

1. Company details

Name of entity:	EP&T Global Limited
ABN:	50 645 144 314
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	40.0% to	5,021,405
Loss from ordinary activities after tax attributable to the owners of EP&T Global Limited	down	49.4% to	(1,886,857)
Loss for the half-year attributable to the owners of EP&T Global Limited	down	49.4% to	(1,886,857)

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 \$1,886,857 (31 December 2021: \$3,726,232).

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 (recovery)/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 the statutory after tax result attributable to the shareholders of the Company and Underlying EBITDA:

	Consolidated 31 Dec 2022	31 Dec 2021
	\$	\$
Loss after income tax	(1,886,857)	(3,726,232)
Add: Income tax expense	135,737	129,047
Less: Interest income	(75,165)	(115,252)
Add: Interest expense	40,000	43,755
Add: Depreciation expense	714,433	461,131
Reported EBITDA	(1,071,852)	(3,207,551)
(Less)/add: (Impairment reversal)/impairment of assets (1)	(181,325)	7,971
(Less): Client financial settlement (2)	(935,035)	-
Add: Share-based payments expense (3)	135,935	243,289
Underlying EBITDA	<u>(2,052,277)</u>	<u>(2,956,291)</u>

- (1) Relates to accrued project revenues and receivables recognised in prior years that were no longer considered recoverable and/or reversals of impairments previously recognised.
- (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	2.56	5.25

Net tangible assets per ordinary security excludes right-of-use lease assets and leases liabilities of (\$58,094) (31 December 2021: (\$79,598)).

The net tangible assets per ordinary shares is calculated based on 426,913,711 ordinary shares on issue as at 31 December 2022 (31 December 2021: 240,799,500 ordinary shares).

4. Loss of control over entities

Not applicable.

5. 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.

6. Dividend reinvestment plans

Not applicable.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

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

Not applicable.

9. Audit qualification or review

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

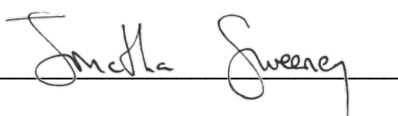
The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

10. Attachments

Details of attachments (if any):

The Interim Report of EP&T Global Limited for the half-year ended 31 December 2022 is attached.

11. Signed

Signed 

Jonathan Sweeney
Chairman

Date: 27 February 2023

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EP&T Global Limited

ABN 50 645 144 314

Interim Report - 31 December 2022

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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 2022.

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	Executive Director and Interim Chief Executive Officer (appointed Chief Executive Officer on 1 January 2023)
Victor van Bommel	Independent Non-Executive Director
Stephe Wilks	Independent Non-Executive Director (appointed on 1 December 2022)
Richard Doyle	Non-Executive Director (appointed on 1 December 2022)

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 \$1,886,857 (31 December 2021: \$3,726,232).

Revenue for the Group was \$5,021,405 for the half-year ended 31 December 2022, a 40% increase from the half-year ended 31 December 2021. The Group's key operating metrics, as outlined immediately below, all improved from the corresponding period in 2021.

Key operating metrics	31 Dec 2022	31 Dec 2021	Change %
Annualised Contract Value ('ACV') (\$000)	13,817	11,451	21%
Annualised Recurring Revenue ('ARR') (\$000)	10,312	7,209	43%
Unbilled Contract Value ('UCV') (\$000)	43,359	36,678	18%
Recurring revenue %	87	85	2%
Number of contracted sites	491	404	21%

Annual Contract Value ('ACV') is calculated as the annualised monthly fees charged under contracts with customers. During the half-year ended 31 December 2022, ACV increased by \$0.5 million (4.2%) to \$13.8 million from 30 June 2022. It has increased 21% since December 2021.

Annualised Recurring Revenue ('ARR') represents recurring revenue component of contracted subscriptions with customers at a point in time. During the half-year ended 31 December 2022, ARR increased by \$1.1 million (12%) to \$10.3 million from 30 June 2022. It has increased by 43% since December 2021.

The main component of the difference between ACV and ARR is the backlog of projects yet to be installed. The backlog has decreased 19% from \$3.2 million (30 June 2022) to \$2.6 million as at 31 December 2022. This has been due to progress being made on installation of a number of projects during H1FY23. The backlog is an indicator of future ARR growth to be delivered from the pipeline of projects on hand once the services commence. Over 90% of the installation backlog is in the European and Middle East markets.

Unbilled Contract Value ('UCV') represents the contracted amounts remaining to be billed by EP&T to customers over the unexpired contracted term of contracts on hand. Over the course of the 2022 financial year, UCV has decreased by \$0.7 million from \$44.0 million to \$43.3 million (decrease by 1.5%). 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 2022 added 20 new buildings to EP&T's portfolio, increasing the Group's total contracted buildings to 491.

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 (recovery)/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 the statutory after tax result attributable to the shareholders of the Company and Underlying EBITDA:

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$	\$
Loss after income tax	(1,886,857)	(3,726,232)
Add: Income tax expense	135,737	129,047
Less: Interest income	(75,165)	(115,252)
Add: Interest expense	40,000	43,755
Add: Depreciation expense	714,433	461,131
Reported EBITDA	(1,071,852)	(3,207,551)
(Less)/add: (Impairment reversal)/impairment of assets (1)	(181,325)	7,971
(Less): Client financial settlement (2)	(935,035)	-
Add: Share-based payments expense (3)	135,935	243,289
Underlying EBITDA	<u>(2,052,277)</u>	<u>(2,956,291)</u>

(1) Relates to accrued project revenues and receivables recognised in prior years that were no longer considered recoverable and/or reversals of impairments previously recognised.

(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

During the second quarter of the half-year ended 31 December 2022 the Company successfully issued \$4,415,308 (net of costs) via the placement of ordinary shares in two tranches being:

- On 1 December 2022, EP&T Global Limited ('EPX') successfully issued \$3,694,839 of ordinary shares via the placement of 147,793,560 shares at an issue price of \$0.025 per share.
- On 16 December 2022, EP&T Global Limited ('EPX') successfully issued \$958,016 of ordinary shares via the placement of 38,320,651 shares at an issue price of \$0.025 per share.

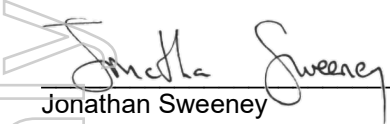
There were no other significant changes in the state of affairs of the Group during the financial half-year.

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

27 February 2023

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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 half-year ended 31 December 2022 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, 27 February 2023

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		Consolidated	
	Note	31 Dec 2022 \$	31 Dec 2021 \$
Revenue	4	5,021,405	3,575,400
Other income	5	219,449	226,009
Interest revenue calculated using the effective interest method		75,165	115,252
Expenses			
Raw materials and consumables used		(304,781)	(277,732)
Employee benefits expense		(5,074,292)	(5,022,799)
Depreciation and amortisation expense		(714,433)	(461,131)
Impairment reversal/(impairment) of assets		1,116,360	(7,971)
Other expenses		(2,049,993)	(1,700,458)
Finance costs		(40,000)	(43,755)
Loss before income tax expense		(1,751,120)	(3,597,185)
Income tax expense		(135,737)	(129,047)
Loss after income tax expense for the half-year attributable to the owners of EP&T Global Limited		(1,886,857)	(3,726,232)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		23,716	35,256
Other comprehensive income for the half-year, net of tax		23,716	35,256
Total comprehensive income for the half-year attributable to the owners of EP&T Global Limited		(1,863,141)	(3,690,976)
		Cents	Cents
Basic earnings per share	16	(0.70)	(1.92)
Diluted earnings per share	16	(0.70)	(1.92)

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

		Consolidated	
	Note	31 Dec 2022 \$	30 Jun 2022 \$
Assets			
Current assets			
Cash and cash equivalents		3,951,436	4,218,773
Trade and other receivables	6	3,021,752	1,905,980
Contract assets	7	1,198,199	738,065
Inventories	8	1,019,407	731,709
Other assets		563,455	501,760
Total current assets		<u>9,754,249</u>	<u>8,096,287</u>
Non-current assets			
Contract assets	7	2,220,422	1,896,044
Plant and equipment	9	4,809,625	3,619,381
Right-of-use assets		795,043	354,782
Deferred tax		544,292	600,846
Other assets		68,020	67,980
Total non-current assets		<u>8,437,402</u>	<u>6,539,033</u>
Total assets		<u>18,191,651</u>	<u>14,635,320</u>
Liabilities			
Current liabilities			
Trade and other payables	10	3,540,461	3,422,315
Contract liabilities		494,752	9,865
Borrowings	11	223,425	405,504
Lease liabilities		449,548	274,783
Employee benefits		1,769,525	1,671,996
Provisions		65,000	65,000
Total current liabilities		<u>6,542,711</u>	<u>5,849,463</u>
Non-current liabilities			
Borrowings	11	350,211	421,213
Lease liabilities		403,589	136,790
Employee benefits		25,945	46,761
Total non-current liabilities		<u>779,745</u>	<u>604,764</u>
Total liabilities		<u>7,322,456</u>	<u>6,454,227</u>
Net assets		<u>10,869,195</u>	<u>8,181,093</u>
Equity			
Issued capital	12	48,564,134	44,148,826
Reserves	13	(15,246,588)	(15,406,239)
Accumulated losses		(22,448,351)	(20,561,494)
Total equity		<u>10,869,195</u>	<u>8,181,093</u>

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 2022



Consolidated	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	7,896,610	-	-	7,896,610
Share-based payments (note 17)	-	243,289	-	243,289
Balance at 31 December 2021	<u>44,116,020</u>	<u>(15,672,768)</u>	<u>(15,883,093)</u>	<u>12,560,159</u>
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)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 12)	4,415,308	-	-	4,415,308
Share-based payments (note 17)	-	135,935	-	135,935
Balance at 31 December 2022	<u>48,564,134</u>	<u>(15,246,588)</u>	<u>(22,448,351)</u>	<u>10,869,195</u>

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

	Consolidated	
Note	31 Dec 2022	31 Dec 2021
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	5,691,058	3,693,782
Payments to suppliers and employees (inclusive of GST)	<u>(8,727,263)</u>	<u>(6,723,916)</u>
	(3,036,205)	(3,030,134)
Interest received	75,165	115,252
Interest and other finance costs paid	(40,000)	(9,107)
Other income - grants and incentives	<u>423,576</u>	<u>-</u>
Net cash used in operating activities	<u>(2,577,464)</u>	<u>(2,923,989)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	9 <u>(1,508,197)</u>	<u>(966,720)</u>
Net cash used in investing activities	<u>(1,508,197)</u>	<u>(966,720)</u>
Cash flows from financing activities		
Proceeds from issue of shares, net of issue costs	12 4,336,125	7,841,619
Repayment of borrowings	(253,081)	-
Repayment of lease liabilities	<u>(264,720)</u>	<u>(254,989)</u>
Net cash from financing activities	<u>3,818,324</u>	<u>7,586,630</u>
Net (decrease)/increase in cash and cash equivalents	(267,337)	3,695,921
Cash and cash equivalents at the beginning of the financial half-year	<u>4,218,773</u>	<u>5,300,099</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>3,951,436</u></u>	<u><u>8,996,020</u></u>

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

Level 8, 210 George Street
Sydney NSW 2000

Principal place of business

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 27 February 2023. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 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 2022 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 2022 of \$1,886,857 (31 December 2021: loss of \$3,726,232), underlying EBITDA loss of \$2,052,277 (31 December 2021: loss of \$2,956,291) and had net operating cash outflows of \$2,577,464 (31 December 2021: outflow of \$2,923,989). As at 31 December 2022, current assets exceeded current liabilities by \$3,211,538 (30 June 2022: excess of \$2,246,824). As at 31 December 2022 the Group has net assets of \$10,869,195 (30 June 2022: \$8,181,093).

During the half-year ended 31 December 2022, the Group successfully completed the placement of new shares and raised \$4,415,000 (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. In February 2023, the Group completed the placement of an additional \$475,000 million of shares. 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 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 Maker ('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 2022	Australia \$	United Kingdom \$	Hong Kong \$	Middle East \$	Intergroup 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	<u>2,121,865</u>	<u>1,779,488</u>	<u>35,545</u>	<u>1,535,948</u>	<u>(451,441)</u>	<u>5,021,405</u>
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	<u>2,277,132</u>	<u>1,856,648</u>	<u>40,123</u>	<u>1,593,557</u>	<u>(451,441)</u>	<u>5,316,019</u>
EBITDA	(1,623,383)	354,418	(279,334)	(129,090)	-	(1,677,389)
Depreciation and amortisation (impairment reversal)/impairment of assets	(177,662)	(204,829)	(43,413)	(288,529)	-	(714,433)
Client financial settlement	-	(63,524)	-	244,849	-	181,325
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	<u>(1,806,295)</u>	<u>87,124</u>	<u>(332,772)</u>	<u>811,646</u>	<u>-</u>	<u>(1,240,297)</u>
<i>Unallocated</i>						
Other non-cash expenses - share based payments						(135,935)
Other expenses						(374,888)
Income tax expense						(135,737)
Loss after income tax expense						<u>(1,886,857)</u>
Assets						
Segment assets	22,279,588	5,354,804	294,759	6,857,863	(16,595,363)	18,191,651
Total assets						<u>18,191,651</u>
Liabilities						
Segment liabilities	2,792,160	7,630,817	3,698,365	9,796,477	(16,595,363)	7,322,456
Total liabilities						<u>7,322,456</u>

Note 3. Operating segments (continued)

	Australia \$	United Kingdom \$	Hong Kong \$	Middle East \$	Intergroup eliminations \$	Total \$
Consolidated - 31 Dec 2021						
Revenue						
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
Total revenue	2,200,213	1,253,440	134,646	897,313	(568,951)	3,916,661
EBITDA						
Depreciation and amortisation	(2,054,231)	(86,814)	(251,772)	(363,112)	15,432	(2,740,497)
Impairment of assets	(140,898)	(105,155)	(44,093)	(170,985)	-	(461,131)
Interest revenue	133,129	15,725	-	(156,825)	-	(7,971)
Finance costs	12,359	37,134	-	65,759	-	115,252
	(13,192)	(8,356)	(9,914)	(12,293)	-	(43,755)
Segment (losses)/income before income tax expense	(2,062,833)	(147,466)	(305,779)	(637,456)	15,432	(3,138,102)
<i>Unallocated</i>						
Other non-cash expenses - share based payments						(243,189)
Other expenses						(215,894)
Income tax expense						(129,047)
Loss after income tax expense						(3,726,232)
Consolidated - 30 Jun 2022						
Assets						
Segment assets	20,429,220	2,815,976	168,507	5,141,616	(13,919,999)	14,635,320
Total assets						14,635,320
Liabilities						
Segment liabilities	3,300,226	5,154,075	3,171,345	8,748,580	(13,919,999)	6,454,227
Total liabilities						6,454,227

Note 4. Revenue

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$	\$
Projects revenue	631,346	355,718
Contracted service revenue	4,327,799	3,031,330
Service and maintenance revenue	62,260	188,352
Revenue	5,021,405	3,575,400

Note 4. Revenue (continued)

Disaggregation of revenue

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

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$	\$
<i>Timing of revenue recognition</i>		
Projects revenue transferred over time	631,346	355,718
Contract service revenue transferred over time	4,327,799	3,031,330
Service and maintenance revenue transferred at a point in time	62,260	188,352
	5,021,405	3,575,400
	5,021,405	3,575,400

Note 5. Other income

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$	\$
Government grants - COVID-19 stimulus	4,531	-
Research and development tax incentive	214,918	226,009
	219,449	226,009
	219,449	226,009

Note 6. Trade and other receivables

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
<i>Current assets</i>		
Trade receivables	3,555,565	3,236,771
Less: Allowance for expected credit losses	(983,815)	(1,987,462)
	2,571,750	1,249,309
R&D tax rebate receivable	450,002	656,671
	3,021,752	1,905,980
	3,021,752	1,905,980

Note 7. Contract assets

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
<i>Current assets</i>		
Contract assets - accrued revenue	1,239,520	1,142,433
Less: Provision for impairment	(41,321)	(404,368)
	<u>1,198,199</u>	<u>738,065</u>
<i>Non-current assets</i>		
Contract assets - accrued revenue	311,412	1,311,920
Less: Provision for impairment	-	(751,404)
Contract assets - incremental contract costs	2,219,696	1,515,033
Less: Accumulated amortisation	(310,686)	(179,505)
	<u>2,220,422</u>	<u>1,896,044</u>
	<u><u>3,418,621</u></u>	<u><u>2,634,109</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	2,634,109	2,826,489
Additions	1,074,715	503,351
Transfer to trade receivables	(449,347)	(837,463)
Movement in provision	1,120,564	305,404
Write off accrued revenue	(866,845)	-
Exchange differences	46,707	(6,616)
Amortisation of assets	(141,282)	(157,056)
Closing balance	<u><u>3,418,621</u></u>	<u><u>2,634,109</u></u>

Note 8. Inventories

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
<i>Current assets</i>		
Work in progress - at cost	41,918	28,931
Finished goods - at cost	977,489	702,778
	<u>1,019,407</u>	<u>731,709</u>

Note 9. Property, plant and equipment

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	469,605	467,284
Less: Accumulated depreciation	(423,595)	(413,725)
	<u>46,010</u>	<u>53,559</u>
Computer equipment - at cost	728,674	619,883
Less: Accumulated depreciation	(334,433)	(294,291)
	<u>394,241</u>	<u>325,592</u>
Office and other equipment - at cost	261,616	256,774
Less: Accumulated depreciation	(211,636)	(203,830)
	<u>49,980</u>	<u>52,944</u>
Project equipment at cost	3,667,098	2,274,704
Less: Accumulated depreciation	(606,228)	(346,094)
	<u>3,060,870</u>	<u>1,928,610</u>
Projects under deployment	<u>1,258,524</u>	<u>1,258,676</u>
	<u><u>4,809,625</u></u>	<u><u>3,619,381</u></u>

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 2022	53,559	325,592	52,944	1,928,610	1,258,676	3,619,381
Additions	-	108,952	8,945	-	1,342,151	1,460,048
Exchange differences	944	498	1,041	33,508	11,950	47,941
Transfers in/(out)	-	-	-	1,354,253	(1,354,253)	-
Depreciation expense	(8,493)	(40,801)	(12,950)	(255,501)	-	(317,745)
Balance at 31 December 2022	<u>46,010</u>	<u>394,241</u>	<u>49,980</u>	<u>3,060,870</u>	<u>1,258,524</u>	<u>4,809,625</u>

Note 10. Trade and other payables

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
<i>Current liabilities</i>		
Trade payables	1,398,855	1,799,251
Payroll related payables	956,615	894,092
Accrued commission, bonus and incentives	835,830	337,062
BAS payable	29,288	17,390
Other payables	319,873	374,520
	<u>3,540,461</u>	<u>3,422,315</u>

Note 11. Borrowings

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
<i>Current liabilities</i>		
Bank loans	160,800	155,193
Insurance premium funding arrangement	62,625	250,311
	<u>223,425</u>	<u>405,504</u>
<i>Non-current liabilities</i>		
Bank loan	350,211	421,213
	<u>573,636</u>	<u>826,717</u>

Borrowings at amortised cost

The interest rate on the insurance premium funding arrangement is a flat rate of 3.23% over the premium being funded. The loan is denominated in Australian dollars, is repayable in equal monthly instalments over 9 months and is unsecured. Repayments commenced on 11 June 2022.

The interest rate on the bank loan is 2.875% per annum. This loan is denominated in Hong Kong dollars and is repayable in equal monthly instalments over 48 months. Repayment commenced 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 12. Issued capital

	Consolidated			
	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>426,913,711</u>	<u>240,799,500</u>	<u>48,564,134</u>	<u>44,148,826</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	240,799,500		44,148,826
Issue of shares	1 December 2022	22,234,798	\$0.025	555,870
Issue of shares	1 December 2022	125,558,762	\$0.025	3,138,969
Issue of shares	16 December 2022	38,320,651	\$0.025	958,016
Deferred tax credit directly recognised in equity				79,183
Transaction costs				<u>(316,730)</u>
Balance	31 December 2022	<u>426,913,711</u>		<u>48,564,134</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.

Share buy-back

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

Note 13. Reserves

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
Reorganisation reserve	(16,364,257)	(16,364,257)
Foreign currency reserve	(341,320)	(365,036)
Share-based payments reserve	1,458,989	1,323,054
	<u>(15,246,588)</u>	<u>(15,406,239)</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:

Consolidated	Reorganisation \$	Foreign currency \$	Share-based payments \$	Total \$
Balance at 1 July 2022	(16,364,257)	(365,036)	1,323,054	(15,406,239)
Foreign currency translation	-	23,716	-	23,716
Share-based payments expense	-	-	135,935	135,935
Balance at 31 December 2022	<u>(16,364,257)</u>	<u>(341,320)</u>	<u>1,458,989</u>	<u>(15,246,588)</u>

Note 14. Dividends

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

Note 15. Contingent liabilities

The Group has given bank guarantees as at 31 December 2022 of \$160,981 (30 June 2022: \$67,485) to various landlords.

Other property lease guarantees have been paid as deposits for Dubai, HK, UK and AU premises to the amount of \$104,848 (30 June 2022: \$47,841).

Note 16. Earnings per share

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$	\$
Loss after income tax attributable to the owners of EP&T Global Limited	<u>(1,886,857)</u>	<u>(3,726,232)</u>

Note 16. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	269,031,739	194,269,589
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>269,031,739</u>	<u>194,269,589</u>
	Cents	Cents
Basic earnings per share	(0.70)	(1.92)
Diluted earnings per share	(0.70)	(1.92)

18,190,101 (2021: 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 2022. These options could potentially dilute basic earnings per share in the future.

Note 17. 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.

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

	Number of options 31 Dec 2022	Weighted average exercise price 31 Dec 2022	Number of options 31 Dec 2021	Weighted average exercise price 31 Dec 2021
Outstanding at the beginning of the financial half-year	18,622,287	\$0.350	20,696,780	\$0.350
Expired	<u>(432,186)</u>	\$0.340	-	\$0.000
Outstanding at the end of the financial half-year	<u>18,190,101</u>	\$0.350	<u>20,696,780</u>	\$0.350
Exercisable at the end of the financial half-year	<u>10,574,407</u>	\$0.350	<u>11,006,593</u>	\$0.350

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 2.5 years.

Note 18. Events after the reporting period

On 8 February 2023, EP&T Global Limited ('EPX') successfully issued \$475,000 of ordinary shares via the placement of 18,999,999 shares at an issue price of \$0.025 per share.

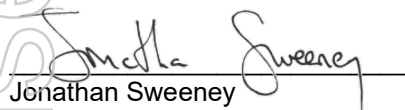
No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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 2022 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

27 February 2023

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 2022, 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 2022 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 2022 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 Audit Pty Ltd
Chartered Accountants



C F Farley
Partner – Audit & Assurance
Sydney, 27 February 2023