ASX Announcement - EP&T Global Limited (ASX:EPX)

EP&T Global Secures Multiple New Contracts From New and Existing Customers

21 October 2022

Building energy optimisation company EP&T Global Limited (ASX: EPX) ('EP&T' or 'the Company') is pleased to provide an update on recent contract wins awarded since 1 July 2022.

Highlights

- Multiple new contracts awarded with a combined Total Contract Value[1] (TCV) of $2.7 million
- These contracts are comprised of upfront project revenues totalling $1.1 million and an Annualised Contract Value (ACV) of $0.5 million, with a weighted average tenure of 3 years
- Contracts awarded from a combination of new and existing clients and include global, blue chip corporates and property portfolio owners
- Following the award of these contracts, ACV[2] has increased to $13.6 million (June 22: $13.3m)
- At 30 June 22, EP&T estimated that $1.1m of net ACV growth was required to be won and installed on top of the current ACV backlog to meet the operating cash flow break even target of $13.5m ARR by the end of Q3FY23. The contract wins to date (net of churn and price adjustments) deliver 27% of this required growth.

Sales update

The contract wins since the beginning of FY23 include:

- 2 further contracts with a TCV of $0.7m under our preferred supplier agreement with a leading UK property company with £13.3 bn assets under management. This brings the number of sites within this portfolio serviced by EP&T to 20
- The Australian and New Zealand dealership network of one of Europe's most prestigious car manufacturers. This contract has an ACV of $0.1m and one-off projects revenue of $0.2m
- A 3-year contract to supply tenant level energy consumption data to a pan-European real estate investment management firm with a TCV of $0.6m

[1] Total Contract Value (TCV) is the contractual amounts which will be invoiced to a customer over the initial term of the contract and may include a combination of subscription revenues and upfront project / service payments

[2] ACV is calculated into 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 to the historical long-term average exchange rates used to determine the ACV value.

- A 3-year contract with a TCV of $0.4m with the property manager of a hotel situated at a landmark UK golf course
- Orders from a further 9 clients (a mix of existing and new) with a combined ACV of $0.1m and a TCV of $0.6m for ongoing energy optimisation and related services in Dubai, Australia and United Kingdom.

The initial contract term for the ongoing services elements of these contracts ranges from 1 year to 5 years, with a money weighted average term of 3 years.

As part of EP&T's focus on operating cashflow, the Company's customer engagement model is being reviewed to identify opportunities to bring forward cash receipts from customers. The contracts awarded since 1 July 2022 contain approximately $1.1m of project revenue which is to be invoiced upfront as the corresponding projects are delivered.

The above new contract wins have been offset by ACV reductions totalling $0.2m (1.5% of ACV) resulting from a combination of sites being redeveloped or sold and also price adjustments negotiated at the end of the initial contract term with customers.

EP&T is continuing to see high levels of interest in our building energy efficiency and optimisation product offering, particularly in light of the increasing focus on net zero targets and rising global energy prices. This is being reflected in our sales pipeline across all the key markets in which EP&T operates.

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

About EP&T Global

EP&T Global is optimising buildings for a sustainable future. 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.

To learn more visit **www.eptglobal.com**

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