



ASX ANNOUNCEMENT

CPT GLOBAL LIMITED (ASX:CGO)

26 April 2023

MARKET UPDATE

The Board of CPT Global Limited (**ASX:CGO**) (**CGO** or **the Company**) would like to provide an update on year-to-date performance and recent developments in its business.

Following a positive H1 2023 result (revenue of \$16.2m and NPBT of \$839k) market conditions deteriorated sharply in Q3 with the uncertain economic conditions impacting on project extensions and causing delays in the approval of new business. The North American business was particularly impacted with monthly revenue dropping by around 40% from Q2 to Q3.

As a result of the consequent lower revenue and reduced operating margin CPT recorded a loss in Q3. While positive trends are starting to emerge in our markets, especially in North America where the sales pipeline is rebuilding well to pre-Q3 levels, we expect full year revenue to be lower than FY 2022's \$29.9m and for a loss to be recorded in H2.

Progress is being made with the reconciliation of recoveries from the Canadian Revenue Agency (CRA) of \$1.74m currently held on CPT's balance sheet as a non-current receivable. Our recent work has confirmed that CPT has no further cash exposure to the CRA in relation to this matter. The amount of any cash refund to CPT is yet to be determined but is also expected to result in a partial non-cash write-off at year-end.

Under MD Luke Tuddenham's active leadership the Board has recently approved a new business plan which will see CPT take its service offering to a new level and help drive new sales across its global markets. The plan has a focus on delivering sustainable revenue and bottom-line profit growth and increasing longer term shareholder returns. CPT's management team will now drive the implementation of this plan.

With focused leadership, a strengthened global management team and a well-defined business plan CPT is looking forward to overcoming the recent temporary setbacks and building a dynamic and profitable business into the longer term.

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This announcement has been authorised for release by the Board of Directors of CPT Global Limited.

-ENDS-

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