

10 July 2023

EP&T Global Limited (ASX: EPX) – TRADING UPDATE

EP&T Global Limited (EP&T) update on ACV and ARR to 30 June 2023:

- Annual Contract Value¹ (**ACV**) growth of 8% to \$14.4 million (30 June 2022: \$13.3 million)
- Annual Recurring Revenue² (**ARR**) growth of 27% to \$11.7 million (30 June 2022: \$9.2 million)

ACV of \$14.4 million is outside the target range of \$15.0 million to \$16.0 million as previously indicated to the market. The shortfall is very much a function of the timing of contract executions as the Company enters financial year 2024 with a significant pipeline of opportunities.

John Balassis, CEO of EP&T, comments “earlier in the year and to assist in cashflow, the company focussed on converting capital contracts, rather than structuring them as annual recurring revenue contracts. Capital contracts require the customer to pay up front for the equipment supply and installation component of a contract. In FY23 capital contracts of \$1.0m were delivered, up from \$0.5m in FY22. These contracts improved cashflow but reduced potential ACV. The effect of this approach together with the delay in signing of several contracts which are close to being signed, is that EP&T fell outside of its previously announced target ACV range for 30 June 2023.

ARR has grown by 27% to \$11.7million at 30 June 2023. EP&T’s operating cashflow breakeven inflection point is estimated at \$12.2m, and hence the company is close to this key milestone. John commented, “EP&T’s focus over the past twelve months has been to hit and maintain this critical milestone in the business. We are focussed on achieving this as soon as possible”.

John stated, “REITs, office landlords and hotel groups continue to seek EP&T’s EDGE product offering, to reduce their carbon footprint and achieve their ESG goals. The business case for the EDGE product is underpinned by the energy and water savings generated for our customers more than offsetting the cost over the contract period, and hence we continue to see good momentum with our existing and new customers”.

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

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¹ ACV is defined as the annualised monthly fees charged under contracts on hand at the end of each period.

² ARR is the contracted recurring revenue component of subscriptions on an annualised basis.

About EP&T

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

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