

EP&T Global Limited

September 2023 Quarterly Activity Report and Appendix 4C

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

Quarterly Highlights

- Annualised Recurring Revenue (ARR¹) of \$12.2m as at 30 September 2023. This is a significant achievement as an ARR of \$12.2m is the operating cash flow breakeven² revenue benchmark for the business.
- EPX attains its strategic aim of operating cash flow breakeven in the September 2023 quarter, with total net operating cash flows for the quarter being \$0.3m, a significant improvement from June 23 (negative \$0.7m) and September 2022 (negative \$1.5m).
- Cash receipts for the quarter increased by 18% from June 2023 to \$3.9million (June 23: \$3.3million) and a 95% increase over the prior comparative quarter of September 2022 (\$2.0million).
- Annualised Contract Value (ACV³) as at 30 September 2023 was \$14.5m, with a good near-term pipeline.
- Total cash on hand of \$1.0m at 30 September 2023.

Operating cash flow breakeven

Operating cash flow breakeven has been a key strategic aim of EPX to drive sustainability in the underlying business. The turnaround from a year earlier is significant and is a combination of:

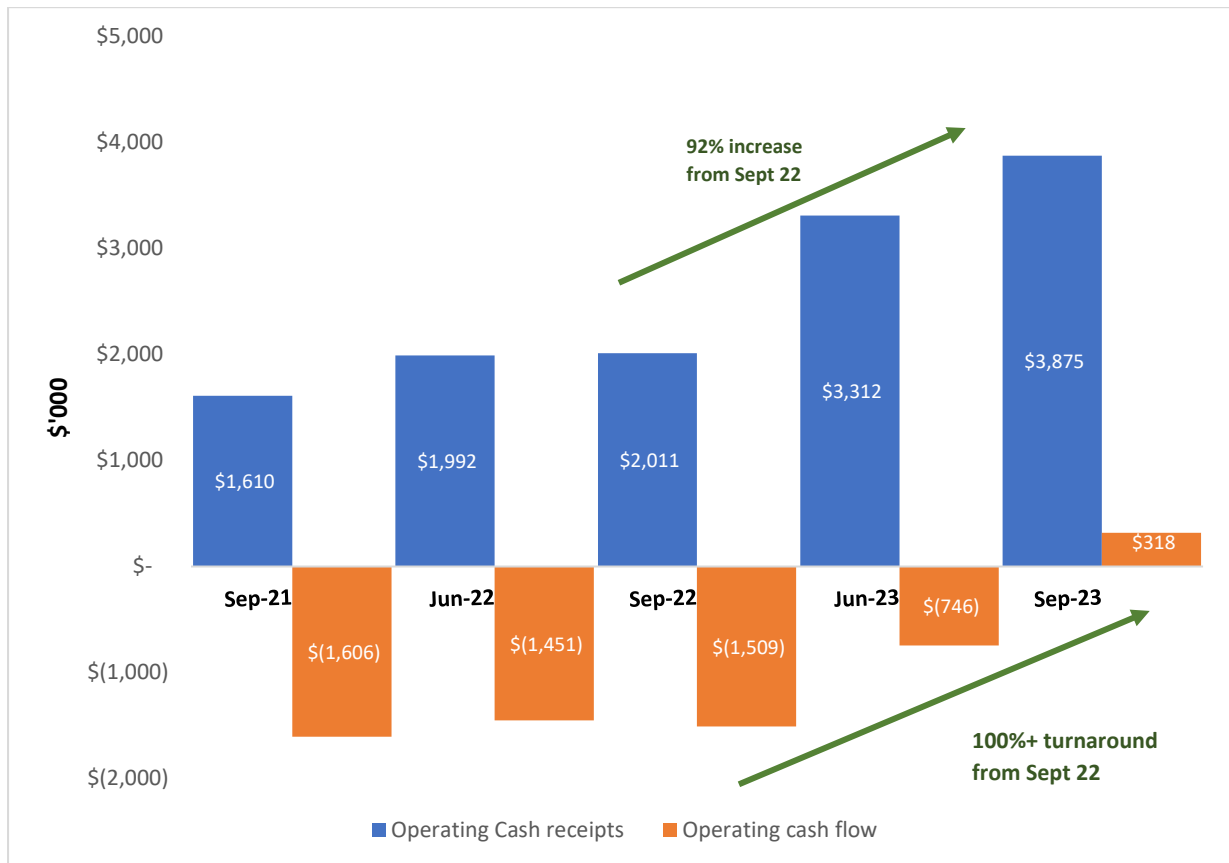
- Improved installations process leading to converting ACV into revenue; and
- Active cost and working capital management.

A summary is below:

¹ ARR is the contracted recurring revenue component of subscriptions on an annualised basis.

² Operating cash flow breakeven is defined as monthly operating cash inflows (being receipts from operations and other revenue) less monthly operating cash outflows (being ordinary operating costs of the business) but excluding new project deployment costs and other investing and financing cash flows.

³ ACV is defined as the annualised monthly fees charged under contracts on hand at each period end. ACV is calculated in Australian dollars based on historical long term exchange rates. On conversion to actual cashflow, the exchange rate prevailing at the time of billing may be higher or lower than the historical long-term average exchange rates used to determine the ACV value.



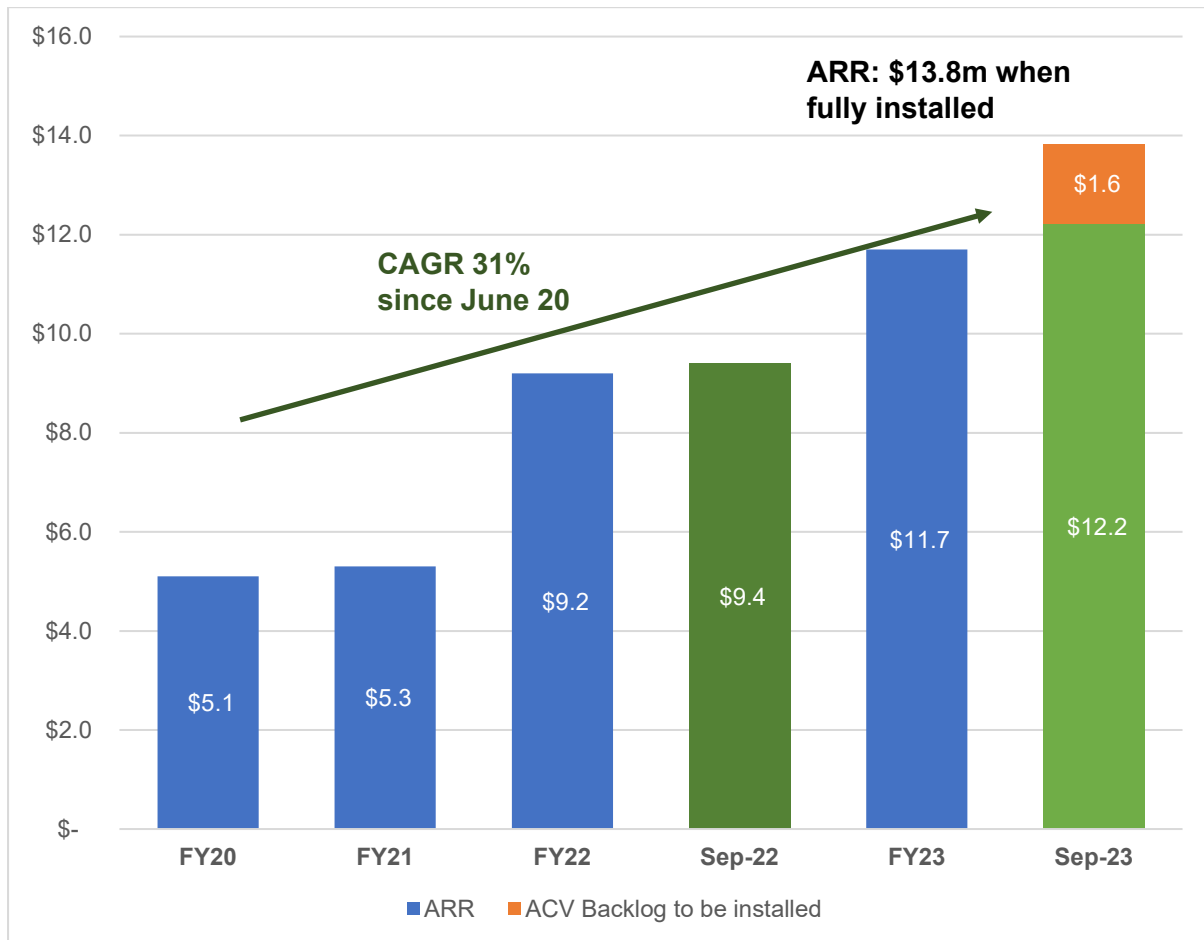
John Balassis, CEO, said “achieving operating cash flow breakeven is a significant milestone for the business. It reflects the commitment and quality of the whole team at EPX, to continue to grow the business at the same time as driving needed operational efficiencies and discipline to position the company for scalable and sustainable growth”.

John said, “the turnaround from one year earlier has been tough but necessary. I believe the potential to move forward from this point is quite exciting, particularly given the good revenue pipeline we have been building, which we can now focus on, to turn in to profitable growth”.

Annual Recurring Revenue (ARR)

ARR as at 30 September 2023 was \$12.2m, an increase of \$0.5m (or 4.2%) from June 2023 and a \$2.8m (or 30%) increase from September 2022.

A further \$1.6m is in ACV backlog and is being installed. The Company’s focus remains on installing the backlog.



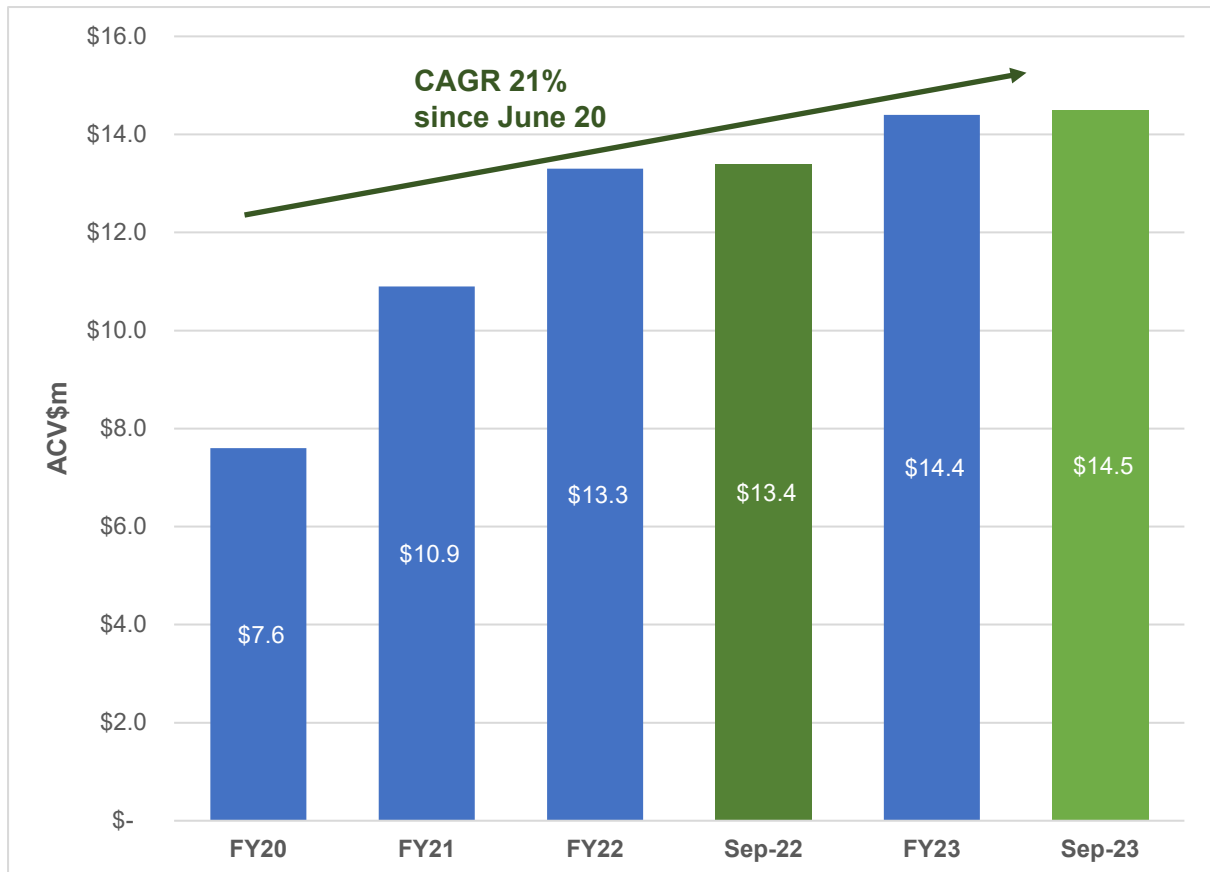
Annual Contract Value (ACV)

At 30 September 2023 ACV was \$14.5 million, representing a flat quarter from June 2023 and \$1.1m (or 8%) increase from 30 September 2022.

ACV growth has been modest, as EP&T has focussed on driving down ACV backlog⁴ and improving the operating efficiency of the business.

In tandem, the ACV pipeline continues to build, with near term opportunities with existing customers seeking to expand EP&T's EDGE building efficiency platform to more of their portfolio. EP&T has a good, qualified sales pipeline, which will now be the focus of conversion during FY24.

⁴ Backlog ACV is contracted revenue yet to be installed. The estimate of Backlog ACV is based on a financial year-end calculation, which is indicative at a point in time. Future installation and hence future ARR may be impacted by unforeseen events leading to contract termination or cancellation.



Financial

Receipts from customers for the quarter (excluding one-off receipts) were \$3.9m. Total receipts from customers continue to increase as ARR is installed and cash collection initiatives are implemented to shorten invoice days outstanding.

Total net operating cash flows for the quarter were \$0.3m. The business has a strong focus on cash management and the allocation of resources.

Payments for property, plant and equipment include payments for hardware and installation costs for new customer projects of (\$0.3m) for the quarter. This investment is required to deliver future ARR growth.

During the quarter payments (\$0.1m) were made to related parties of EP&T which comprised of non-executive director fees and executive director salaries and sales commissions.

Total cash on hand as at 30 September 2023 was \$1.0m.

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

About EP&T Global

EP&T Global, the most trusted building efficiency platform provider, is a data as a service platform that delivers sector leading cost and energy efficiency in buildings. EP&T is a global leader in reducing energy costs and delivering energy efficiency in the built environment.

EP&T's proprietary EDGE cloud platform delivers energy cost and GHG emissions reduction in commercial real estate. It is a data repository collecting and analysing more than 5.6 billion points of data per annum with proprietary algorithmic analysis and machine learning.

EDGE data analytics collects BMS and metering data from a 500+ building, 7+ million sqm portfolio, identifying operational inefficiencies and providing accurate, auditable insights that on average deliver 21% reduction in energy consumption.

To learn more visit www.eptglobal.com

For more information, please contact:

John Balassis
Chief Executive Officer
investor@eptglobal.com

Patrick Harsas
Chief Financial Officer