



ep&t global

ENVIRONMENT | PROPERTY | TECHNOLOGY

28 November 2024

ASX Announcement (ASX: EPX)

2024 AGM Chairman's and CEO's address

In accordance with ASX Listing rule 3.13.3, EP&T Global Limited (EPX) attaches the Chairman's and CEO's address to be delivered at the Annual General Meeting (AGM) today in Sydney.

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

ENDS

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 proven proprietary EDGE cloud technology 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+ buildings, 7.5+ million sqm portfolio, in over 25 countries. It accurately identifies operational inefficiencies and CO2 reduction opportunities and provides 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

CHAIRMAN'S ADDRESS

I shall start with a brief overview of the business then hand over to our CEO John Balassis to give his address to shareholders. Following John's presentation, we will then turn to the formal business of the meeting.

At last year's AGM the Company's Chairman announced that he would be standing down along with another director. Subsequently Elizabeth and I joined the Board earlier this year.

Following a review of EPX's structure and operations we extended John's contract as CEO, thereby ensuring that we had ongoing management stability to execute our growth strategy. There was some internal restructuring which is still ongoing as we place more emphasis on the sales function, product innovation and cashflow, together with a review of our geographic spread.

The financial year ended 30 June 2024 showed a significant improvement over the previous year in all areas, with Statutory Revenue increasing by 16%, Operating cashflow was near breakeven and the number of sites under contract lifted. John will go into the detail in his address.

During the year we looked for acquisition opportunities with the potential to expand our revenue base and allow us to move into adjacent market segments. This led to our interest in CODA, opening up the industrial property market utilising their specialised technology and I am optimistic that their established relationships will create significant opportunities for EPX.

With the ever-increasing cost of energy and the legislative requirements for companies to report on their carbon reduction initiatives, EPX is well-positioned to assist property owners and managers optimise their energy and water consumption and reduce their carbon footprint. We have well-proven technology, with the most accurate and reliable data being captured which will continue to enable those companies to comply with the ever-changing legislative requirements.

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

- Our Financial Statements and Reports
- Adoption of the Remuneration Report
- Re-election of Victor
- Election of Elizabeth and myself
- An increase in the number of Equity Securities to be granted under our Employee Share Scheme.

Before I hand over to John, I would like to thank my fellow directors, the management team and our shareholders for their support and efforts over this past financial year. We are in extraordinary times at the moment with an uncertain geo-political environment and numerous cost-of-living pressures creating economic uncertainty. However, with a very good team in place and a clear strategy for EP&T Global, I am very optimistic about our year ahead. I will now hand over to John.

CEO's ADDRESS FOR AGM

Thank you Chair,

Fellow Shareholders, today, I am pleased to be able to share how we are going and to highlight a few items pertaining to the FY24 performance, and our FY25 Outlook. Without your patience and support, this would not have been possible.

Shareholders and broader stakeholders often ask me what do we stand for? EP&T's goal, from when the founder started the company, and continues today, is to help our customers reduce their energy costs and emissions. Our target is to reduce/avoid 1m tonnes of Co2 for our customer and assist them to deliver US\$20m in annual energy costs from their built environment investments.

We are well on the way to assisting them in this, with over 40,000 tonnes of Co2 emission reduction already delivered. 40,000tone Co2e avoided or reduced is the equivalent of over 10,000 Sydney/London flights saved in emissions. In addition, we are currently overseeing some AUD\$15.7m (approx. US\$10.2m) in annual delivered savings for our customers for the 12-month period to June 2024.

On a macro level, our customers are continuing to seek from our technology, assistance in:

- Lowering their energy consumption due to the ongoing higher for longer energy prices
- Data accuracy and precision, to be their bedrock for making good decisions; and
- Continued insights to improve the performance of their property assets, with targeted and curated building optimisation opportunities as they operate their properties to meet changing tenant needs.

Key achievements in FY24

Outlined in EP&T's Annual Report are the detailed results, but in summary, FY24 saw a continued turnaround of the business.

FY24 Revenue

Total Statutory Revenue increased by 16% to \$13.1m.

FY24 saw the continued trend in recurring revenue growth, both in terms of the proportion of total revenue represented by recurring revenue streams and in real dollar terms. Both metrics were pleasing with:

- Over 90% of Total Statutory Revenue now being recurring revenue in nature; and
- Statutory Recurring Revenue growing by 28% to \$12.1m.

In terms of ongoing growth of recurring revenue, the signs are positive. ACV and ARR growth are a small indicator as to the potential minimum growth in recurring revenue. FY24 ACV growth was 11%. FY24 ARR growth was 16%.

FY24 Cashflow

Operating Cashflow was considerably better at negative (\$200k) being a 95% improvement from FY23. This was a substantial turnaround from a year earlier. Improvements we have implemented include:

- **Lowering our installations to approx. 90-day installation timeframe**, through quicker integration with BMS and other IoT's – we are constantly trying to find faster integration methods to enliven our technology quicker;

- **Better matching working capital requirements to cash collections**, now that we have completed the implementation of a new finance system; and
- **Improved cash collections process, particularly in the Middle East which has traditionally been a difficult area for the business**, where we have now implemented a firmer collections process, which includes moving to a legal recovery process quicker.

FY24 Operational Efficiency

Underlying EBITDA loss significantly improved by over 70% to a loss of (\$1.4m). Together with better cash management, we have sought to improve EP&T's operating EBITDA and overall efficiency metrics. Pleasingly, our metrics continue to improve, with our revenue increasing and cost base reducing, reflected in:

- ACV per FTE improving to approx. \$200k per FTE.
- ARR to staff cost ratio improving, where in FY24, we achieved for the first time, recurring revenue in-excess of total salaries. It is a trend we are aiming to continue to improve.

Outlook

EP&T's business is at a real exciting inflection point. The core operations are working better, our proprietary technology continues to be relevant to the marketplace and the global macro environment continues to be positive. Whilst we still have work to do, we are I believe heading in the right direction.

Our focus for FY25 is to continue to grow through:

- **Delivering accurate data and targeted improvements for building owners.** We believe this will return EP&T, as a minimum, to our historical average ACV growth rate of 18%-20%. I believe this is achievable given the forward pipeline we currently have, and the number of existing customers actively engaged on new sites. Clearly, we strive to be better than this, but as a trajectory post a difficult turnaround process, we consider this to be a good start.
- **Increasing product to support our customers on their energy and emission reduction journey.** Given our improvement in cashflow, we can pursue a time lined product roadmap with clear product enhancement release dates. We are also more closely working with our customers with product showcases now starting, and a core product team constantly talking to our customer base on what is important to them. Ongoing investment in our product is key for EP&T's forward organic growth success.
- **Efficiently delivering operations.** Our go to market sales strategy is to focus our team in growing with our customers and targeting those segments where EP&T can show real value such as commercial office, hotels and retail and now with the Coda acquisition, industrial property. We are also working with more channel partners, with good progress being made to introduce EP&T into their customer bases. This supports our focus on maintaining operational cost discipline, whilst also continuing to grow.

It is also appropriate I touch on M&A, given the recent successful acquisition of Coda Cloud. M&A is being considered selectively to support the above three FY25 objectives and is not a standalone objective. Coda is a case in point, which had attractive acquisition metrics but supports our offering in a market segment where we have traditionally been poor, being industrial property. We can see a real opportunity to grow with our existing customers as well as support the existing development partners Coda had been working with in

developing its technology. We believe the market dynamics at present could throw up other similar opportunities in the medium term.

In summary

Whilst there is still more to do:

- EP&T's focus and core purpose is what our market is seeking both now and longer term, with real results which adds value to our customers real estate assets;
- EP&T's financial and operating performance metrics are improving at a time when our forward sales pipeline is healthy; and
- Our technology continues to consistently deliver energy savings and emission reduction, assisting our customers to win prestigious building optimisation awards and meet their sustainability targets.

I believe EP&T is in good shape to continue to grow and meet shareholder return expectations.

To my new Chair, Paul and new director, Elizabeth thank you for coming in to the business, challenging and questioning, but also working with the management team constructively. To Victor, thank you as our European representative, which of course is a key growth channel for the business. I also wish to thank EP&T's Executive management team, always being ready to roll up their sleeves to execute our business strategy.

Finally, to all the awesome staff at EP&T. Without them, my report would be a blank piece of paper. So to everyone a big thank you. I appreciate the effort and dedication shown to our business.

---END---