

## 1. Company details

Name of entity:	EP&T Global Limited
ABN:	50 645 144 314
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

## 2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	10.9% to	3,575,400
Loss from ordinary activities after tax attributable to the owners of EP&T Global Limited	up	29.1% to	(3,726,232)
Loss for the half-year attributable to the owners of EP&T Global Limited	up	29.1% to	(3,726,232)

### 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 \$3,726,232 (31 December 2020: \$2,885,347).

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 ('AASBs') and represents the loss under AASBs adjusted for specific items, including the change in fair value of convertible notes, impairment of assets, Initial Public Offering ('IPO') costs, finance costs related to convertible notes and share-based payments expense. 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 2021 \$	Aggregated 31 Dec 2020 \$
Loss after income tax	(3,726,232)	(2,885,347)
Add/(Less): Income tax expense/(benefit)	129,047	(155,114)
Less: Interest income	(115,252)	(133,529)
Add: Interest expense	43,755	50,866
Add: Depreciation	461,131	253,201
Reported EBITDA	(3,207,551)	(2,869,923)
Add: Impairment of assets (1)	7,971	1,929,517
Add: Change in fair value of convertible notes (2)	-	3,296
Add: Finance costs related to convertible notes (3)	-	397,260
Add: Share-based payments expense (4)	243,289	-
Underlying EBITDA	<u>(2,956,291)</u>	<u>(539,850)</u>

- (1) Represents accrued revenues and receivables on projects revenues recognised in prior years no longer recoverable and movement in provision for obsolete inventory items.
- (2) Represents the movement in derivatives recognised on convertible notes which were fully converted to ordinary shares in EP&T Global Limited at the time of the IPO.
- (3) Interest and amortised borrowing costs in relation to convertible notes issued by EP&T Global Limited. Accrued interest and remaining unamortised borrowing costs were extinguished at the time of the IPO.
- (4) Expense recognised in relation to the issue of options over ordinary shares prior to the IPO of EP&T Global Limited.

### 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>5.25</u>	<u>(0.11)</u>

Net tangible assets per ordinary security has been calculated by excluding the net right-of-use assets and leases liabilities of (\$79,598) (31 December 2020: (\$60,010)).

The net tangible assets per ordinary shares is calculated based on 240,799,500 ordinary shares on issue as at 31 December 2021 (31 December 2020: 63,921,081 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.

For personal use only

## 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 2021 is attached.

---

## 12. Signed

Signed 

Jonathan Sweeney  
Chairman

Date: 25 February 2022

For personal use only

**EP&T Global Limited**

**ABN 50 645 144 314**

**Interim Report - 31 December 2021**

For personal use only

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 2021.

### 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
Keith Gunaratne	Founder and Executive Director
John Balassis	Independent Non-Executive Director
Victor van Bommel	Independent Non-Executive Director

### Principal activities

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

### 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 \$3,726,232 (31 December 2020: \$2,885,347).

Revenue for the Group was \$3,575,400 for the half-year ended 31 December 2021, a 10.93% increase from the half-year ended 31 December 2020. The Group's Key Operating Metrics, as outlined immediately below, all improved from the corresponding period in 2020.

	31 Dec 2021	31 Dec 2020	Change %
Annualised Contract Value ('ACV') (\$000)	11,451	7,826	46%
Annualised Recurring Revenue ('ARR') (\$000)	7,209	5,280	37%
Unbilled Contract Value ('UCV') (\$000)	36,678	25,605	43%
Recurring revenue %	85	80	6%
Number of contracted sites	404	279	45%

During the half-year ended 31 December 2021, ACV increased by \$0.6 million (5.7%) to \$11.5 million. ACV is calculated as the annualised monthly fees charged under contracts with customers.

Annualised Recurring Revenue ('ARR') represents the annualised amounts being invoiced by EP&T to customers under long term contracts at a point in time. The difference between ACV and ARR is the backlog of projects yet to be fully completed and which are yet to commence invoicing. During the half-year ended 31 December 2021 the backlog has decreased from \$4.9 million (30 June 2021) to \$3.5 million as a result of progress in installing projects in the Middle East and Australia as COVID-19 restrictions have started to ease. Despite the easing of COVID-19 related restrictions in certain markets, the Group's ability to convert new contracts into revenue continued to be impacted to some extent during the 6 months ended 31 December 2021, in particular due to global restrictions around building access and travel. These delays do not reduce the total contract value to be derived by the Group, as the contract term only commences when ongoing services are first delivered, however, decreased installation activity impacts the rate of conversion of Annualised Contract Value ('ACV') to Revenue, as billing cannot start until the service is installed. The backlog is an indicator of future ARR growth to be delivered from the pipeline of projects on hand once ongoing services commence. The backlog includes \$2.0 million of ACV relating to the 3-year contract with leading asset manager DWS. Installation of sites under the DWS project commenced in the 6 months ended 31 December 2021.

Unbilled Contract Value ('UCV') represents the contracted amounts remaining to be billed by EP&T to customers over the unexpired term of contracts on hand. Over the course of the half-year ended 31 December 2021, UCV has increased to \$36.7 million. The average term remaining on all contracts that EP&T has on hand is 3.2 years.

The new contract wins in the half-year ended 31 December 2021 added 19 new buildings to EP&T's portfolio, increasing the Group's total contracted buildings to 404.

Underlying earnings before interest, taxation, depreciation and amortisation ('EBITDA') is a financial measure which is not prescribed by the Australian Accounting Standards ('AASBs') and represents the loss under AASBs adjusted for specific items, including the change in fair value of convertible notes, impairment of assets, Initial Public Offering ('IPO') costs, finance costs related to convertible notes and share-based payments expense. 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 2021 \$	Aggregated 31 Dec 2020 \$
Loss after income tax	(3,726,232)	(2,885,347)
Add/(Less): Income tax expense/(benefit)	129,047	(155,114)
Less: Interest income	(115,252)	(133,529)
Add: Interest expense	43,755	50,866
Add: Depreciation	461,131	253,201
<b>Reported EBITDA</b>	<b>(3,207,551)</b>	<b>(2,869,923)</b>
Add: Impairment of assets (1)	7,971	1,929,517
Add: Change in fair value of convertible notes (2)	-	3,296
Add: Finance costs related to convertible notes (3)	-	397,260
Add: Share-based payments expense (4)	243,289	-
<b>Underlying EBITDA</b>	<b><u>(2,956,291)</u></b>	<b><u>(539,850)</u></b>

- (1) Represents accrued revenues and receivables on projects revenues recognised in prior years no longer recoverable and movement in provisions for obsolete inventory items
- (2) Represents the movement in derivatives recognised on convertible notes which were fully converted to ordinary shares in EP&T Global Limited at the time of the IPO.
- (3) Interest and amortised borrowing costs in relation to convertible notes issued by EP&T Global Limited. Accrued interest and remaining unamortised borrowing costs were extinguished at the time of the IPO.
- (4) Expense recognised in relation to the issue of options over ordinary shares prior to the IPO of EP&T Global Limited.

#### Significant changes in the state of affairs

On 9 November 2021, EP&T Global Limited ('EPX') successfully issued \$4,180,489 of ordinary shares via the placement of 27,869,925 shares at an issue price of \$0.15 per share.

On 29 December 2021, EP&T Global Limited ('EPX') successfully issued \$4,069,511 of ordinary shares via the placement of 27,130,075 shares at an issue price of \$0.15 per share.

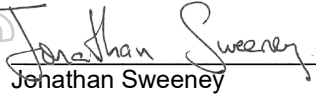
There were no other significant changes in the state of affairs of the Group during the financial half-year.

#### 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

25 February 2022

For personal use only

## Auditor's Independence Declaration

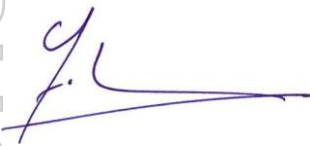
To the Directors of EP&T Global Limited

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 half-year ended 31 December 2021. 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 Audit Pty Ltd  
Chartered Accountants



C F Farley  
Partner – Audit & Assurance

Sydney, 25 February 2022

Grant Thornton Audit Pty Ltd ACN 130 913 594  
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

[www.granthornton.com.au](http://www.granthornton.com.au)

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.



Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	20
Independent auditor's review report to the members of EP&T Global Limited	21

### **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 is:

Suite 2, 407 Pacific Highway  
Artarmon NSW 2064

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 25 February 2022. The Directors have the power to amend and reissue the financial statements.

EP&T Global Limited  
Statement of profit or loss and other comprehensive income  
For the half-year ended 31 December 2021



	Note	Consolidated 31 Dec 2021 \$	Aggregated 31 Dec 2020 \$
<b>Revenue</b>	3	3,575,400	3,223,118
Other income	4	226,009	883,698
Interest revenue calculated using the effective interest method		115,252	133,529
<b>Expenses</b>			
Raw materials and consumables used		(277,732)	(178,016)
Employee benefits expense		(5,022,799)	(3,667,355)
Depreciation expense		(461,131)	(253,201)
Impairment of assets		(7,971)	(1,929,517)
Consultancy expense		(286,556)	(12,739)
Marketing expense		(274,728)	(81,471)
Occupancy expense		(112,225)	(110,643)
Change in fair value of convertible notes		-	(3,296)
Other expenses		(1,026,949)	(596,442)
Finance costs		(43,755)	(448,126)
<b>Loss before income tax (expense)/benefit</b>		(3,597,185)	(3,040,461)
Income tax (expense)/benefit		(129,047)	155,114
<b>Loss after income tax (expense)/benefit for the half-year attributable to the owners of EP&amp;T Global Limited</b>		(3,726,232)	(2,885,347)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		35,256	(352,404)
Other comprehensive income for the half-year, net of tax		35,256	(352,404)
<b>Total comprehensive income for the half-year attributable to the owners of EP&amp;T Global Limited</b>		<u>(3,690,976)</u>	<u>(3,237,751)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	15	(1.92)	(4.51)
Diluted earnings per share	15	(1.92)	(4.51)

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

		Consolidated	Consolidated
	Note	31 Dec 2021	30 Jun 2021
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		8,996,020	5,300,099
Trade and other receivables	5	2,092,325	1,464,097
Contract assets	6	816,085	833,554
Inventories	7	1,178,771	1,040,120
Other		378,259	570,460
Total current assets		<u>13,461,460</u>	<u>9,208,330</u>
<b>Non-current assets</b>			
Contract assets	6	1,756,273	1,992,935
Property, plant and equipment	8	2,546,740	1,732,810
Right-of-use assets		542,837	504,506
Deferred tax		686,978	761,035
Other		67,963	67,938
Total non-current assets		<u>5,600,791</u>	<u>5,059,224</u>
<b>Total assets</b>		<u>19,062,251</u>	<u>14,267,554</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	3,567,485	3,452,902
Contract liabilities		-	51,940
Borrowings	10	134,208	-
Lease liabilities		441,359	412,271
Employee benefits		1,593,178	1,388,058
Provisions		65,000	65,000
Total current liabilities		<u>5,801,230</u>	<u>5,370,171</u>
<b>Non-current liabilities</b>			
Borrowings	10	477,051	592,434
Lease liabilities		181,076	161,311
Employee benefits		42,735	32,402
Total non-current liabilities		<u>700,862</u>	<u>786,147</u>
<b>Total liabilities</b>		<u>6,502,092</u>	<u>6,156,318</u>
<b>Net assets</b>		<u>12,560,159</u>	<u>8,111,236</u>
<b>Equity</b>			
Issued capital	11	44,116,020	36,219,410
Reserves	12	(15,672,768)	(15,951,313)
Accumulated losses		(15,883,093)	(12,156,861)
<b>Total equity</b>		<u>12,560,159</u>	<u>8,111,236</u>

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

	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2020	-	(3,814,026)	-	(3,814,026)
Loss after income tax benefit for the half-year	-	-	(2,885,347)	(2,885,347)
Other comprehensive income for the half-year, net of tax	-	(352,404)	-	(352,404)
Total comprehensive income for the half-year	-	(352,404)	(2,885,347)	(3,237,751)
Balance at 31 December 2020	-	(4,166,430)	(2,885,347)	(7,051,777)

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	36,219,410	(15,951,313)	(12,156,861)	8,111,236
Loss after income tax expense for the half-year	-	-	(3,726,232)	(3,726,232)
Other comprehensive income for the half-year, net of tax	-	35,256	-	35,256
Total comprehensive income for the half-year	-	35,256	(3,726,232)	(3,690,976)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 11)	7,896,610	-	-	7,896,610
Share-based payments (note 16)	-	243,289	-	243,289
Balance at 31 December 2021	44,116,020	(15,672,768)	(15,883,093)	12,560,159

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

Note	Consolidated 31 Dec 2021 \$	Aggregated 31 Dec 2020 \$
<b>Cash flows from operating activities</b>		
	3,693,782	4,704,378
	(6,723,916)	(5,923,170)
	(3,030,134)	(1,218,792)
Interest received	115,252	133,529
Interest and other finance costs paid	(9,107)	(48,524)
Income taxes refunded	-	479,198
Net cash used in operating activities	(2,923,989)	(654,589)
<b>Cash flows from investing activities</b>		
8	(966,720)	(452,551)
Net cash used in investing activities	(966,720)	(452,551)
<b>Cash flows from financing activities</b>		
11	7,841,619	-
	-	950,000
	(254,989)	-
Net cash from financing activities	7,586,630	950,000
Net increase/(decrease) in cash and cash equivalents	3,695,921	(157,140)
Cash and cash equivalents at the beginning of the financial half-year	5,300,099	265,997
Cash and cash equivalents at the end of the financial half-year	<u>8,996,020</u>	<u>108,857</u>

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

## Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 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 2021 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 principal 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.

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 2021 of \$3,726,232 (31 December 2020: loss of \$2,885,347), underlying EBITDA loss of \$2,956,291 (31 December 2020: loss of \$142,590) and had net operating cash outflows of \$2,923,989 (31 December 2020: outflow of \$654,589). As at 31 December 2021, current assets exceeded current liabilities by \$7,660,230 (30 June 2021: net current assets of \$3,838,159). As at 31 December 2021 the Group has net assets of \$12,560,159 (30 June 2021: \$8,111,236).

During the half year ended 31 December 2021, the Group successfully completed the placement of new shares and raised \$7,896,610 (net of costs) to pursue its strategic growth objectives through a combination of investment in sales and marketing and installation of new projects under the Group's subscription based customer engagement model. As such, 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 2. 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. In the comparative period the CODM reviewed each reportable segment's share of statutory profit or loss before tax. 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 3 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 2. Operating segments (continued)**

*Operating segment information*

<b>Consolidated 31 Dec 2021</b>	Australia \$	United Kingdom \$	Hong Kong \$	Middle East \$	Intergroup eliminations \$	Total \$
<b>Revenue</b>						
Sales to external customers	1,483,259	1,125,941	134,646	831,554	-	3,575,400
Intersegment sales	568,951	-	-	-	(568,951)	-
Total sales revenue	2,052,210	1,125,941	134,646	831,554	(568,951)	3,575,400
Research and development tax incentive	135,644	90,365	-	-	-	226,009
Interest income	12,359	37,134	-	65,759	-	115,252
<b>Total revenue</b>	2,200,213	1,253,440	134,646	897,313	(568,951)	3,916,661
<b>EBITDA</b>	(2,054,231)	(86,814)	(251,772)	(363,112)	15,432	(2,740,497)
Depreciation and amortisation	(140,898)	(105,155)	(44,093)	(170,985)	-	(461,131)
Impairment of assets	133,129	15,725	-	(156,825)	-	(7,971)
Interest revenue	12,359	37,134	-	65,759	-	115,252
Finance costs	(13,192)	(8,356)	(9,914)	(12,293)	-	(43,755)
<b>Segment losses before income tax</b>	(2,062,833)	(147,466)	(305,779)	(637,456)	15,432	(3,138,102)
<i>Unallocated</i>						
Other non-cash expenses - SBP						(243,189)
Other expenses						(215,894)
Income tax expense						(129,047)
<b>Loss after income tax expense</b>						(3,726,232)
<b>Assets</b>						
Segment assets	22,734,031	2,452,022	189,774	5,201,084	(11,514,660)	19,062,251
<b>Total assets</b>						19,062,251
<b>Liabilities</b>						
Segment liabilities	2,834,787	3,890,534	2,791,115	8,284,347	(11,298,691)	6,502,092
<b>Total liabilities</b>						6,502,092

Note 2. Operating segments (continued)

Aggregated 31 Dec 2020	Australia \$	United Kingdom \$	Hong Kong \$	Middle East \$	Intergroup eliminations \$	Total \$
<b>Revenue</b>						
Sales to external customers	1,602,442	955,212	148,810	516,654	-	3,223,118
Intersegment sales	591,328	-	-	-	(591,328)	-
Total sales revenue	2,193,770	955,212	148,810	516,654	(591,328)	3,223,118
Research and development tax incentive	164,341	212,798	-	-	-	377,139
Government grants - COVID-19 stimulus	483,000	-	23,559	-	-	506,559
Interest income	19,491	70,119	-	43,919	-	133,529
<b>Total revenue</b>	2,860,602	1,238,129	172,369	560,573	(591,328)	4,240,345
<b>EBITDA</b>	(775,937)	324,190	(237,658)	146,260	-	(543,145)
Depreciation and amortisation	(105,980)	(71,843)	(42,387)	(32,992)	-	(253,202)
Impairment of receivables	(35,139)	(58,803)	-	(1,835,575)	-	(1,929,517)
Interest revenue	19,491	70,119	-	43,919	-	133,529
Finance costs	(430,329)	(15,336)	(1,666)	(795)	-	(448,126)
<b>Segment losses before income tax</b>	(1,327,894)	248,327	(281,711)	(1,679,183)	-	(3,040,461)
<b>Loss before income tax benefit</b>	(1,327,894)	248,327	(281,711)	(1,679,183)	-	(3,040,461)
Income tax benefit						155,114
<b>Loss after income tax benefit</b>						(2,885,347)
<b>Consolidated 30 Jun 2021</b>						
<b>Assets</b>						
Segment assets	16,703,830	2,179,114	222,152	4,139,959	(8,977,501)	14,267,554
<b>Total assets</b>						14,267,554
<b>Liabilities</b>						
Segment liabilities	2,734,225	3,458,956	2,445,571	6,495,067	(8,977,501)	6,156,318
<b>Total liabilities</b>						6,156,318

Note 3. Revenue

	Consolidated 31 Dec 2021 \$	Aggregated 31 Dec 2020 \$
Projects revenue	355,718	645,785
Contracted service revenue	3,031,330	2,409,562
Service and maintenance revenue	188,352	167,771
<b>Revenue</b>	<b>3,575,400</b>	<b>3,223,118</b>



### Note 3. Revenue (continued)

#### Disaggregation of revenue

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

	Consolidated 31 Dec 2021 \$	Aggregated 31 Dec 2020 \$
<i>Timing of revenue recognition</i>		
Projects revenue transferred over time	355,718	645,785
Contract service revenue transferred over time	3,031,330	2,409,562
Service and maintenance revenue transferred at a point in time	188,352	167,771
	<u>3,575,400</u>	<u>3,223,118</u>

### Note 4. Other income

	Consolidated 31 Dec 2021 \$	Aggregated 31 Dec 2020 \$
Government grants - COVID-19 stimulus	-	506,559
Research and development tax incentive	226,009	377,139
Other income	<u>226,009</u>	<u>883,698</u>

During the COVID-19 pandemic, the Group has received JobKeeper support payments from the Australian Government which are passed on to eligible employees. The Group was eligible for JobKeeper support from the government on the condition that employee benefits continue to be paid.

### Note 5. Trade and other receivables

	Consolidated 31 Dec 2021 \$	Consolidated 30 Jun 2021 \$
<i>Current assets</i>		
Trade receivables	2,931,599	2,507,817
Less: Allowance for expected credit losses	(1,666,984)	(1,658,189)
	<u>1,264,615</u>	<u>849,628</u>
R&D tax rebate receivable	827,710	566,144
BAS receivable	-	48,325
	<u>2,092,325</u>	<u>1,464,097</u>

**Note 6. Contract assets**

	<b>Consolidated 31 Dec 2021</b>	<b>Consolidated 30 Jun 2021</b>
	\$	\$
<i>Current assets</i>		
Contract assets - accrued revenue	1,126,614	1,133,940
Less: Provision for impairment	(310,529)	(300,386)
	<u>816,085</u>	<u>833,554</u>
<i>Non-current assets</i>		
Contract assets - accrued revenue	1,771,913	2,068,614
Less: Provision for impairment	(1,192,636)	(1,152,549)
Contract assets - incremental contract costs	1,255,424	1,094,056
Less: Accumulated amortisation	(78,428)	(17,186)
	<u>1,756,273</u>	<u>1,992,935</u>
	<u><u>2,572,358</u></u>	<u><u>2,826,489</u></u>
<i>Reconciliation</i>		
Reconciliation of the written down values at the beginning and end of the current and previous financial half-year are set out below:		
Opening balance	2,826,489	3,952,315
Additions	127,028	1,094,056
Transfer to trade receivables	(397,787)	(1,552,918)
Increase in provision	-	(649,778)
Exchange differences	77,870	-
Amortisation of assets	(61,242)	(17,186)
Closing balance	<u><u>2,572,358</u></u>	<u><u>2,826,489</u></u>

**Note 7. Inventories**

	<b>Consolidated 31 Dec 2021</b>	<b>Consolidated 30 Jun 2021</b>
	\$	\$
<i>Current assets</i>		
Work in progress - at cost	<u>20,490</u>	<u>34,188</u>
Finished goods - at cost	1,289,581	1,409,982
Less: Provision for impairment	(131,300)	(404,050)
	<u>1,158,281</u>	<u>1,005,932</u>
	<u><u>1,178,771</u></u>	<u><u>1,040,120</u></u>

**Note 8. Property, plant and equipment**

	Consolidated 31 Dec 2021 \$	Consolidated 30 Jun 2021 \$
<i>Non-current assets</i>		
Leasehold improvements - at cost	461,325	403,502
Less: Accumulated depreciation	(402,713)	(395,981)
	<u>58,612</u>	<u>7,521</u>
Computer equipment - at cost	878,734	841,277
Less: Accumulated depreciation	(744,446)	(710,738)
	<u>134,288</u>	<u>130,539</u>
Office and other equipment - at cost	533,614	544,754
Less: Accumulated depreciation	(472,699)	(463,307)
	<u>60,915</u>	<u>81,447</u>
Project equipment at cost	1,749,938	635,491
Less: Accumulated depreciation	(173,219)	(67,218)
	<u>1,576,719</u>	<u>568,273</u>
Projects under deployment	<u>716,206</u>	<u>945,030</u>
	<u><u>2,546,740</u></u>	<u><u>1,732,810</u></u>

*Reconciliations*

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

	Leasehold improvements \$	Computer equipment \$	Office and other equipment \$	Project equipment \$	Projects under deployment \$	Total \$
Balance at 1 July 2021	7,521	130,539	81,447	568,273	945,030	1,732,810
Additions	55,863	37,594	5,352	536,500	331,411	966,720
Disposals	-	-	(17,814)	-	-	(17,814)
Exchange differences	272	(1,555)	271	11,359	5,117	15,464
Transfers in/(out)	-	-	-	565,352	(565,352)	-
Depreciation expense	(5,044)	(32,290)	(8,341)	(104,765)	-	(150,440)
Balance at 31 December 2021	<u>58,612</u>	<u>134,288</u>	<u>60,915</u>	<u>1,576,719</u>	<u>716,206</u>	<u>2,546,740</u>

**Note 9. Trade and other payables**

	Consolidated 31 Dec 2021 \$	Consolidated 30 Jun 2021 \$
<i>Current liabilities</i>		
Trade payables	1,460,901	1,332,417
Payroll related payables	1,172,657	764,070
Accrued commission, bonus and incentives	564,193	927,329
BAS payable	54,386	-
Other payables	<u>315,348</u>	<u>429,086</u>
	<u><u>3,567,485</u></u>	<u><u>3,452,902</u></u>

**Note 10. Borrowings**

	Consolidated 31 Dec 2021 \$	Consolidated 30 Jun 2021 \$
<i>Current liabilities</i>		
SME Financing Guarantee Scheme – loan	134,208	-
<i>Non-current liabilities</i>		
SME Financing Guarantee Scheme – loan	477,051	592,434
	<u>611,259</u>	<u>592,434</u>

*Borrowings at amortised cost*

The interest rate on the bank loan is 2.75% 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 11. Issued capital**

	Consolidated 31 Dec 2021 Shares	Consolidated 30 Jun 2021 Shares	Consolidated 31 Dec 2021 \$	Consolidated 30 Jun 2021 \$
Ordinary shares - fully paid	<u>240,799,500</u>	<u>185,799,500</u>	<u>44,116,020</u>	<u>36,219,410</u>

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	185,799,500		36,219,410
Issue of shares	9 November 2021	27,869,925	\$0.15	4,180,489
Issue of shares	29 December 2021	27,130,075	\$0.15	4,069,511
Deferred tax credit directly recognised in equity		-	\$0.00	54,990
Transaction costs		-	\$0.00	(408,380)
Balance	31 December 2021	<u>240,799,500</u>		<u>44,116,020</u>

*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.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

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

## Note 12. Reserves

	Consolidated 31 Dec 2021 \$	Consolidated 30 Jun 2021 \$
Reorganisation reserve	(16,364,257)	(16,364,257)
Foreign currency reserve	(448,257)	(483,513)
Share-based payments reserve	1,139,746	896,457
	<u>(15,672,768)</u>	<u>(15,951,313)</u>

### 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:

	Reorgani- sation \$	Foreign currency \$	Share-based payments \$	Total \$
Balance at 1 July 2021	(16,364,257)	(483,513)	896,457	(15,951,313)
Foreign currency translation	-	35,256	-	35,256
Share-based payments expense	-	-	243,289	243,289
Balance at 31 December 2021	<u>(16,364,257)</u>	<u>(448,257)</u>	<u>1,139,746</u>	<u>(15,672,768)</u>

## Note 13. Dividends

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

## Note 14. Contingent liabilities

The Group has given bank guarantees as at 31 December 2021 of \$67,963 (30 June 2021: \$67,485) to various landlords.

Other property lease guarantees have been paid as deposits for Dubai, HK and UK premises to the amount of \$48,058 (30 June 2021: \$60,076).

## Note 15. Earnings per share

	Consolidated 31 Dec 2021 \$	Aggregated 31 Dec 2020 \$
Loss after income tax attributable to the owners of EP&T Global Limited	<u>(3,726,232)</u>	<u>(2,885,347)</u>

**Note 15. Earnings per share (continued)**

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	194,269,589	63,921,081
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>194,269,589</u>	<u>63,921,081</u>
	Cents	Cents
Basic earnings per share	(1.92)	(4.51)
Diluted earnings per share	(1.92)	(4.51)

20,696,780 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 2021. These options could potentially dilute basic earnings per share in the future.

The weighted average number of ordinary shares for 2020 has been restated for the effect of the group reorganisation (-38.44 for -4.51) completed in 19 March 2021, in accordance with AASB 133 'Earnings per share'.

**Note 16. Share-based payments**

On 17 March 2021, prior to listing on 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.

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

Consolidated  
31 Dec 2021

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the half-year
17/03/2021	15/03/2025	\$0.20	2,501,864	-	-	-	2,501,864
17/03/2021	15/03/2025	\$0.26	557,399	-	-	-	557,399
17/03/2021	15/03/2025	\$0.29	3,149,771	-	-	-	3,149,771
17/03/2021	15/03/2025	\$0.30	1,853,957	-	-	-	1,853,957
17/03/2021	15/03/2025	\$0.40	2,545,992	-	-	-	2,545,992
17/03/2021	15/03/2025	\$0.50	1,152,496	-	-	-	1,152,496
17/03/2021	15/03/2025	\$0.60	1,152,496	-	-	-	1,152,496
17/03/2021	15/03/2027	\$0.34	3,149,771	-	-	-	3,149,771
17/03/2021	15/03/2027	\$0.38	4,633,034	-	-	-	4,633,034
			<u>20,696,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,696,780</u>
Weighted average exercise price			\$0.35	\$0.00	\$0.00	\$0.00	\$0.35

The weighted average share price during the financial half-year was \$0.35.

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 3.5 years.

#### Note 17. Events after the reporting period

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on the Group for the financial half-year ended 31 December 2021 has been reflected in its published results to date. Whilst it would appear that control measures and related government policies, including the roll out of the vaccine, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact the Group's operations going forward. The Group now has procedures in place to monitor the ongoing COVID-19 impact on its customers and operations and the experience in the swift implementation of business continuation processes, should future lockdowns of the population occur. These processes continue to evolve to minimise operational disruption and management also continues to monitor the situation both locally and internationally.

No other matter or circumstance has arisen since 31 December 2021 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.

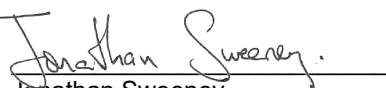
For personal use only

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 2021 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

25 February 2022

For personal use only



# 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 aggregated statement of financial position as at 31 December 2021, 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 description of 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 the EP&T Global Limited's financial position as at 31 December 2021 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 and 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 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 giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance and cash flows 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 Audit Pty Ltd  
Chartered Accountants



C F Farley  
Partner – Audit & Assurance  
Sydney, 25 February 2022