receivables	(1,804,022)	(717,990)
Decrease/(increase) in contract assets	(115,965)	145,736
Decrease/(increase) in inventories	(121,433)	188,891
Increase in income tax refund due	-	(90,527)
Decrease in deferred tax assets	85,893	267,050
Increase/(decrease) in other assets	45,852	381,669
(Decrease)/increase in trade and other payables	575,078	(20,374)
Increase in contract liabilities	516,320	-
Increase in employee benefits	364,888	298,297
Net cash used in operating activities	(4,474,143)	(6,117,180)

Note 32. Non-cash investing and financing activities

	Consolidated 2023 $	Consolidated 2022 $
Additions to the right-of-use assets	1,473,834	336,652

Note 33. Changes in liabilities arising from financing activities

Consolidated	Bank loan $	Insurance premium funding $	Leases liabilities $	Total $
Balance at 1 July 2021	592,434	-	573,582	1,166,016
Net cash from/(used in) financing activities	(16,028)	250,311	(498,661)	(264,378)
Acquisition of plant and equipment by means of leases	-	-	336,652	336,652
Balance at 30 June 2022	576,406	250,311	411,573	1,238,290
Net cash used in financing activities	(137,445)	(108,509)	(551,626)	(797,580)
Acquisition of plant and equipment by means of leases	-	-	1,473,834	1,473,834
Foreign exchange	-	-	29,022	29,022
Balance at 30 June 2023	438,961	141,802	1,362,803	1,943,566

Note 34. Earnings per share

	Consolidated 2023 $	Consolidated 2022 $
Loss after income tax attributable to the owners of EP&T Global Limited	(6,745,640)	(8,404,633)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	354,767,728	217,343,325
Weighted average number of ordinary shares used in calculating diluted earnings per share	354,767,728	217,343,325
	Cents	**Cents**
Basic earnings per share	(1.90)	(3.87)
Diluted earnings per share	(1.90)	(3.87)

29,825,729 (2022: 18,622,287) 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 2023. These options could potentially dilute basic earnings per share in the future.

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 35. 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.

During the financial year options were granted to employees of the Group under a long term incentive plan. The only vesting conditions for the options relates to continued employment.

Note 35. Share-based payments (continued)

Set out below are summaries of options granted:

2023

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	$0.200	2,501,864	-	-	-	2,501,864
17/03/2021	15/03/2025	$0.260	557,399	-	-	-	557,399
17/03/2021	15/03/2025	$0.290	3,149,771	-	-	-	3,149,771
17/03/2021	15/03/2025	$0.300	1,853,957	-	-	-	1,853,957
17/03/2021	15/03/2025	$0.400	2,545,992	-	-	-	2,545,992
17/03/2021	15/03/2025	$0.500	1,152,496	-	-	-	1,152,496
17/03/2021	15/03/2027	$0.340	3,149,771	-	-	(1,296,558)	1,853,213
17/03/2021	15/03/2027	$0.380	2,558,541	-	-	-	2,558,541
17/03/2021	15/03/2027	$0.600	1,152,496	-	-	-	1,152,496
01/01/2023	31/12/2027	$0.060	-	2,000,000	-	-	2,000,000
01/01/2023	31/12/2027	$0.150	-	1,500,000	-	-	1,500,000
01/01/2023	31/12/2028	$0.250	-	1,500,000	-	-	1,500,000
27/02/2023	26/03/2031	$0.060	-	500,000	-	-	500,000
27/02/2023	26/03/2032	$0.150	-	1,000,000	-	-	1,000,000
27/02/2023	26/03/2033	$0.250	-	500,000	-	-	500,000
13/03/2023	12/03/2031	$0.060	-	1,000,000	-	-	1,000,000
13/03/2023	12/03/2032	$0.150	-	500,000	-	-	500,000
13/03/2023	12/03/2033	$0.250	-	500,000	-	-	500,000
01/04/2023	31/12/2030	$0.060	-	1,150,000	-	-	1,150,000
01/04/2023	31/03/2032	$0.150	-	1,175,000	-	-	1,175,000
01/04/2023	31/03/2033	$0.250	-	1,175,000	-	-	1,175,000
			18,622,287	12,500,000	-	(1,296,558)	29,825,729
Weighted average exercise price			$0.350	$0.150	$0.000	$0.340	$0.262

2022

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	$0.200	2,501,864	-	-	-	2,501,864
17/03/2021	15/03/2025	$0.260	557,399	-	-	-	557,399
17/03/2021	15/03/2025	$0.290	3,149,771	-	-	-	3,149,771
17/03/2021	15/03/2025	$0.300	1,853,957	-	-	-	1,853,957
17/03/2021	15/03/2025	$0.400	2,545,992	-	-	-	2,545,992
17/03/2021	15/03/2025	$0.500	1,152,496	-	-	-	1,152,496
17/03/2021	15/03/2027	$0.340	3,149,771	-	-	-	3,149,771
17/03/2021	15/03/2027	$0.380	4,633,034	-	-	(2,074,493)	2,558,541
17/03/2021	15/03/2027	$0.600	1,152,496	-	-	-	1,152,496
			20,696,780	-	-	(2,074,493)	18,622,287
Weighted average exercise price			$0.350	$0.000	$0.000	$0.380	$0.350

Of the total number of options issued 29,825,729; 13,614,693 options have vested and are exercisable at the end of the financial year (2022: 10,142,221).

The weighted average share price during the financial year was $0.04 (2022: $0.13).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.95 years (2022: 3 years).

Note 35. 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
01/01/2023	31/12/2027	$0.025	$0.060	200.00%	-	3.20%	$0.019
01/01/2023	31/12/2027	$0.025	$0.150	200.00%	-	3.20%	$0.019
01/01/2023	31/12/2028	$0.025	$0.250	200.00%	-	3.20%	$0.019
27/02/2023	26/03/2031	$0.032	$0.060	200.00%	-	3.20%	$0.020
27/02/2023	26/03/2032	$0.032	$0.150	200.00%	-	3.20%	$0.020
27/02/2023	26/03/2033	$0.032	$0.250	200.00%	-	3.20%	$0.020
13/03/2023	12/03/2031	$0.033	$0.060	200.00%	-	3.20%	$0.020
13/03/2023	12/03/2032	$0.033	$0.150	200.00%	-	3.20%	$0.020
13/03/2023	12/03/2033	$0.033	$0.250	200.00%	-	3.20%	$0.020
01/04/2023	31/12/2030	$0.027	$0.600	200.00%	-	3.20%	$0.020
01/04/2023	31/03/2032	$0.027	$0.150	200.00%	-	3.20%	$0.020
01/04/2023	31/03/2033	$0.027	$0.250	200.00%	-	3.20%	$0.020

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 2023.

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. The only vesting condition applicable is continued employment/service until the date of vesting.

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. During the current financial year, options with a value of $135,209 have forfeited. There have been no equity-settled awards cancelled, replaced or substituted for the financial year ended 30 June 2023.

Note 36. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 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.

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 2 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 2023 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 August 2023

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 2023, 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 2023 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.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Group incurred a net loss of $6,745,640 during the year ended 30 June 2023, and as of that date, the Group's current liabilities exceeded its current assets by $1,186,726 As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, 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 matters	How our audit addressed the key audit matter
Revenue recognition – Note 5	
Revenue of $10,629,870 has been recognised during the year ended 30 June 2023. 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, the estimation and judgement involved in determining the timing of revenue recognition, 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, including 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 10 and 13	
At 30 June 2023, the Group has trade receivables of $3,070,272 (net of allowance for expected credit losses) and contract assets of $2,585,164 (net of provision for impairment). During the year, the Group recognised a loss of $314,732 in respect of expected credit losses and recognised a gain of $171,571 following the reversal of historical provision for impairment of contract assets. This area is a key audit matter because the determination of the provision under AASB 9: *Financial Instruments* was driven by subjective judgements made by the Group in estimating 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 and checking the accuracy of the information within the model; • 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 2023, 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.

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: http://www.auasb.gov.au/auditors_responsibilities/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 8 to 19 of the Directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of EP&T Global Limited, for the year ended 30 June 2023 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 August 2023

The shareholder information set out below was applicable as at 4 August 2023.

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	16	-	-	-
1,001 to 5,000	43	0.030	-	-
5,001 to 10,000	72	0.150	-	-
10,001 to 100,000	115	0.950	-	-
100,001 and over	109	98.870	10	100.000
	355	100.000	10	100.000
Holding less than a marketable parcel	14	-	-	-

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	Ordinary Shares % of total shares issued
MAGNETAR CAPITAL LIMITED	112,566,584	25.244%
NATIONAL NOMINEES LIMITED	66,651,048	14.947%
INGOT CAPITAL INVESTMENTS PTY LTD	62,061,815	13.918%
UBS NOMINEES PTY LTD	36,301,513	8.141%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,446,801	3.240%
VICTOR VAN BOMMEL	11,798,982	2.646%
CERTANE CT PTY LTD <BIPETA>	9,805,683	2.199%
MRS CHITRA GUNARATNA	9,175,305	2.058%
MALKANTHI HETTIARACHCHI	8,590,975	1.927%
CERTANE CT PTY LTD <CHARITABLE FOUNDATION>	8,139,162	1.825%
BNP PARIBAS NOMINEESS PTY LTD <IB AU NOMS RETAILCLIENT DRP>	5,670,332	1.272%
PIMENTO INVESTMENTS PTY LIMITED <BALASSIS FAMILY ACCOUNT>	4,650,000	1.043%
URBAN LAND NOMINEES PTY LTD	4,538,270	1.018%
CHITRA GUNARATNA	4,150,000	0.931%
COASTAL ESTATES PROPRIETARY LIMITED	4,135,000	0.927%
SILVER ISLAND BV	4,056,939	0.910%
ALTOR CAPITAL MANAGEMENT PTY LTD <ALTOR ALPHA FUND A/C>	4,000,000	0.897%
SERRANO INVESTMENTS PTY LTD <ES & JS FAMILY A/C>	3,904,163	0.876%
CONTEC PROPERTIES PTY LIMITED	3,234,760	0.725%
MR MARK STEPHEN CHURCHMICHAEL <CHURCHMICHAEL FAMILY A/C>	3,231,899	0.725%
Total	381,109,231	

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	17,325,729	10

Substantial holders
There are no substantial holders in the Company.

	Ordinary shares Number held	Ordinary shares % of total shares issued
Keith Gunaratne*	114,768,921	25.74%
Perennial Value Management Limited	61,259,646	14.41%
Ingot Capital Investments Pty Ltd	62,343,483	13.98%
TIGA Trading Pty Ltd	40,795,895	9.15%

* Shares also held through Magnetar Capital Limited, Keppler X Pty Ltd (Keppler Super Fund A/C), Edward Kashyapa Gunaratne and Nicholas Kashyapa Gunaratne

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.