EP&T Global Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	EP&T Global Limited
ABN:	50 645 144 314
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	29.0%	to	6,474,934
Loss from ordinary activities after tax attributable to the owners of EP&T Global Limited	down	1.9%	to	(1,851,098)
Loss for the half-year attributable to the owners of EP&T Global Limited	down	1.9%	to	(1,851,098)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the Group after providing for income tax amounted to $1,851,098 (31 December 2022: $1,886,857).

Further information on the results is detailed in the 'Review of operations' section of the Directors' report which is part of the Interim Report.

Underlying earnings before interest, taxation, depreciation and amortisation ('EBITDA') is a financial measure which is not prescribed by the Australian Accounting Standards (‘AAS’) and represents the loss under AAS adjusted for specific items, including share-based payments expense and the impairment of assets. The directors consider Underlying EBITDA to be one of the key financial measures of the Group.

The following table summarises key reconciling items between statutory after tax result attributable to the shareholders of the Company and Underlying EBITDA:

	Consolidated	
	31 Dec 2023 $	31 Dec 2022 $
Loss after income tax	(1,851,098)	(1,886,857)
Add: Income tax expense	119,525	135,737
Less: Interest income	(65,552)	(75,165)
Add: Interest expense	84,346	40,000
Add: Depreciation expense	1,192,206	714,433
EBITDA	(520,573)	(1,071,852)
Less: Impairment of assets reversal (1)	(116,907)	(181,325)
Less: Client financial settlement (2)	-	(935,035)
Add: Share-based payments expense (3)	138,422	135,935
Underlying EBITDA	(499,058)	(2,052,277)

(1) Relates to accrued project revenues and receivables provided for in previous periods that have now been recovered.
(2) Client financial settlement for unpaid project costs relating to two contracts entered into with a Middle East based customer in 2019.
(3) Expense recognised in relation to the issue of options over ordinary shares of EP&T Global Limited.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.14	2.56

Net tangible assets per ordinary security has been calculated by excluding the net right-of-use assets and leases liabilities of ($76,629) (31 December 2022: ($58,094)).

The net tangible assets per ordinary shares is calculated based on 445,913,710 ordinary shares on issue as at 31 December 2023 (31 December 2022: 426,913,711 ordinary shares).

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of EP&T Global Limited for the half-year ended 31 December 2023 is attached.

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12. Signed

Signed ______________________________ Date: 26 February 2024

Jonathan Sweeney
Chairman

EP&T Global Limited

ABN 50 645 144 314

Interim Report - 31 December 2023

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of EP&T Global Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were Directors of EP&T Global Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Jonathan Sweeney	Independent Non-Executive Chairman
John Balassis	Executive Director and Chief Executive Officer
Victor van Bommel	Independent Non-Executive Director
Paul Oneile	Independent Non-Executive Director (appointed on 1 February 2024)
Keith Gunaratne	Founder and Executive Director (ceased to be a director on 29 November 2023)
Richard Doyle	Non-Executive Director (ceased to be a director on 29 November 2023)

Principal activities

During the financial half-year, the principal continuing activities of the Group were the delivery of building energy management solutions that reduce energy and water wastage and improve energy efficiency across a wide array of commercial real estate.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The statutory reported loss after income tax benefit for the half-year attributable to the owners of EP&T Global Limited amounted to $1,851,098 (31 December 2022: $1,886,857). Earnings before interest, taxation, depreciation and amortisation ('EBITDA') for the same period has improved from $(1,071,852) in 2022 to $(520,573) in 2023, a 51% reduction in the period.

Revenue for the Group was $6,474,934 for the half-year ended 31 December 2023, a 29% increase from the half-year ended 31 December 2022. The Group's Key Operating Metrics, as outlined immediately below, mostly all improved from the corresponding period in 2022.

Net cash inflow from operating activities of $621,771 is a $3,199,235 improvement from the $2,577,464 outflow in the prior corresponding period. This significant improvement is due to the growth in revenue and the structural improvements implemented in 2023.

Key operating metrics	31 Dec 2023	31 Dec 2022	Change %
Annualised Contract Value ('ACV') ($000)	14,610	13,817	5.7%
Annualised Recurring Revenue ('ARR') ($000)	12,219	10,312	18.5%
Statutory Revenue ($000)	6,475	5,021	29.0%
Underlying EBITDA ($000)	(499)	(2,052)	75.6%
Recurring revenue %	91	86	5.8%
Net cash from operating activities ($000)	622	(2,577)	124.0%
Number of contracted sites	531	491	8.1%
Number of FTEs	66	71	(7.0%)

Annual Contract Value ('ACV') is calculated as the annualised monthly fees charged under contracts with customers at each period end. During the half-year ended 31 December 2023, ACV increased by $0.2 million 1.4% to $14.6 million from 30 June 2023. It has increased 5.7% since December 2022

Annualised Recurring Revenue ('ARR') represents the installed contracted recurring revenue component of subscriptions on an annualised basis. During the half-year ended 31 December 2023, ARR increased by $0.5 million 4.7% to $12.2 million from 30 June 2023. It has increased by 18.5% since December 2022.

On 23 January 2024, the Company reaffirmed its ACV guidance of $16.0 million to $17.0 million by 30 June 2024. The Company also reaffirmed the ARR guidance of $13.5 million by 30 June 2024.

The main component of the difference between ACV and ARR is the backlog of projects yet to be installed. The backlog has decreased 31% from $3.5. million (31 December 2022) to $2.4 million as at 31 December 2023. This has been due to progress being made on installation of a number of projects during H1FY24. The backlog is an indicator of future ARR growth to be delivered from the pipeline of projects on hand once the services commence.

The new contract wins in the half-year ended 31 December 2023 added 8 new buildings to EP&T's portfolio, increasing the Group's total contracted buildings to 531.

The underlying EBITDA loss for the half-year was reduced by 76% to a loss of $499,058, down from $2,052,277 over the prior corresponding period in 2022. The underlying EBITDA represents the loss under AAS adjusted for specific items, including share-based payments expense and the impairment of assets.

Underlying EBITDA, Annualised Contract Value ('ACV') and Annualised Recurring Revenue ('ARR') are financial measures which are not prescribed by the Australian Accounting Standards ('AAS') and are unaudited. The directors consider Underlying EBITDA, ACV and ARR to be key financial measures of the Group.

The following table summarises key reconciling items between the statutory after tax result attributable to the shareholders of the Company and Underlying EBITDA:

	Consolidated	
	31 Dec 2023 $	31 Dec 2022 $
Loss after income tax	(1,851,098)	(1,886,857)
Add: Income tax expense	119,525	135,737
Less: Interest income	(65,552)	(75,165)
Add: Interest expense	84,346	40,000
Add: Depreciation expense	1,192,206	714,433
EBITDA	(520,573)	(1,071,852)
Less: Impairment of assets reversal (1)	(116,907)	(181,325)
Less: Client financial settlement (2)	-	(935,035)
Add: Share-based payments expense (3)	138,422	135,935
Underlying EBITDA	(499,058)	(2,052,277)

(1) Relates to accrued project revenues and receivables provided for in previous periods that have now been recovered.
(2) Client financial settlement for unpaid project costs relating to two contracts entered into with a Middle East based customer in 2019.
(3) Expense recognised in relation to the issue of options over ordinary shares of EP&T Global Limited.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

On 1 February 2024, the Company announced a $2.3 million Placement and Accelerated Non-Renounceable Entitlement Offer (ANREO). Following demand for shares, the placement was increased by $0.6 million, increasing the potential capital raising to approximately $2.9 million.

At the date of this report, the Company has raised new capital of $2.8 million from the issue of 142,000,000 new shares. A further $0.3 million will be raised under a Conditioned Placement subject to shareholder approval. The date of the shareholder meeting has not yet been announced.. The proceeds of the capital raised will primarily be applied to installing the new ACV won and driving further sales growth. Further information on the capital raise can be located on the ASX website (security code: EPX) or on the Company's website www.eptglobal.com.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Business risks

The material business risks that could adversely affect the Group's financial performance and growth potential in future years and how the Group propose to mitigate such risks were detailed in the Annual Report at 30 June 2023. Those risks have been assessed up to the reporting date with no significant changes noted since then.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

Jonathan Sweeney
Chairman

26 February 2024

Grant Thornton

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW 1230

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Auditor's Independence Declaration

To the Directors of EP&T Global Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of EP&T Global Limited for the period ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

C F Farley
Partner – Audit & Assurance

Sydney, 26 February 2024

EP&T Global Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

	Note	Consolidated 31 Dec 2023 $	31 Dec 2022 $
Revenue	4	6,474,934	5,021,405
Other income	5	35,220	219,449
Interest income calculated using the effective interest method		65,552	75,165
Expenses			
Raw materials and consumables used		(480,798)	(304,781)
Employee benefits expense		(4,872,404)	(5,012,955)
Depreciation and amortisation expense	6	(1,192,206)	(714,433)
Net recovery of impairment of assets	6	116,907	1,116,360
Other expenses		(1,794,432)	(2,111,330)
Finance costs	6	(84,346)	(40,000)
Loss before income tax expense		(1,731,573)	(1,751,120)
Income tax expense		(119,525)	(135,737)
Loss after income tax expense for the half-year attributable to the owners of EP&T Global Limited		(1,851,098)	(1,886,857)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(221,628)	23,716
Other comprehensive income for the half-year, net of tax		(221,628)	23,716
Total comprehensive income for the half-year attributable to the owners of EP&T Global Limited		(2,072,726)	(1,863,141)
		Cents	**Cents**
Basic earnings per share	17	(0.42)	(0.70)
Diluted earnings per share	17	(0.42)	(0.70)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

EP&T Global Limited
Statement of financial position
As at 31 December 2023

	Note	Consolidated 31 Dec 2023 $	30 Jun 2023 $
Assets			
Current assets			
Cash and cash equivalents		713,243	1,243,241
Trade and other receivables	7	2,930,609	3,395,270
Contract assets	8	292,837	683,346
Inventories	9	754,900	682,428
Other assets		356,685	352,845
Total current assets		5,048,274	6,357,130
Non-current assets			
Contract assets	8	1,572,768	1,901,818
Plant and equipment	10	5,163,164	5,321,464
Right-of-use assets		990,820	1,288,783
Deferred tax		476,347	595,872
Other assets		171,043	171,043
Total non-current assets		8,374,142	9,278,980
Total assets		13,422,416	15,636,110
Liabilities			
Current liabilities			
Trade and other payables	11	4,405,987	4,089,792
Contract liabilities		507,905	526,185
Borrowings	12	163,360	307,204
Lease liabilities		494,414	579,910
Employee benefits		2,010,787	1,975,765
Provisions		65,000	65,000
Total current liabilities		7,647,453	7,543,856
Non-current liabilities			
Borrowings	12	183,774	273,559
Lease liabilities		573,035	782,893
Employee benefits		24,096	107,880
Total non-current liabilities		780,905	1,164,332
Total liabilities		8,428,358	8,708,188
Net assets		4,994,058	6,927,922
Equity			
Issued capital	13	49,034,364	49,033,924
Reserves	14	(14,882,074)	(14,798,868)
Accumulated losses		(29,158,232)	(27,307,134)
Total equity		4,994,058	6,927,922

The above statement of financial position should be read in conjunction with the accompanying notes

EP&T Global Limited
Statement of changes in equity
For the half-year ended 31 December 2023

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2022	44,148,826	(15,406,239)	(20,561,494)	8,181,093
Loss after income tax expense for the half-year	-	-	(1,886,857)	(1,886,857)
Other comprehensive income for the half-year, net of tax	-	23,716	-	23,716
Total comprehensive income for the half-year	-	23,716	(1,886,857)	(1,863,141)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	4,415,308	-	-	4,415,308
Share-based payments (note 18)	-	135,935	-	135,935
Balance at 31 December 2022	48,564,134	(15,246,588)	(22,448,351)	10,869,195

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2023	49,033,924	(14,798,868)	(27,307,134)	6,927,922
Loss after income tax expense for the half-year	-	-	(1,851,098)	(1,851,098)
Other comprehensive income for the half-year, net of tax	-	(221,628)	-	(221,628)
Total comprehensive income for the half-year	-	(221,628)	(1,851,098)	(2,072,726)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 13)	440	-	-	440
Share-based payments (note 18)	-	138,422	-	138,422
Balance at 31 December 2023	49,034,364	(14,882,074)	(29,158,232)	4,994,058

The above statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 31 Dec 2023 $	Consolidated 31 Dec 2022 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		7,914,563	5,691,058
Payments to suppliers and employees (inclusive of GST)		(7,634,216)	(8,727,263)
		280,347	(3,036,205)
Interest received		65,552	75,165
Interest and other finance costs paid		(84,346)	(40,000)
Other income - grants and incentives		360,218	423,576
Net cash from/(used in) operating activities		621,771	(2,577,464)
Cash flows from investing activities			
Payments for property, plant and equipment		(598,397)	(1,508,197)
Net cash used in investing activities		(598,397)	(1,508,197)
Cash flows from financing activities			
Proceeds from issue of shares net of issue costs	13	-	4,336,125
Repayment of borrowings		(233,189)	(253,081)
Repayment of lease liabilities		(295,354)	(264,720)
Net cash (used in)/from financing activities		(528,543)	3,818,324
Net decrease in cash and cash equivalents		(505,169)	(267,337)
Cash and cash equivalents at the beginning of the financial half-year		1,243,240	4,218,773
Effect of movement in exchange rates on cash held		(24,828)	-
Cash and cash equivalents at the end of the financial half-year		713,243	3,951,436

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover EP&T Global Limited as a Group consisting of EP&T Global Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is EP&T Global Limited's functional and presentation currency.

EP&T Global Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Level 8, 210 George Street Sydney NSW 2000	Suite 1102, 213 Miller Street North Sydney NSW 2060

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 26 February 2024. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 31 December 2023 and are not expected to have a significant impact for the full financial year ending 30 June 2024.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The Group has incurred a loss after tax for the half-year ended December 2023 of $1,851,098 (31 December 2022: loss of $1,886,857) and had net operating cash inflows of $621,771 (31 December 2022: outflow of $2,577,464). As at 31 December 2023, current liabilities exceeded current assets by $2,599,179 (30 June 2023: excess of $1,186,726). As at 31 December 2023 the Group has net assets of $4,994,058 (30 June 2023: $6,927,922).

During the half-year ended 31 December 2023, the Group generated positive net operating cash flows. This is a result of the increase in revenue and the significant structural changes made in 2023. Furthermore, in February 2024 the Company has raised new capital of $2.8 million from the issue of 142,000,000 new shares. A further $0.3 million will be raised under a Conditioned Placement subject to shareholder approval. The date of the shareholder meeting has not yet been announced. Together with the new contract wins announced on 23 January 2024, the Directors have prepared the financial report on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

Note 3. Operating segments

Identification of reportable operating segments
The Group is organised into four operating segments based on the geographic markets they serve. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation) for each reportable segment's measure of profit or loss. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis. Refer to note 4 for revenue from products and services.

Intersegment transactions
Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Note 3. Operating segments (continued)

Operating segment information

Consolidated - 31 Dec 2023	Australia $	United Kingdom $	Hong Kong $	Middle East $	Inter group eliminations $	Total $
Revenue						
Sales to external customers	1,707,712	2,812,977	29,208	1,925,037	-	6,474,934
Intersegment sales	12,628	-	-	3,468	(16,096)	-
Total sales revenue	1,720,340	2,812,977	29,208	1,928,505	(16,096)	6,474,934
Research and development tax incentive	35,220	-	-	-	-	35,220
Interest income	3,917	6,430	124	55,081	-	65,552
Total revenue	1,759,477	2,819,407	29,332	1,983,586	(16,096)	6,575,706
EBITDA	(1,947,511)	1,085,396	(211,790)	896,901	-	(177,004)
Depreciation and amortisation	(214,145)	(608,319)	(15,061)	(354,681)	-	(1,192,206)
Net recovery/(impairment) of assets	(5,876)	35,408	-	87,375	-	116,907
Interest revenue	3,917	6,430	124	55,081	-	65,552
Finance costs	(53,518)	(19,032)	(7,392)	(4,404)	-	(84,346)
Segment (losses)/income before income tax expense	(2,217,133)	499,883	(234,119)	680,272	-	(1,271,097)
Unallocated						
Other non-cash expenses - share based payments						(138,422)
Other expenses						(322,054)
Income tax expense						(119,525)
Loss after income tax expense						(1,851,098)
Assets						
Segment assets	19,256,351	4,632,397	77,741	5,092,667	(15,636,740)	13,422,416
Total assets						13,422,416
Liabilities						
Segment liabilities	4,493,882	7,406,736	4,004,717	8,159,763	(15,636,740)	8,428,358
Total liabilities						8,428,358

Note 3. Operating segments (continued)

Consolidated - 31 Dec 2022	Australia $	United Kingdom $	Hong Kong $	Middle East $	Inter group eliminations $	Total $
Revenue						
Sales to external customers	1,682,467	1,779,488	35,545	1,523,905	-	5,021,405
Intersegment sales	439,398	-	-	12,043	(451,441)	-
Total sales revenue	2,121,865	1,779,488	35,545	1,535,948	(451,441)	5,021,405
Research and development tax incentive	149,158	65,760	-	-	-	214,918
Government grants - COVID-19 stimulus	-	-	4,531	-	-	4,531
Interest income	6,109	11,400	47	57,609	-	75,165
Total revenue	2,277,132	1,856,648	40,123	1,593,557	(451,441)	5,316,019
EBITDA	(1,623,383)	354,418	(279,334)	(129,090)	-	(1,677,389)
Depreciation and amortisation	(177,662)	(204,829)	(43,413)	(288,529)	-	(714,433)
(Impairment reversal)/impairment of assets	-	(63,524)	-	244,849	-	181,325
Client financial settlement	-	-	-	935,035	-	935,035
Interest revenue	6,109	11,400	47	57,609	-	75,165
Finance costs	(11,359)	(10,341)	(10,072)	(8,228)	-	(40,000)
Segment (losses)/income before income tax expense	(1,806,295)	87,124	(332,772)	811,646	-	(1,240,297)
Unallocated						
Other non-cash expenses - share based payments						(135,935)
Other expenses						(374,888)
Income tax expense						(135,737)
Loss after income tax expense						(1,886,857)

Consolidated - 30 Jun 2023	Australia $	United Kingdom $	Hong Kong $	Middle East $	Inter group eliminations $	Total $
Assets						
Segment assets	20,432,910	5,550,209	133,509	6,574,073	(17,054,591)	15,636,110
Total assets						15,636,110
Liabilities						
Segment liabilities	3,975,231	8,143,625	3,883,032	9,760,891	(17,054,591)	8,708,188
Total liabilities						8,708,188

Note 4. Revenue

	Consolidated 31 Dec 2023 $	Consolidated 31 Dec 2022 $
Projects revenue	519,746	631,346
Contracted service revenue	5,919,082	4,327,799
Service and maintenance revenue	36,106	62,260
Revenue	6,474,934	5,021,405

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 31 Dec 2023 $	Consolidated 31 Dec 2022 $
Timing of revenue recognition		
Projects revenue transferred over time	519,746	631,346
Contract service revenue transferred over time	5,919,082	4,327,799
Service and maintenance revenue transferred at a point in time	36,106	62,260
	6,474,934	5,021,405

Note 5. Other income

	Consolidated 31 Dec 2023 $	Consolidated 31 Dec 2022 $
Government grants - COVID-19 stimulus	-	4,531
Research and development tax incentive	35,220	214,918
Other income	35,220	219,449

Note 6. Expenses

	Consolidated 31 Dec 2023 $	Consolidated 31 Dec 2022 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	9,322	8,493
Computer equipment	46,715	40,801
Office and other equipment	8,059	12,950
Project equipment	654,910	255,501
Buildings right-of-use assets	292,977	255,406
Contract assets - incremental costs	180,223	141,282
Total depreciation and amortisation expense	1,192,206	714,433
Net (recovery)/impairment of assets		
Impairment/(recovery) of assets	33,770	(181,325)
Recovery of receivables	(133,528)	(935,035)
Recovery of impairment of inventory	(17,149)	-
	(116,907)	(1,116,360)
Finance costs		
Interest and finance charges paid/payable on borrowings	26,845	15,936
Interest and finance charges paid/payable on lease liabilities	57,501	24,064
Finance costs expensed	84,346	40,000
Leases		
Short-term lease payments	74,485	119,467

Note 7. Trade and other receivables

	Consolidated 31 Dec 2023 $	Consolidated 30 Jun 2023 $
Current assets		
Trade receivables	4,030,041	4,341,185
Less: Allowance for expected credit losses	(1,099,432)	(1,270,913)
	2,930,609	3,070,272
R&D tax rebate receivable	-	324,998
	2,930,609	3,395,270

Note 8. Contract assets

	Consolidated	
	31 Dec 2023	30 Jun 2023
	$	$
Current assets		
Contract assets - accrued revenue	292,837	683,346
Non-current assets		
Contract assets - accrued revenue	-	9,149
Contract assets - incremental contract costs	2,255,603	2,411,846
Less: Accumulated amortisation	(682,835)	(519,177)
	1,572,768	1,901,818
	1,865,605	2,585,164

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial half-year are set out below:

	31 Dec 2023	30 Jun 2023
Opening balance	2,585,164	2,634,109
Additions	-	937,964
Transfer to trade receivables	(393,074)	(942,521)
Movement in provision	-	171,571
Exchange differences	(53,819)	120,522
Amortisation of assets	(180,223)	(336,481)
Releases	(92,443)	-
Closing balance	1,865,605	2,585,164

Note 9. Inventories

	Consolidated	
	31 Dec 2023	30 Jun 2023
	$	$
Current assets		
Work in progress - at cost	115,484	76,557
Finished goods - at cost	681,364	776,585
Less: Provision for impairment	(41,948)	(170,714)
	639,416	605,871
	754,900	682,428

Note 10. Property, plant and equipment

	Consolidated 31 Dec 2023 $	Consolidated 30 Jun 2023 $
Non-current assets		
Leasehold improvements - at cost	90,045	91,922
Less: Accumulated depreciation	(32,293)	(23,870)
	57,752	68,052
Computer equipment - at cost	687,336	602,010
Less: Accumulated depreciation	(186,885)	(141,222)
	500,451	460,788
Office and other equipment - at cost	88,725	89,514
Less: Accumulated depreciation	(37,448)	(29,865)
	51,277	59,649
Project equipment at cost	5,818,981	5,433,462
Less: Accumulated depreciation and impairment	(1,968,927)	(1,429,828)
	3,850,054	4,003,634
Projects under deployment	703,630	729,341
	5,163,164	5,321,464

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Leasehold improvements $	Computer equipment $	Office and other equipment $	Project equipment $	Projects under deployment $	Total $
Balance at 1 July 2023	68,052	460,788	59,649	4,003,634	729,341	5,321,464
Additions	-	87,141	-	-	511,256	598,397
Exchange differences	(978)	(763)	(313)	(23,468)	(12,169)	(37,691)
Transfers in/(out)	-	-	-	524,798	(524,798)	-
Depreciation expense	(9,322)	(46,715)	(8,059)	(654,910)	-	(719,006)
Balance at 31 December 2023	57,752	500,451	51,277	3,850,054	703,630	5,163,164

Note 11. Trade and other payables

	Consolidated 31 Dec 2023 $	Consolidated 30 Jun 2023 $
Current liabilities		
Trade payables	2,233,289	1,805,807
Payroll related payables	1,046,210	821,026
Accrued commission, bonus and incentives	417,714	832,738
BAS payable	171,410	90,652
Other payables	537,364	539,569
	4,405,987	4,089,792

Note 12. Borrowings

	Consolidated	
	31 Dec 2023 $	30 Jun 2023 $
Current liabilities		
Bank loans	163,360	165,402
Insurance premium funding arrangement	-	141,802
	163,360	307,204
Non-current liabilities		
Bank loan	183,774	273,559
	347,134	580,763

Borrowings at amortised cost
The interest rate on the insurance premium funding arrangement is a flat rate of 2.56% over the premium being funded. The loan is denominated in Australian dollars, is repayable in equal monthly instalments over 8 months and is unsecured. Repayment commenced on 11 May 2023 and was fully repaid 11 Dec 2023.

The interest rate on the bank loan is HKD best lending rate + 2.25% per annum. This loan is denominated in Hong Kong dollars and is repayable in equal monthly instalments over 48 months commencing on 4 February 2022. The bank loan was provided under the Hong Kong SME Financing Guarantee Scheme introduced in response to COVID-19 and is unsecured.

Note 13. Issued capital

	Consolidated			
	31 Dec 2023 Shares	30 Jun 2023 Shares	31 Dec 2023 $	30 Jun 2023 $
Ordinary shares - fully paid	445,913,710	445,913,710	49,034,364	49,033,924

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2023	445,913,710		49,033,924
Adjustment to capital raise				440
Balance	31 December 2023	445,913,710		49,034,364

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Share buy-back
There is no current on-market share buy-back.

Note 14. Reserves

	Consolidated	
	31 Dec 2023 $	30 Jun 2023 $
Reorganisation reserve	(16,364,257)	(16,364,257)
Foreign currency reserve	(231,626)	(9,998)
Share-based payments reserve	1,713,809	1,575,387
	(14,882,074)	(14,798,868)

Reorganisation reserve
The reserve is used to recognise the contribution of the subsidiaries to EP&T Global Limited prior to IPO.

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves
Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Reorganisation $	Foreign currency $	Share-based payments $	Total $
Balance at 1 July 2023	(16,364,257)	(9,998)	1,575,387	(14,798,868)
Foreign currency translation	-	(221,628)	-	(221,628)
Share-based payments expense	-	-	138,422	138,422
Balance at 31 December 2023	(16,364,257)	(231,626)	1,713,809	(14,882,074)

Note 15. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 16. Contingent liabilities

The Group has given bank guarantees as at 31 December 2023 of $171,043 (30 June 2023: $171,043) to various landlords.

Other property lease guarantees have been paid as deposits for HK and UK premises to the amount of $58,293 (30 June 2023: $70,121)

Note 17. Earnings per share

	Consolidated 31 Dec 2023 $	Consolidated 31 Dec 2022 $
Loss after income tax attributable to the owners of EP&T Global Limited	(1,851,098)	(1,886,857)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	445,913,710	269,031,739
Weighted average number of ordinary shares used in calculating diluted earnings per share	445,913,710	269,031,739
	Cents	Cents
Basic earnings per share	(0.42)	(0.70)
Diluted earnings per share	(0.42)	(0.70)

29,325,729 (2022: 18,190,101) options over ordinary shares are not included in the calculation of diluted earnings per share because they are antidilutive for the half-year ended 31 December 2023. These options could potentially dilute basic earnings per share in the future.

Note 18. Share-based payments

On 17 March 2021, prior to listing on the ASX, the Company granted options over ordinary shares to certain Directors, employees and advisors to the Group. These options were not granted under a long term incentive plan, but as a reward to management and employees for the Group's IPO. As such, the only vesting condition relates to continued employment.

During the financial year ending 30 June 2023, options were granted to employees of the Group under a long term incentive plan. The only vesting conditions for the options relates to continued employment.

Set out below are summaries of options granted under the plan:

	Number of options 31 Dec 2023	Weighted average exercise price 31 Dec 2023	Number of options 31 Dec 2022	Weighted average exercise price 31 Dec 2022
Outstanding at the beginning of the financial half-year	29,925,729	$0.263	18,622,287	$0.350
Forfeited/Lapsed	(600,000)	$0.150	(432,186)	$0.340
Outstanding at the end of the financial half-year	29,325,729	$0.261	18,190,101	$0.350
Exercisable at the end of the financial half-year	13,614,693	$0.319	10,574,407	$0.350

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 3.73 years.

Note 19. Events after the reporting period

In February 2024 the Company has raised new capital of $2.8 million from the issue of 142,000,000 new shares. A further $0.3 million will be raised under a Conditioned Placement subject to shareholder approval. The date of the shareholder meeting has not yet been announced.. The proceeds of the capital raised will primarily be applied to installing the new ACV won and driving further sales growth. Further information on the capital raise can be located on the ASX website (security code: EPX) or on the Company's website www.eptglobal.com.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Jonathan Sweeney
Chairman

26 February 2024

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Independent Auditor's Review Report

To the Members of EP&T Global Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of EP&T Global Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of EP&T Global Limited does not comply with the *Corporations Act 2001* including:

a giving a true and fair view of EP&T Global Limited's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES *110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

C F Farley
Partner – Audit & Assurance

Sydney, 26 February 2024