ep&t global

ENVIRONMENT | PROPERTY | TECHNOLOGY

Prospectus

Initial public offering of fully paid ordinary shares

For an offer of 55 million Shares in EP&T Global Limited at an offer price of $0.20 per Share to raise gross proceeds of $11 million.

EP&T Global Limited

ACN 645 144 314

LEAD MANAGER

BELL POTTER

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OFFER

This Prospectus is issued by EP&T Global Limited (ACN 645 144 314) (**EP&T** or the **Company**) and EP&T SaleCo Limited (ACN 648 600 864) (**Seller**) for the purpose of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**). The Offer contained in this Prospectus is an initial public offering to acquire fully paid ordinary shares (**Shares**) in the Company. See Section 7 for further information on the Offer, including details of the securities that will be issued and sold under this Prospectus.

LODGEMENT AND LISTING

This Prospectus is dated 19 March 2021 (**Prospectus Date**) and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date.

The Company will apply to the Australian Securities Exchange (**ASX**) within seven days of the Prospectus Date for its admission to the official list of ASX and quotation of the Shares on ASX. None of ASIC, ASX or their respective officers takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The Company, the Seller, the Share Registry and the Lead Manager disclaim all liability to persons who trade Shares before receiving their holding statements.

EXPIRY DATE

This Prospectus expires on the date which is 13 months after the Prospectus Date (**Expiry Date**). No Shares will be issued or sold on the basis of this Prospectus after the Expiry Date.

NOTE TO APPLICANTS – NOT INVESTMENT ADVICE

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs (including financial and tax issues) of any prospective investor.

RISKS OF INVESTMENT

It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company. If you have any questions, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other independent professional adviser before deciding whether to invest in the Shares.

In considering the prospects of EP&T, you should consider the basis of preparation and best estimate assumptions underlying any forward looking information in this Prospectus. You should consider the risk factors that could affect EP&T's business, financial condition and results of operations, including macro-economic and market condition risks arising from the ongoing global COVID-19 pandemic. Some or all of these risks may impact the value of your investment in Shares. You should carefully consider these risks in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice. Some of the key risk factors that should be considered by prospective investors are set out in Sections 1.5 and 5. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Except as required by law, no person named in this Prospectus, nor any other person, provides any warranties or guarantees in respect of the performance of EP&T, the repayment of capital by the Company or the payment of a dividend or other distribution or return on the Shares.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company, its Directors, the Seller or the Seller's directors, the Lead Manager, the Founder or any other person in connection with the Offer. You should rely only on information in this Prospectus.

IMPORTANT INFORMATION FOR NEW ZEALAND INVESTORS

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and Corporations Regulations set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer involves payments that are not in New Zealand dollars.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

The Offer involves securities that are able to be traded on a financial market.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

NO ACCEPTANCE OF APPLICATIONS DURING EXPOSURE PERIOD

The Corporations Act prohibits the Company from processing applications in the seven-day period after the Prospectus Date (**Exposure Period**). This Exposure Period may be extended by ASIC by up to a further seven days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by ASIC and market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period (including any extension). No preference will be conferred on applications received during the Exposure Period.

NO COOLING-OFF RIGHTS

Cooling-off rights do not apply to an investment in Shares issued or sold under this Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

OBTAINING A COPY OF THIS PROSPECTUS AND MAKING AN APPLICATION

The Offer constituted by this Prospectus in electronic form at www.eptglobaloffer.com.au is available only to Australian and New Zealand residents accessing that website within Australia or New Zealand during the Offer Period. It is not available to persons in other jurisdictions (including the United States). If you access an electronic version of the Prospectus you should ensure that you download and read the Prospectus in its entirety.

Persons having received a copy of this Prospectus in its electronic form may, before the Closing Date, obtain a paper copy of this Prospectus (free of charge) by telephoning the EP&T Offer Information Line on 1300 737 760. If you are eligible to participate in the Offer and are calling from outside Australia, you should call +61 2 9290 9600. Applications for Shares may only be made on an Application Form attached to or accompanying this Prospectus.

Important Notices

By making an application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is included in, or accompanied by, this Prospectus in its hard copy form or the complete and unaltered electronic version of this Prospectus. Refer to Section 7 for further information. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

STATEMENTS OF PAST PERFORMANCE

This Prospectus includes information regarding the past performance of the business conducted by EP&T. Investors should be aware that past performance is not indicative of future performance.

FINANCIAL INFORMATION PRESENTATION AND AMOUNTS

Section 4 sets out in detail the Financial Information referred to in this Prospectus. The basis of preparation of the Financial Information is set out in Section 4.

All references to FY2018, FY2019 and FY2020 appearing in this Prospectus are to the financial years ended or ending 30 June (as relevant), unless otherwise indicated.

All references to 1HFY20 and 1HFY21 appearing in this Prospectus are to the 6 month periods ending 31 December 2019 and 2020 respectively.

The Historical Financial Information is presented on both an actual and pro forma basis. The Financial Information has been prepared in accordance with the recognition and measurement principles prescribed by the Australian Accounting Standards issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board (**IASB**).

The Financial Information is presented in an abbreviated form. It does not include all of the presentation and disclosures required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. Investors should note that certain financial data included in this Prospectus is not recognised under the Australian Accounting Standards and is classified as 'non-IFRS financial information' under ASIC Regulatory Guide 230 'Disclosing non-IFRS financial information (**RG 230**). The Company considers that this non-IFRS information provides useful information to users in measuring the financial performance and condition of EP&T. The non-IFRS financial measures do not have standardised meanings under the Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities; nor should they be interpreted as an alternative to other financial measures determined in accordance with the Australian Accounting Standards. Investors are cautioned therefore not to place undue reliance on any non-IFRS financial information and ratios included in this Prospectus.

Any discrepancies between totals and sums of components in tables, figures and diagrams contained in this Prospectus are due to rounding.

The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in Sections 4 and 5, Appendix A and Appendix B.

FORWARD LOOKING STATEMENTS

This Prospectus contains forward looking statements and comments about future events, including in relation to EP&T's business, plans and strategies, and expected trends in the industry sector in which EP&T currently operates.

Forward-looking statements also include prospective financial information for EP&T. Forward looking statements can generally be identified by words such as 'believes', 'considers', 'could', 'estimates', 'expects', 'intends', 'may', 'targets', 'anticipate', 'likely', 'should', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast' and other similar words that involve risks and uncertainties.

Any forward looking statements are subject to various risk factors (both general and specific) that could cause EP&T actual results to differ materially from the results expressed or anticipated in these statements.

Such statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors of the Company, and management of the Company. There is a risk that predictions, forecasts, projections and other forward looking statements will not be achieved and investors are cautioned not to place undue reliance on these statements. Forward looking statements should therefore be read in conjunction with, and are qualified by reference to the risk factors as set out in Section 5 and other information in this Prospectus.

Nothing in this Prospectus is a promise or representation as to the future, and past performance is not a guarantee of future performance. Statements or assumptions in this Prospectus as to future matters may prove to be incorrect.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in the Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward looking statements. The Company has no intention of updating or revising forward looking statements, or publishing prospective financial information in the future; regardless of whether new information, future events or any other factors affect the information, contained in this Prospectus, except where required by law. None of the Company or the Directors makes any representation or warranty as to the accuracy of such statements or assumptions. Circumstances may change and the contents of this Prospectus may become outdated as a result.

MARKET AND INDUSTRY DATA BASED PRIMARILY ON MANAGEMENT ESTIMATES

This Prospectus (and, in particular, the Frost & Sullivan Industry Report disclosed at Section 2 of this Prospectus on the basis of the disclosure set out in Section 2.9) contains data relating to the industries, sectors and end-markets in which EP&T operates (**Industry Data**). Such information includes, but is not limited to, statements and data relating to EP&T.

To the extent the information relates to future events, it is subject to risks and uncertainties and may change as a result of various factors, including those described in Section 5.
The Industry Data has not been independently verified and the Company cannot assure you as to its accuracy or the accuracy of the underlying assumptions used to estimate such Industry Data. All estimates involve risks and uncertainties and are subject to change based on various factors, including those described in the key risks in Section 5.

In addition to the Industry Data, this Prospectus uses third party market data, estimates and projections. The Company has not independently verified this information. There is no assurance that any of the third party projections contained in this information will be achieved. Some of the market data was prepared before the onset of COVID-19, the final economic effect of which is currently not possible to predict with any certainty. The impact of COVID-19 (if any) on the market data that is referenced is not possible to currently predict with any certainty and investors are cautioned against placing undue reliance on such data.

Estimates involve risks and uncertainties and are subject to change based on various factors, including those described in the key risks in Section 5.

SPECULATIVE INVESTMENT

The Shares to be offered under this Prospectus carry no guarantee with respect to payment of dividends, returns of capital or the market value of those Shares. Potential applicants should consider that an investment in EP&T is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

PHOTOGRAPHS AND DIAGRAMS

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by EP&T. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

COMPANY WEBSITE

Any references to documents included on EP&T's website at www.eptglobal.com or the Offer Website at www.eptglobaloffer.com.au are for convenience only, and none of the documents or other information available on EPT's website is incorporated herein by reference.

DEFINED TERMS, TIME AND CURRENCY

Defined terms and abbreviations used in this Prospectus have the meanings given in the glossary in Appendix C of this Prospectus. Unless otherwise stated or implied, references to times in this Prospectus are to Sydney/AEST time (GMT +10). All monetary amounts referred in this Prospectus are, unless otherwise noted, in Australian dollars and rounded to the nearest $1,000. Where used in this Prospectus, '$bn' refers to $ billion and '$m' refers to $ million, in each case in Australian dollars (unless otherwise specified).

DISCLAIMERS

The Lead Manager has acted as lead manager to the Offer and has not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by it or by any of its affiliates, directors, officers, employees, agents or advisers. To the maximum extent permitted by law, the Lead Manager and each of its affiliates, directors, officers, employees, agents and advisers expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and address and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

This disclaimer does not purport to disclaim any warranties or liability which cannot be disclaimed by law.

SELLING RESTRICTIONS

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia and New Zealand. The distribution of this Prospectus (including in electronic form) outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be distributed to, or relied upon by, persons in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares to be offered under the Offer have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States unless the Shares are registered under the U.S. Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable US state securities laws.

See Section 7.8 for more detail on selling restrictions that apply to the offer and sale of Shares in jurisdictions outside Australia.

PRIVACY

By filling out the Application Form to apply for Shares, you are providing personal information to EP&T and the Seller through the Share Registry, which is contracted by EP&T to manage applications. EP&T and the Seller and the Share Registry on their behalf may collect, hold, use and disclose that personal information for the purpose of processing your application, servicing your needs as a Shareholder, providing facilities and services that you need or request and carrying out appropriate administration in accordance with this privacy statement and the *Privacy Act 1988* (Cth). Some of this personal information is collected as required or authorised by certain laws including the *Income Tax Assessment Act 1997* (Cth) and the Corporations Act.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your application. By submitting an application, you agree that the Company and the Share Registry may communicate with you in electronic form or to contact you by telephone in relation to the Offer.

Your personal information may also be used from time to time to inform you about other products and services offered by EP&T which may be of interest to you.

Your personal information may also be provided to EP&T's agents and service providers on the basis that they deal with such information in accordance with EP&T's privacy policy and as authorised under the *Privacy Act 1988* (Cth). The agents and service providers of EP&T may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of members;
- the Lead Manager in order to assess your application and brokers for the purposes of providing their services;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

If an applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register of members. The information contained in the Company's register of members must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register of members is also used to facilitate dividend payments and corporate communications (including the EP&T's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by EP&T with legal and regulatory requirements.

An applicant has a right to gain access to his or her personal information that the Company and the Share Registry hold about that person, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing or by telephone call to the Company's registered office or the Share Registry's office, details of which are disclosed in the Corporate Directory on the final page of this Prospectus.

Applicants can obtain a copy of EP&T's privacy policy by visiting the EP&T website (www.eptglobal.com). By submitting an application, you agree that the Company and the Share Registry may communicate with you in electronic form or contact you by telephone in relation to the Offer. To the extent of any inconsistency between the foregoing and EP&T's privacy policy, the foregoing will apply. In all other respects, personal information collected by the Company in connection with your application will be handled in accordance with the privacy policy.

The Share Registry's complete privacy policy is available at the Share Registry's website, boardroomlimited.com.au. Queries regarding the Share Registry's privacy policy may also be emailed to corporateactions@boardroom.com.au.

INVESTIGATING ACCOUNTANT'S REPORT AND FINANCIAL SERVICES GUIDE

The provider of the Investigating Accountant's Report on Financial Information is required to provide Australian retail clients with a Financial Services Guide in relation to the review under the Corporations Act (**Financial Services Guide**). The Investigating Accountant's Report and accompanying Financial Services Guide is provided in Section 8.

QUESTIONS

If you have any questions about how to apply for Shares, please call your Broker.

Instructions on how to apply for Shares are set out in Section 7 of this Prospectus and on the back of the Application Form. If you have any questions in relation to the Offer, contact the EP&T Offer Information Line on 1300 737 760 (toll free within Australia) or +61 2 9290 9600 (outside Australia) between 8.15am and 5.30pm (Sydney time), Monday to Friday, during the Offer Period.

If you have any questions about whether to invest in Shares in the Company, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Company.

This document is important and should be read in its entirety before making any investment decision.

Chairman's Letter

Dear Investor,

On behalf of the Board of Directors, I am delighted to offer you the opportunity to become a shareholder in EP&T.

EP&T delivers building energy management solutions that reduce energy and water wastage and improve energy efficiency within commercial real estate.

EP&T's founder and management team has a strong track record of responsibly driving growth having achieved compound annualised contract value growth from FY2018 to FY2020 of over 24%. There are a number of challenges confronting building operators globally including: complexity in building operations; the increase in connected devices; increasing price of energy; and an increased focus on sustainability of building operations. EP&T's technology addresses many of these challenges. In an independent industry report produced for EP&T, Frost & Sullivan estimates that the global Building Energy Management Systems market was approximately $5.93 billion in 2019 and is expected to reach $9.54 billion by 2025.

The Board believes that EP&T is well-positioned to continue to grow strongly through leveraging its technology platform, investing in product innovation and sales and marketing and building on the strong foundations it has in place.

The Offer is seeking to raise $11 million through the offer of 55 million Shares at an Offer Price of $0.20 per Share. At Completion of the Offer, the Founder (through his investment vehicle Magnetar Capital Limited) is expected to own approximately 31% of EP&T and new Shareholders (including shareholders who have received shares on conversion of Convertible Notes) are expected to own approximately 69% of the total ordinary shares outstanding in the capital of the Company. Approximately 65.3% of the Shares outstanding at the Completion of the Offer will be subject to escrow arrangements as outlined in Section 6.4.

Before deciding on whether to invest in EP&T, you should carefully read this Prospectus in its entirety and seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser. I also encourage you to read the key risks that EP&T may be exposed to, including risks in relation to failure to achieve profitability, failure to retain existing clients and attract new business, failure to meet minimum guaranteed savings levels, failure to successfully implement its business strategy and increased competitive pressures, which are described in further detail in Section 5 of this Prospectus.

On behalf of the Board of Directors and senior management, I look forward to welcoming you as a shareholder of the Company.

Yours faithfully,

Jonathan Sweeney.

Jonathan Sweeney
Chairman and Non-Executive Director

Founder's Letter

Dear Investor,

In 1993 I formed EP&T in Australia to solve the problem facing this modern life: We use a lot of precious resources to support our lifestyle. I thought "wouldn't it be great to use less resources, specifically energy, without compromising how we live?"

Can we save money and keep our planet in better shape for the future generations?

The answer is a big 'yes'.

Given that human beings spend a considerable amount of time inside buildings, I decided to focus on making buildings energy efficient. Starting in 1993, I created EP&T and initially began replacing building management equipment with more efficient solutions. We realised very quickly that there were savings to be made by operating the existing equipment, new or old, more efficiently. So, in 1996 we developed technology that allowed us to collect data from buildings. We turned this into information that showed our clients how to eliminate wastage and assist with their strategy to manage buildings.

EP&T has exclusive access to this wealth of information gathered over the years. It led my team and I to develop what we call the EDGE platform; an innovative technology using Internet of Things (IoT) devices, algorithms and Artificial Intelligence to deliver energy, water and operational efficiencies in buildings across the world.

The world is changing at an incredible pace. We have faster internet and connectivity, faster microprocessors, lower cost data storage – all while the cost of energy is increasing. These developments have provided EP&T with the ability to exponentially increase the volume of data we collect, process and use to deliver energy efficiencies in our clients' buildings.

A key competitive advantage of EP&T is that the EDGE platform that we use is internally developed and proprietary to EP&T. It is borne out of EP&T's extensive domain knowledge and real life case studies built over 25 years.

The addressable market for building energy management solutions is significant given that buildings use 30% of all energy used globally.[1]

The EDGE platform we have developed is scalable and we continue to innovate as the technology develops. From initial building energy management solution, to deployment, to ongoing servicing (which is mostly remote) we can respond and grow quickly.

None of this would have been possible without our amazing team of people. Our team, led by Trent Knox as EP&T's CEO, is very focussed, dedicated and they love what they do.

Before deciding on whether to invest in EP&T, you should carefully read this Prospectus in its entirety and seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser. I also encourage you to read the key risks that EP&T may be exposed to, including risks in relation to failure to achieve profitability, failure to retain existing clients and attract new business, failure to meet minimum guaranteed savings levels, failure to successfully implement its business strategy and increased competitive pressures, which are described in further detail in Section 5 of this Prospectus.

I am very fortunate to be part of this next stage in our journey. I'm looking forward to the future. It will be exciting for all of us.

Yours truly,

Keith Gunaratne

1. Refer to Section 2.3 Frost and Sullivan Industry Report.

Key Offer Information

Key dates

Prospectus Date	**19 March 2021**
Broker Firm Offer and Priority Offer open	**7 April 2021**
Broker Firm Offer and Priority Offer close	**30 April 2021**
Settlement of the Offer	**6 May 2021**
Issue and transfer of Shares under the Offer	**7 May 2021**
Expected despatch of holding statements	**10 May 2021**
Expected commencement of trading begins on ASX (normal settlement basis)	**12 May 2021**

Note: This timetable is indicative only and may be subject to change without notice. Unless otherwise indicated, all times are stated in Sydney/AEST time (GMT +10). EP&T and the Seller, in consultation with the Lead Manager, reserve the right to vary any and all of the above dates and times without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the date the Offer closes, or to accept late applications, either generally or in particular cases, or to cancel or withdraw the Offer before settlement of the Offer, in each case without notification).
If the Offer is cancelled or withdrawn before settlement, or the minimum subscription amount under the Offer is not raised, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offer opens.

Key Offer statistics[2]

Offer Price per Share	**$0.20**
Total number of New Shares to be issued under the Offer	**47,500,000**
Total number of Existing Shares to be sold by the Seller under the Offer	**7,500,000**
Gross proceeds of the Offer	**$11,000,000**
Proceeds of the Offer paid to the Seller	**$1,500,000**
Proceeds of the Offer raised by the issue of New Shares in the Company	**$9,500,000**
Total number of Shares on issue on Completion	**185,799,500**
Number of Shares to be held by the Founder[3] on Completion	**58,264,311**
Indicative market capitalisation[4,5,6]	**$37,159,900**
Pro forma historical net Cash (as at 31 December 2020)[7]	**$8,737,000**
Indicative Enterprise Value at the Offer Price[8]	**$28,422,900**
Enterprise Value/31 December 2020 Annualised Contract Value[9]	**3.63x**

How to invest

Applications for Shares can only be made by completing and lodging an Application Form.

Instructions on how to apply for Shares are set out in Section 7 and on the back of the Application Form.

Questions

Please call the EP&T Offer Information Line on 1300 737 760 (toll free within Australia) or +61 2 9290 9600 (outside Australia) from 8.15am until 5.30pm (Sydney time) Monday to Friday. If you are unclear in relation to any matter or are uncertain as to whether EP&T is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

2. Key Offer statistics should be read in conjunction with the discussion of the Pro Forma Financial Information in Section 4.11 and the risk factors set out in Section 5. This table contains non-IFRS financial measures, which are discussed in Section 4.4.
3. Held by the Founder through his investment vehicle Magnetar Capital Limited and other related parties.
4. Indicative market capitalisation is based on Shares on issue on Completion calculated at the Offer Price. Shares may not trade at the Offer Price after Listing on ASX.
5. Indicative market capitalisation on a fully diluted basis assuming all options on issue as at Completion are exercised, is $44,392,434.
6. The “free float” (for the purposes of Listing Rule 1.1 Condition 7) will be approximately 34.7% of the Shares on issue on Completion.
7. Pro forma historical net cash is calculated on a pro forma basis as at 31 December 2020, immediately after Completion of the Offer. See Section 4.11.1.
8. Indicative Enterprise Value is the indicative market capitalisation at the Offer Price less pro forma net Cash as at 31 December 2020.
9. 31 December 2020 Annualised Contract Value is calculated based on Annualised Contract Value of $7.8 million. See Section 3.4.2 for a description of Annualised Contract Value.

01.

Investment Overview

01. Investment Overview

1.1 Introduction

Topic	Summary	For more information
Who is EP&T?	EP&T delivers building energy management solutions that reduce energy and water wastage and improve energy efficiency within commercial real estate. EP&T works with its clients to identify opportunities to optimise building plant operating systems and settings through its proprietary cloud-based data analytics software platform and data collection tool. EP&T then works with its clients to assist them to implement these initiatives to reduce a building's energy, water and gas consumption and improve operational performance. EP&T's Head Office is in Sydney (Australia), and it also has offices in the United Kingdom, Dubai and Hong Kong. EP&T has client sites across 18 countries covering four continents. EP&T has recently commenced engaging with clients under a 'Software as a Service' or SaaS model and is moving to recurring monthly or quarterly fees, thereby reducing upfront costs to clients.	**Section 3.1**
In which industry does EP&T operate?	EP&T is a vendor, supplier, and service provider of Building Energy Management Systems (BEMS), which are used by building owners and operators to reduce energy consumption and costs. The global BEMS market was estimated at $5.93 billion in 2019 and is expected to reach $9.54 billion by 2025.[10]	**Section 2.1**
What is EP&T's history?	EP&T started supplying its proprietary hardware-based building energy management solutions in Australia in 1993. The experience gained from supplying this market identified a gap and hence an opportunity to develop a technology to improve the operational efficiency of commercial real estate. At first EP&T used manual data driven solutions. More recently, EP&T has taken advantage of technological advances to amalgamate this experience and data into the EDGE software platform. EP&T now serves an international market through its network of offices.	**Section 3.2**

10. Global Home Energy Management Systems (HEMS) and Building Energy Management Systems (BEMS) Market, Forecast to 2025, Frost & Sullivan, Aug 2019.

01. Investment Overview

1.2 Key features of business model

Topic	Summary	For more information
What does EP&T do?	EP&T supplies and installs a central utility management software platform known as EDGE. EDGE is a fully integrated Internet of Things (IoT) technology platform that captures electricity, gas, thermal, water and BMS data and applies analytics to optimise the operational performance of buildings. Data captured in EDGE can also be used for sustainability reporting, asset lifecycle management, tenant billing and demand management.	**Section 3.3.1**
What is EP&T's technology platform?	EP&T's EDGE platform provides an end-to-end, modular building energy management solution for building owners and operators. EDGE captures, aggregates and analyses data for each property and then overlays this with EP&T's performance optimisation services and solutions to provide engagement and benefit for clients. The Energy Analytics module is a core component to the EDGE platform and can be complemented by additional modules which provide enhanced reporting and analytical capabilities to clients.	**Section 3.3.1**
Who are EP&T's clients?	EP&T provides its services to over 280 buildings in 18 countries including in Europe, Asia, Australia, United Arab Emirates and USA. EP&T's clients include a broad range blue chip domestic and international property owners and operators across commercial and industrial property, hotel and leisure facilities, retail centres, hospitals and public sector buildings.	**Sections 3.1 and 3.3.2**
What problem is EP&T solving?	EP&T products and solutions assist building operators to manage a number of challenges, including: • *Complexity in building operations* – As there is a shift towards Smart Buildings the number of connected devices increases and building operators now require a holistic view of these devices in individual buildings and across a portfolio of buildings. • *The increase in connected devices* – The amount of data which is produced by buildings is growing and it's therefore increasingly difficult to channel this information into actionable insights that can help to safe energy consumption and improve financial performance and a reduction in emissions. • *Increasing price of energy* – Energy costs are approximately one-third of the operating expenses of commercial buildings.[11] With the rise of energy prices globally there is a need for building operators and owners to reduce the operating inefficiencies in buildings to control the rise in energy costs. • *An increased focus on sustainability of building operations* – Obtaining and retaining rating measures such as GRESB and NABERS have a meaningful impact on the occupancy levels and the value of the real estate.	**Section 2**

11. Global Home Energy Management Systems (HEMS) and Building Energy Management Systems (BEMS) Market, Forecast to 2025, Frost & Sullivan, Aug 2019.

<table>
<tr><th>Topic</th><th>Summary</th><th>For more information</th></tr>
<tr><td rowspan="5">What is EP&T's value proposition?</td><td>EP&T has a long term, proven track record of delivering energy and cost savings to clients through the EDGE platform.</td><td></td></tr>
<tr><td>• Average energy savings across EP&T's total portfolio average of 22% per year. This equates to over 100,000 tonnes of CO2 emissions avoided each year, which is equivalent to taking over 22,000 passenger vehicles off the road each year.</td><td>Section 3.3.4</td></tr>
<tr><td>• Since 2016, EP&T has delivered over $110 million in energy savings for clients.</td><td>Section 3.3.4</td></tr>
<tr><td>• Secure repository of building operational data. EP&T technology is installed in over 5 million sqm of building space and measures over 5.6 billion data points per annum. EP&T collects and stores this data which in turn is used to refine algorithms to the benefit of all clients.</td><td>Section 3.3.5</td></tr>
<tr><td>• EP&T's clients have been awarded top positions in some of the world's most prestigious energy efficiency and sustainability awards for the last 7 years. These include DJSI (Dow Jones Sustainability Index) and GRESB (Global Real Estate Sustainability Benchmark) awards.</td><td>Section 3.3.3</td></tr>
<tr><td>How does EP&T distribute its products?</td><td>EP&T employs a range of direct sales strategies focused on winning new clients, including:
Direct sales channels through its sales teams operating out of its four offices in Sydney, London, Hong Kong and Dubai;
Expanding further into the portfolios of existing clients and the upselling of additional products to the existing client base; and
Sales referral partners.</td><td>Section 3.1</td></tr>
<tr><td>How does EP&T generate revenue?</td><td>EP&T generates revenue through:
Recurring subscription fees
These fees are charged as a Software as a Service ('SaaS'). Clients are charged recurring fees to access EP&T's EDGE platform and building energy management solution. The fee size is driven by:
The size of the building and the complexity of the system installed; and
Support services offered, which is based on the level of service supplied and size and complexity of the building.
Project fees
Clients under the project fee structure, which is diminishing, incur upfront fees charged for hardware and system installation, equipment replacement charges and system upgrades outside of our SaaS model; and
One-off fees charged for various associated client assistance including, consulting or advisory services such as sustainability audits.
Other revenue
Research and development incentives.</td><td>Section 3.4.3</td></tr>
</table>

01. Investment Overview

Topic	Summary	For more information
What is EP&T's growth strategy?	EP&T has the following key strategies for growth: • *Investing in Sales and Marketing* – Investment will be made in expanding EP&T's sales team to enable the successful roll-out of the SaaS model globally. This will be supported by targeted marketing campaigns to increase EP&T's brand recognition and gain deeper levels of market penetration. • *Moving to a SaaS based client engagement model* – Historically EP&T used a capital model with high upfront installation fees to clients. In September 2019 this was replaced with a SaaS based model benefitting from lower or no upfront costs to clients. • *Driving product innovation* – continued product innovation to meet EP&T's client needs. The expansion of the product suite may open up further cross sell opportunities and increase EP&T's addressable market. • *Further International Expansion* – EP&T has successfully established offices in three countries outside of Australia. It has a pipeline of global sales opportunities and will assess if further international expansion will be pursued in those regions where EP&T considers the greatest addressable market opportunities reside.	**Section 3.6**
Who are EP&T's key competitors?	The BEMS market contains both mature participants who offer a wide range of hardware and software beyond BEMS applications and emerging companies that are software-based in their product offerings. EP&T's flexible operating model can incorporate both hardware and software, and pure software solutions so it is positioned to meet the requirements of clients across the BEMS market. EP&T does not consider that there are any dominant competitors in any of the jurisdictions in which the company operates. There are significant barriers to entry to successfully compete in the BEMS market. The intellectual property (**IP**) to deliver accurate and reliable capture and analysis of energy data is difficult to achieve. In addition, clients look for successful track record of deployments – which makes it more difficult for new entrants to compete with established providers. Providers who can provide holistic and integrated solutions (not only software, but also hardware and optimisation support services) are difficult to dislodge. EP&T has a proven track record of deployments in over 280 buildings using its proprietary EDGE platform and provides a comprehensive optimisation support service.	**Section 2.7**

1.3 Key financials and dividend policy

What is EP&T's key financial information?

Historical Period – Pro Forma[1]

$'000	FY2018 Pro forma	Y2019 Pro forma	FY2020 Pro forma	1HFY2021 Pro forma	1HFY2020 Pro forma
Revenue	9,297	9,286	6,702	3,223	3,503
EBITDA	(1,321)	(3,871)	(3,490)	(1,524)	(1,620)
EBIT	(1,439)	(3,994)	(4,018)	(1,778)	(1,890)
NLAT	(1,584)	(3,805)	(3,951)	(1,592)	(1,896)

Key Operating Metrics

$'000	FY2018	FY2019	FY2020	1HFY2021	1HFY2020
Annualised Contract Value (ACV)[2]	5,011	6,217	7,649	7,826	7,425
Unbilled Contract Value (UCV)[3]	14,438	18,772	23,390	25,605	24,652

Statement of Financial Position

	EP&T at incorporation date	Pro forma adjustments Corporate Restructure	Impact of the Offer	Pro Forma
Total Assets	–	9,757	6,502	16,259
Total Liabilities	–	6,661	(1,959)	4,702
Net Assets	–	3,096	8,461	11,557
Equity	–	3,096	8,461	11,557

Notes:

1. Pro forma adjustments relate to incremental public company costs, write off of bad debts (net of previous provisions) and convertible note interest cost to reflect the post Offer capital structure.
2. ACV is the total amount to be invoiced under a contract with a client over a 12-month period.
3. UCV is the remaining total unbilled amount to be invoiced under a contract to the end of the contract term.

The information presented above contains Non-International Financial Reporting Standards (IFRS) financial measures, is intended as a summary only and should be read in conjunction with the more detailed discussion on the Financial Information disclosed in Section 4 as well as the risk factors set out in Section 5.

Investors should read Section 4 for the full details of EP&T's pro forma and statutory Financial Information, including the pro forma adjustments and reconciliations in Section 4.6 and Section 4.11.

Section 4

What is EP&T's dividend policy?

The current policy of the Company as at the Prospectus Date is to reinvest cash flow into the business to maximise its growth. No dividends are expected to be paid in the near term following the Company's listing on ASX.

Section 4.13

01. Investment Overview

Does EP&T currently have any debt facilities?	EP&T has a bank loan facility and an overdraft facility, both of which will be repaid in full from the proceeds of the Offer.	**Section 4**

1.4 Key strengths

Topic	Summary	For more information
Large market opportunity with clear growth strategy	• There is an estimated 61.3 billion square meters of non-residential building floor space globally. • In 2018, 73 countries had or were designing mandatory or voluntary building energy codes and 85 countries had adopted building energy performance certification programs such as GRESB and NABERS. • EP&T has been successfully installed in commercial buildings, shopping centres, clubs, hotels, hospitals all over the world – applicable to multiple forms of commercial real estate. • EDGE systems are currently installed in 18 countries managed remotely from Sydney, Australia.	**Section 2.3**
Scalable, technology-led business model	• EP&T is transitioning to a SaaS based contract model, intended to drive growth in recurring revenue, shorten the sales cycle and increase client savings. • EP&T operates from four offices only and client installations are commissioned remotely from Australia. • EP&T provides clients with an end-to-end building energy management solution from concept design through to implementation, software support and ongoing consultation for a range of operational sustainability requirements.	**Section 3.4**
Attractive growth profile, with increasing operating leverage	• EP&T has achieved an overall sustained growth rate in ACV on a global basis at an CAGR of 24% from June 2018 to June 2020. • Investment in overseas offices has contributed substantially to the overall Company growth rate, delivering an CAGR of 57% from June 2018 to June 2020. • At June 2020, EP&T had contracts with customers with remaining amounts of ongoing fees to be billed of $23.4m over an average term of 3.1 years.	**Section 3.5.3** **Section 3.5.4**
Proven, proprietary technology	• EP&T has developed technology combining both hardware and software that is delivering energy saving results in all forms of commercial real estate. • EP&T's solutions are not reliant on external providers or software vendors, and EP&T has an in-house innovation, research and development team to continue to evolve EP&T's platform. • Secure depository of building operational data. EP&T technology is installed in over 5 million sqm of building space and measures over 5.6 billion data points per annum. EP&T collects and stores this data which in turn is used to refine algorithms to the benefit of all clients.	**Section 3.5**

Topic	Summary	For more information
Global, blue chip client base	• EP&T's building energy management solution is currently installed in leading global real estate brands in over 280 commercial buildings in 18 countries. • Lifetime Value – total portfolio average relationship over 5.3 years and 9.3 years for top 10 clients (by portfolio size).	**Section 3.5.2**
Strong tailwinds from macro environment	• Buildings are estimated to use 30% of the world's energy and emit 28% of the world's carbon emissions. • Across the globe, several regions, cities and alliances are putting in place ambitious goals towards carbon neutrality.	**Section 2.3**
Experienced team	• EP&T has a highly experienced management and executive team. This experience has been bolstered by the appointment of a proven Board, CEO and CFO in recent years. • EP&T's Founder will remain with EP&T in an Executive Director role focussed on Innovation and Enterprise Sales and remains committed to supporting EP&T through its next phase of growth. • EP&T's current employees have a cumulative tenure with EP&T of over 296 years (average 5 years 2 months tenure per employee).	**Section 3.3.3**

1.5 Key risks

Topic	Summary	For more information
Failure to achieve profitability	EP&T has historically focused on developing its platform and product and growing its client base through expansion of overseas offices. EP&T changed its client engagement model in FY20 to a SaaS model under which revenues are invoiced and recognised over the contract term. This has led to a decrease in revenue when compared to FY18 and FY19 and this has in turn increased NPAT losses in FY20 and H1FY2021 compared to FY18 and FY19. This change to a SaaS model is part of EP&T's growth strategy. EP&T expects that losses and negative operating cash flows will continue in the near term as a result of this change. If EP&T fails to generate positive NPAT in the future it may be required to raise further capital and EP&T's future operations and ability to execute its growth strategy may be adversely affected.	**Section 5.2.1**
Failure to retain existing clients and attract new business	Whilst EP&T is an established player in the building energy management system industry, it remains in the early stages of its SaaS based growth strategy, and its ability to scale its business is heavily reliant on new client growth. EP&T's business also depends on its ability to retain existing clients and attract further additional business from existing clients. There is a risk EP&T's existing clients reduce their usage of its building energy management solution (for example the number of sites, services or modules used) or terminate their relationship with EP&T. This would result in a reduction in the level of payments made from clients resulting in a decrease in EP&T's revenue.	**Section 5.2.2**

01. Investment Overview

Topic	Summary	For more information
Failure to meet minimum guaranteed savings levels	EP&T has guaranteed a pre-determined value of energy savings following installation of monitoring equipment and the commencement of monitoring and reporting services to certain clients in accordance with their specific agreements (refer to Section 3.4.4 for further information). There is a risk that the approval process to determine the appropriate guarantee is ineffective or that the guarantees are called upon. Failure to generate guaranteed savings for clients will result in EP&T incurring a liability to repay the shortfall which may adversely impact EP&T's future financial performance.	**Section 5.2.3**
Failure to recover long term receivables from clients	EP&T is exposed to credit risk from certain clients who have entered a deferred payment arrangement under the Company's previous client engagement model (Zero Investment Plan or ZIP) that has now been replaced by the new SaaS business model. The extended nature of these deferred payments increases EP&T's risk of exposure to clients who may encounter financial difficulties. If EP&T is unable to recover deferred payments from clients who encounter financial difficulties, this may lead to impairment charges being recognised in EP&T's financial statements and reduced cash collections in the future.	**Section 5.2.4**
Failure to successfully implement its business strategy	There is a risk that EP&T's business strategy or any of its growth initiatives will not be successfully implemented, deliver the expected returns or ultimately be profitable.	**Section 5.2.5**
Increased competitive pressures	In the competitive landscape that EP&T operates in, there is a risk that EP&T may: • fail to implement changes to satisfy the changing expectations of its clients, relative to and with the same efficiencies as its competitors; • be slower to anticipate and adapt to technological changes and updates, which may result in a prolonged period of product obsolescence; and/or • face the risk that in-house building management teams developed internal solutions may become preferred to outsourced building energy management system solutions. If any of these risks arise, EP&T's ability to effectively compete and increase its market share will be adversely effected which could result in the reduction of EP&T's market share and revenue, having a material adverse impact on EP&T's revenue and profitability.	**Section 5.2.6**

Topic	Summary	For more information
EP&T may be exposed to other risks	More detail on these risks and a number of other risks are outlined in Section 5.2, including: • Pricing risk; • Product liabilities; • Operations in foreign jurisdictions or unfamiliar markets; • Failure to adequately maintain and develop the building energy management solution; • Disruption or failure of technology systems and software; • Cyber security incidents; • Failure to realise benefits from research and development; • Sales cycles and implementation times can be complex, lengthy, and require significant resources; • Failure to protect EP&T's intellectual property rights; • Breach of third party intellectual property rights; • Inability to attract or retain key personnel; • Compliance with laws and regulations; • Litigation, claims, disputes; • Foreign exchange fluctuations; and • Ability to access capital markets or refinance debt on attractive terms. In addition, Section 5.3 outlines a number of general investment risks.	**Sections 5.2 and 5.3**

1.6 Directors and senior management

Topic	Summary	For more information
Who are the Directors of the Company?	• Jonathan Sweeney, Chairman and Independent Non-Executive Director. • Keith Gunaratne, Executive Director and Chief Technology Officer and Enterprise Sales. • John Balassis, Independent Non-Executive Director. • Victor van Bommel, Independent Non-Executive Director.	**Section 6.1**
Who are the members of EP&T's senior management?	• Trent Knox, Chief Executive Officer. • Richard Pillinger, Chief Financial Officer. • Rajesh Jampala, Chief Operating Officer.	**Section 6.2**

01. Investment Overview

1.7 Significant interests of key people and related parties

Topic	Summary	For more information
Who are the Shareholders and what will their interest in the Company be at the Prospectus Date and on Completion?	See table and notes below	**Section 7.1.5**

Shareholders	Shareholding as at the Prospectus Date (n)	Shareholding as at the Prospectus Date (%)	Shares acquired[6] /(sold)	Shareholding on Completion (n)[7,8]	Shareholding on Completion (%)
Magnetar Capital Limited[1]	64,811,972	100.00%	(6,547,661)[9]	58,264,311	31.36%
Convertible Noteholders (other Directors/ Senior Executives/ related parties (and their associates))[2]	Nil	Nil	2,366,571	2,366,571	1.27%
Convertible Note holders (unrelated parties)[3]	Nil	Nil	69,060,623	69,060,623	37.17%
Lead Manager[4]	Nil	Nil	1,857,995	1,857,995	1.00%
New Share-holders[5]	Nil	Nil	54,250,000	54,250,000	29.20%
Total	**64,811,972**	**100.00%**	**120,987,528**	**185,799,500**	**100.00%**

Notes:

1. Magnetar Capital Limited is controlled by Keith Gunaratne, the Founder. This includes Shares which will be issued to a related party of the Founder on conversion of Convertible Notes and Shares that related parties of the Founder intend to subscribe for under the Offer.
2. This includes Shares which will be issued on conversion of Convertible Notes held by John Balassis and Victor van Bommel either directly or through their related parties investment vehicles. See Section 6.3.1.6 for further detail on holdings of Directors.
3. This excludes shares issued in relation to Convertible Notes held by the other Directors/ Senior Executives/related parties (and their associates).
4. Shares issued to the Lead Manager for general financial advisory services rendered prior to the Offer.
5. At a maximum subscription of $11 million and issue price of $0.20 per Share, excluding 750,000 Shares that related parties of the Founder have informed EP&T they intend to subscribe for under the Offer.
6. "Acquired" includes Shares issued on conversion of Convertible Notes.
7. This table includes new issues of Shares on the conversion of Convertible Notes, and Shares that the Directors, advisors or management and executives have informed EP&T they intend to subscribe for under the Offer.
8. Shareholding numbers and percentages have been calculated on an undiluted basis. For details of Existing Options on issue and the terms of those Existing Options, see Sections 6.3.1.6, 6.3.2.3, 6.3.2.4 and 6.3.2.5.
9. Existing Shares of 7,500,000 to be sold by Magnetar Capital Limited under the Offer net of 750,000 Shares that related parties of the Founder intend to subscribe for under the Offer and 202,339 Shares issued to a related party of the Founder on conversion of Convertible Notes.

Topic	Summary	For more information
What benefits and interests are payable to Directors, advisors and other persons connected with EP&T or the Offer, and what interests do they hold?	See table and notes below	**Sections 6.3.6, 6.4 and 6.3.2.5**

Directors, advisors and other persons[2]	As at Prospectus Date			At Completion[1]	
	Shares	Convertible Notes	Existing Options	Shares	Existing Options
Jonathan Sweeney	–	–	2,765,990	250,000[4]	2,765,990
Keith Gunaratne	64,811,972[5]	202,339	3,457,488	58,264,311[6]	3,457,488
John Balassis	–	768,039	829,797	1,018,039[4]	829,797
Victor van Bommel[3]	–	1,598,532	829,797	2,223,532[4]	829,797
Lead Manager	–	–	2,786,993	1,857,995	2,786,993
Management and Executives	–	–	10,026,714	–	10,026,714

Notes:

1. This table includes new issues of Shares due on the conversion of Convertible Notes, and Shares that the Directors, advisors or management and executives have informed EP&T they intend to subscribe for under the Offer.
2. Directors may hold their interests directly, or through entities associated with them (e.g. through companies or trusts).
3. At the Prospectus Date, Victor van Bommel has a beneficial interest of 25% in STAK Fleet Street, which in turn holds 100,000 Convertible Notes which are intended to convert (including interest) into 1,036,439 Shares on Completion. At Completion, Victor's 2,223,532 Shares shown in this table includes 259,110 Shares held by STAK Fleet Street, and 125,000 Shares that STAK Fleet Street intends to apply for under the offer and reflects his economic interest in EP&T at Completion.
4. Jonathan Sweeney has informed EP&T that he, or his investment vehicles, intend to apply for 250,000 Shares under the Offer. Victor van Bommel has informed EP&T that he, or his investment vehicles, intend to apply for 500,000 Shares under the Offer. John Balassis has informed EP&T that he, or his investment vehicles, intend to apply for 250,000 Shares under the Offer.
5. Shares held by Magnetar Capital Limited.
6. This includes 750,000 Shares that related parties of Keith Gunaratne intend to subscribe for under the Offer and 202,339 Shares issued to a related party on conversion of Convertible Notes.

Directors and senior management are entitled to remuneration and fees on commercial terms as described in Section 6.3.2.

Advisors and other service providers will receive fees for services on the terms set out in Section 6.3.1.

Further details of the significant interests of key people, related party transactions and advisor and service provider fee entitlements are set out in Section 6.3.

Topic	Summary	For more information
What related party arrangements are in place?	Other than interests in Shares and Existing Options, Director appointment or employment agreements, the Company is not aware of any other related party arrangements.	

01. Investment Overview

Topic	Summary	For more information
Will any Shares be subject to restrictions on disposal following Completion of the Offer?	Yes. In accordance with the ASX Listing Rules, Directors and certain shareholders of EP&T will be subject to mandatory escrow conditions for some, or all, of their Shares. Additionally, a number of EP&T's Shareholders will submit to voluntary escrow arrangements for all of their holdings (whether or not they are already subject to mandatory escrow arrangements). Shareholders holding escrowed Shares will be restricted from dealing with the those Shares until the expiration of the relevant escrow period, subject to certain partial release dates and other exceptions. In aggregate, 121.5 million Shares representing approximately 65.3% of total Shares on issue immediately following Completion will be subject to mandatory or voluntary escrow arrangements. These escrow arrangements are described in Section 6.4, including details of the escrow restrictions, the applicable escrow periods and exceptions to the escrow arrangements.	**Section 6.4**

1.8 Proposed use of funds and key terms and conditions of the Offer

Topic	Summary	For more information
Who is the issuer of the Prospectus?	EP&T Global Limited (ACN 645 144 314), a company registered in New South Wales, Australia and EP&T SaleCo Limited (ACN 648 600 864).	**Section 7.1**
What is the Offer?	The Offer comprises an offer of the issue of 47,500,000 New Shares by the Company, and the sale of 7,500,000 Existing Shares by the Seller through the Retail Offer and the Institutional Offer. The Offer Price is $0.20 per Share. All Shares issued and sold pursuant to this Prospectus will rank equally with all other Shares on issue.	**Section 7.1.1**
What is the minimum subscription amount?	The minimum subscription amount under the Offer is $11 million (before costs). If this amount is not raised then the Offer will not proceed and all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.	**Section 7.1**

Topic	Summary	For more information

What are the sources and uses of funds?

Source	Amounts ($000)	%	Use of funds	Amounts ($000)	%
Cash proceeds from the issue of New Shares by EP&T	9,500	86.4%	Sales and Marketing	2,610	23.7%
			SaaS project material and installation costs	2,340	21.3%
			Operating expenditure (inc. R&D and working capital)	1,160	10.6%
			Repayment of shareholder loans and purchase of assets from the Founder	1,190	10.8%
			Repayment of debt	1,140	10.4%
			Costs of the Offer	1,060	9.6%
			Total from proceeds of issue of New Shares	**9,500**	**86.4%**
Cash proceeds received by the Seller from transfer of Existing Shares	1,500	13.6%	Cash proceeds to the Seller as consideration for the sale of Existing Shares	1,500	13.6%
Total	**11,000**	**100.0%**		**11,000**	**100.0%**

The above table should be considered an indication of current intended use of funds as at the Prospectus Date. Investors should note that, as with any projection, the allocation of funds set out in the above table may change depending on a number of factors, intervening events and new circumstances including the growth rate of the business, the sources of funding utilised, and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

Section 7.1.2

Why is the Offer being conducted?

The purpose of the Offer is to:

- Provide EP&T with access to the capital markets to improve capital management flexibility and assist with investing in future growth strategies;
- Provide EP&T with a stronger balance sheet by increasing the cash and cash equivalents, as well as the ability to repay debt;
- Provide EP&T with the benefits of an increased profile that comes with the Company being a publicly listed company;
- Provide EP&T with a liquid market for the Shares and an opportunity for other persons to invest in the Company;
- Provide the Founder the ability to realise part of his investment in the Company (subject to the escrow arrangements outlined in Section 6.4); and
- Help accelerate growth of EP&T.

Section 7.1.2

01. Investment Overview

Topic	Summary	For more information
Will the Shares be quoted?	The Company will apply for admission of the Company to the official list of ASX and quotation of Shares on ASX (which is expected to be under the code 'EPX'). Completion is conditional on EP&T raising the minimum subscription of $11.0 million (before costs) and ASX approving the application for admission.	**Section 7.2**
How is the Offer structured?	The Offer comprises: • The Retail Offer which comprises: – the Broker Firm Offer, which is open to Australian and New Zealand resident retail clients of Brokers who receive a firm allocation of Shares from their Broker; and – the Priority Offer, which is open only to persons who have received a priority offer invitation; and • the Institutional Offer, which consisted of an offer to Institutional Investors in Australia and certain other eligible jurisdictions, made with disclosure under this Prospectus.	**Section 7.1.1**
Is the Offer underwritten?	No, the Offer is not underwritten.	**Sections 7.2 and 9.4**
Who is the Lead Manager to the Offer?	Bell Potter Securities Limited.	
Are there any conditions to the Offer?	No, other than raising the minimum subscription amount being raised, and ASX approval for quotation of the Shares, the Offer is unconditional.	
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer, the Institutional Offer and the Priority Offer was determined by the Lead Manager, EP&T and the Seller having regard to the allocation policies outlined in Sections 7.3.4, 7.4.1 and 7.4.2. The allocation of Shares among applicants in the Institutional Offer was determined by the Lead Manager and EP&T. With respect to the Broker Firm Offer, it will be a matter for the Brokers how they allocate firm stock among their eligible retail clients. The allocation of Shares among applicants in the Priority Offer is at the absolute discretion of the EP&T and the Seller. EP&T, the Lead Manager and the Seller reserve the right to reject any application or to allocate a lesser number of Shares than that applied for.	**Sections 7.3.4, 7.4.1 and 7.4.2**
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by applicants on acquisition of Shares under the Offer.	**Section 7.2**

Topic	Summary	For more information
What are the tax implications of investing in Shares?	A summary of certain Australian tax consequences of participating in the Offer and investing in Shares is set out in Section 9.6. The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. It is the obligation of the investors to make their own enquiries concerning the taxation consequences of an investment in EP&T. If you are in doubt as to the course you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser. Applicants should obtain their own tax advice prior to deciding whether to invest.	**Section 9.6**
When will I receive confirmation that my application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about 10 May 2021. Refunds to applicants, who make an application and are scaled back, will be made as soon as possible post Completion, which is expected to occur on or around 12 May 2021. No refunds will be made where the overpayments relate solely to rounding at the Offer Price.	**See Key Dates at page 06**
How can I apply?	Eligible investors may apply for Shares by completing a valid Application Form attached to or accompanying this Prospectus. Broker Firm Offer applicants may apply for Shares by completing a valid Application Form attached to or accompanying this Prospectus and lodging it with the Broker who invited them to participate in the Offer. Applicants under the Priority Offer may apply in accordance with the instructions provided in their personalised Priority Offer invitation. The Lead Manager has separately advised Institutional Investors of the application procedure under the Institutional Offer. To the extent permitted by law, an application by an applicant under the Offer is irrevocable.	**Sections 7.3 to 7.7**
What is the minimum application size?	The minimum application under the Broker Firm Offer is as directed by the applicant's Broker. There is no maximum value of Shares that may be applied for under the Broker Firm Offer. The minimum application under the Priority Offer is $2,000 of Shares and in multiples of $500 thereafter. You may apply for an amount up to the amount indicated on your personalised invitation.	**Sections 7.3 and 7.4**
When can I sell my Shares on ASX?	It is expected that trading of Shares on ASX will commence trading on ASX on a normal settlement basis on or about 12 May 2021. It is the responsibility of each applicant to confirm their holding before trading their Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.	**Section 7.2**

01. Investment Overview

Topic	Summary	For more information
Where can I find more information about this Prospectus or the Offer?	Please call the EP&T Offer Information Line on 1300 737 760 (toll free within Australia) or +61 2 9290 9600 (outside Australia) from 8.15am until 5.30pm (Sydney time) Monday to Friday. If you are unclear in relation to any matter or are uncertain as to whether EP&T is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.	
Can the Offer be withdrawn?	EP&T and the Seller reserve the right not to proceed with the Offer at any time before the issue of New Shares or transfer of Existing Shares to successful applicants. If the Offer does not proceed, all application monies will be refunded in full (without interest) by the Share Registry, your Broker or EP&T.	**Section 7.2**

02.

Industry Overview

02.
Industry Overview

Frost & Sullivan Industry Report: The Global Market for Building Energy Management Systems

This report describes the global Building Energy Management Systems (**BEMS**) market and has been commissioned from Frost & Sullivan by EP&T Global Limited to support its IPO process.

2.1 Introduction and Background

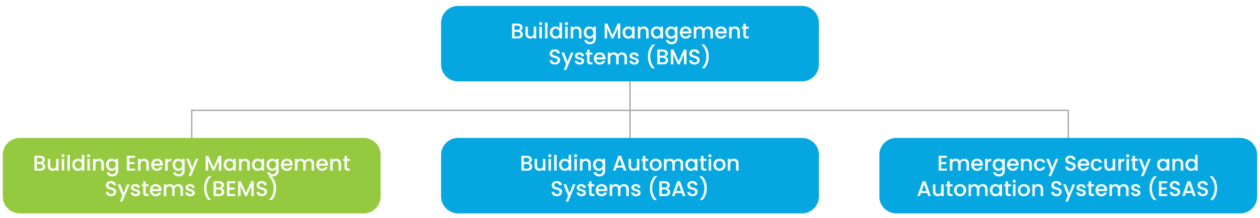
EP&T is a vendor of BEMS, which are used by building owners and operators to reduce energy consumption and costs. BEMS systems typically interface with building management and control systems (**BMCS**) that are used to control all aspects of a building. The Company's EDGE technology monitors (refer to Section 3 for a description of this technology), collects and analyses data from numerous sources within buildings to identify opportunities to reduce energy consumption. The Company works with clients in a variety of industry sectors, including real estate investment trusts (**REITs**), hotels, clubs and shopping centres. Users of EP&T's technology are typically able to achieve substantial savings in energy (and water) usage.

2.2 Definitions and Methodology

Definitions

BEMS is a key segment within the larger Building Management Systems (**BMS**) market.

Figure 1: Building Management System Segments



Source: Frost & Sullivan

The BMS market comprises the following three segments:

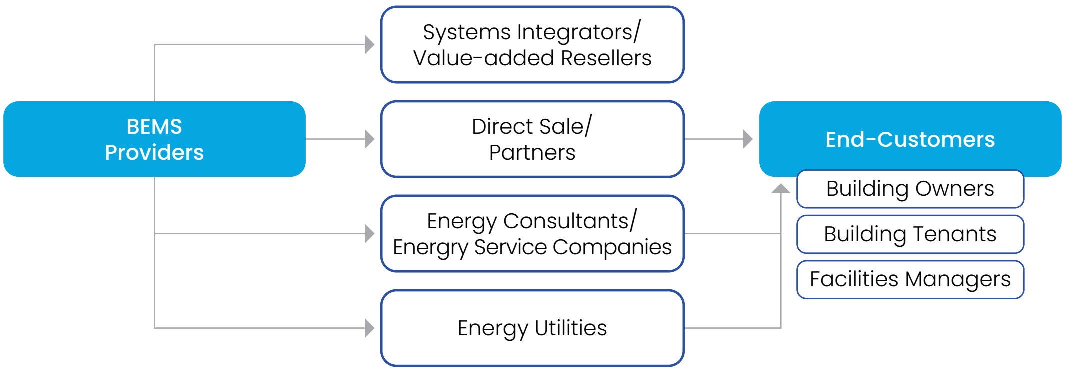
BEMS is a computerised system that monitors, manages, and optimises the actual performance of building services, such as Heating, Ventilation, and Air Conditioning (**HVAC**) and lighting systems, in commercial and industrial buildings. BEMS include hardware, software, and services components. Hardware includes controllers/Internet of Things (**IoT**)[12] gateways that send field-level data to the cloud by interfacing with the management layer. Software includes dashboard applications and cloud-based optimisation software. BEMS services include software implementation and software maintenance and support.

- **BAS** centralises remote monitoring and controls of all building facilities—including electricity, lighting, plumbing, ventilation and air conditioning, water supply and drainage, and environmental control systems—at a single control centre.
- **ESAS** is responsible for alerting the occupants of the building to any emergency situation and guiding them to the nearest and safest exits. These systems include anti-theft security and alarm systems, access control systems, and closed circuit television (**CCTV**) surveillance systems.

BEMS Industry Structure

The BEMS industry structure is outline in the figure below:

Figure 2: BEMS Industry Structure, Global, 2020



Source: Frost & Sullivan

2.3 Other Definitions

Artificial Intelligence (**AI**) is a general class of technologies that seeks to emulate human cognitive capabilities and assist in decision making, with high accuracy and speed using data-driven intelligence and self-learning abilities.

Cloud Computing is a pool of compute, memory and input-output (**I/O**) resources, applications or operating environments with seemingly infinite scalability, delivered as a service (**aaS**) over a network. Software as a Service (SaaS) refers to software delivered through the public or private network.

Machine Learning (**ML**) applies to a class of computing that can learn a task without being explicitly programmed to perform that task. In general terms, ML relies on a set of defined goals which the computer attempts to achieve through analysis of a data set. ML applications can be self-trained, human-trained, or a combination of both.

Methodology

In writing this report, Frost & Sullivan has used existing published data sources from government statistics, journals, articles, analyst reports and company reports and presentations, which are considered reliable. All currency refers to Australian dollars ($) unless stated otherwise. Exchange rate used is 1 AUD = 0.73 USD.[13]

12. IoT is when objects are connected, virtualised and imbued with data measurement capabilities (giving physical and virtual objects an identity, interconnecting the objects that can monitor and interact with each other and having the ability to generate real-time insights from data that can be incorporated into existing organisational processes).
13. https://www.xe.com/

02. Industry Overview

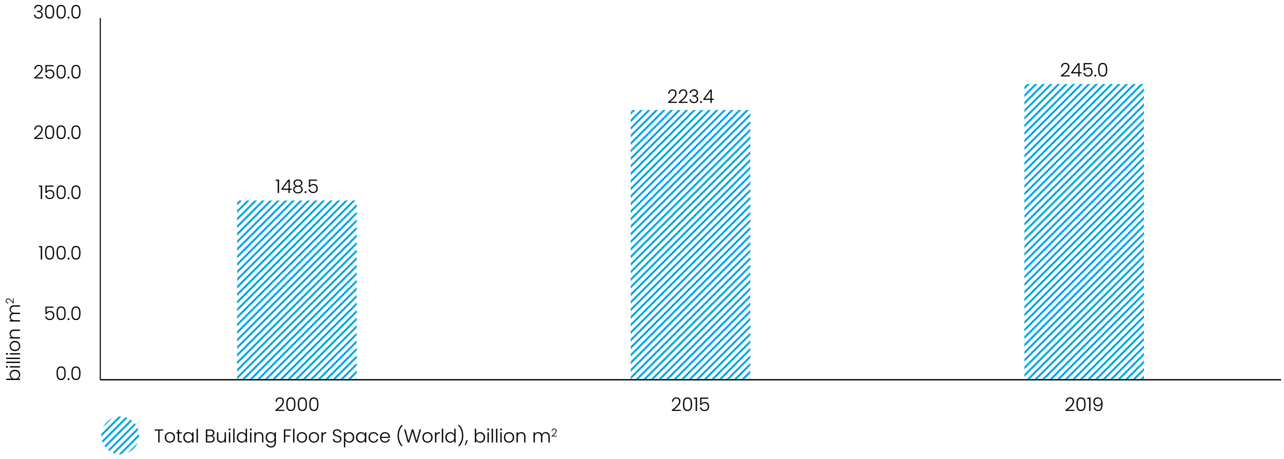
2.4 Market Drivers

The key trends supporting growth in the BEMS market are described in more detail below.

Growth in total building floor space

As the figure below highlights, total building floor space has increased over time and this trend is driven by macro trends around population growth, industrialisation, as well as growth in incomes. Between 2000 and 2019, total floor space has increased 65%.[14] This increases the addressable opportunity for BEMS.

Figure 3: Total Building Floor Space, World, 2000, 2015 and 2019



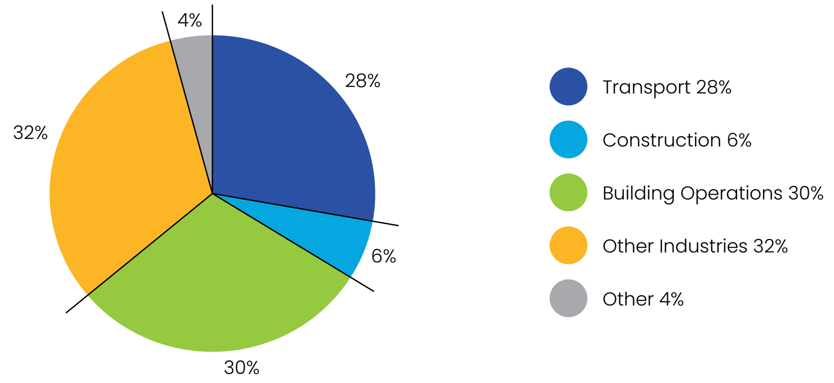
Source: International Energy Agency (IEA)

The potential to reduce energy and emissions

In 2018, the global building operations sector (excluding construction) accounted for 30% of final energy use and 28% of total emissions.[15] Despite energy efficiency gains, it is expected that over the long term, population growth, continued growth in commercial and industrial activity and consequent growth in total floor area of buildings (23% growth between 2010 and 2018)[16] will keep this sector the single largest consumer of final energy and the single largest source of emissions over the medium term. Between 2010 and 2019, global final energy use in buildings rose 8.5% and emissions from buildings rose 5%.[17] Energy intensity in buildings (final energy use per m2) has seen reductions of 0.5% to 1% per year since 2010; however, average annual floor area growth has remained around 2.5% since 2010.[18]

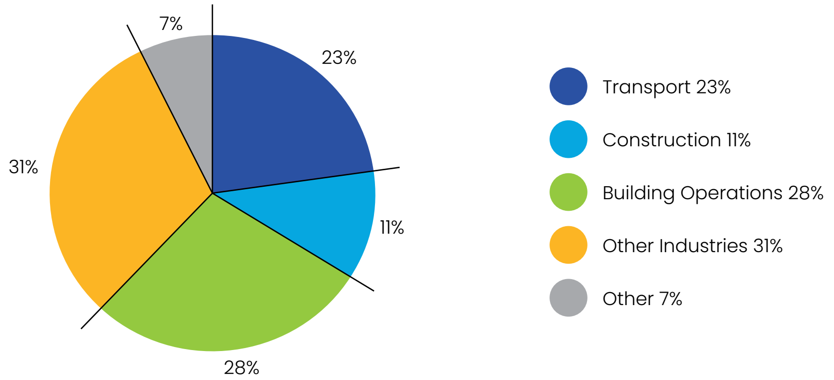
14. International Energy Agency (IEA) Building Envelopes Tracking Report June 2020.
15. 2019 Global Status Report for Buildings and Construction, Global Alliance for Buildings and Construction, International Energy Agency and the United Nations Environment Programme, 2019.
16. Ibid.
17. Tracking Buildings 2020, IEA, June 2020, https://www.iea.org/reports/tracking-buildings-2020, accessed 25 Sep 2020.
18. Ibid.

Figure 4: Share of Building Operations in Final Energy Use, Global, 2018



Source: 2019 Global Status Report for Buildings and Construction, Global Alliance for Buildings and Construction, International Energy Agency and the United Nations Environment Programme, 2019

Figure 5: Final Emissions by Sector, Global, 2018



Source: 2019 Global Status Report for Buildings and Construction, Global Alliance for Buildings and Construction, International Energy Agency and the United Nations Environment Programme, 2019

This problem of high energy use and emissions makes BEMS an attractive solution since it offers building owners and occupiers a tangible way to reduce energy use and carbon footprint.

Compliance and regulation

Across the globe, several regions, cities and alliances are putting in place ambitious goals towards carbon neutrality. For example, Copenhagen, Denmark, has an ambitious plan to be the world's first carbon-neutral capital by 2025.[19] The entire European Union (**EU**) aims to be climate-neutral by 2050.[20] The Carbon Neutral Cities Alliance (**CNCA**) – comprising 21 cities across 12 countries and accounting for 62 million citizens with over $7.8 trillion in combined GDP – has the stated goal to become carbon neutral by 2050.[21]

Most countries are now reporting on nationally determined contributions (**NDCs**) in relation to emissions. Whilst most NDCs do not specifically address policies and targets specifically for building sector emissions, a number of countries have begun to improve building codes and standards towards this goal.

- In 2018, 35% of energy use in buildings was covered by policies globally.[22] This includes policy on space cooling, lighting, space heating, water heating and appliances.
- In 2018, 73 countries had or were designing mandatory or voluntary building energy codes and 85 countries had adopted building energy performance certification programmes.[23]

This standards-based framework supports demand for BEMS especially as the link between energy efficient buildings and occupant satisfaction and retention becomes clearer.

19. The City of Copenhagen, https://international.kk.dk/artikel/carbon-neutral-capital, accessed 29 Sep 2020.
20. Healthy environment, healthy lives: how the environment influences health and well-being in Europe, European Environment Agency, 2020.
21. CNCA, https://carbonneutralcities.org/, accessed 29 Sep 2020.
22. Tracking Buildings 2020, IEA, June 2020, https://www.iea.org/reports/tracking-buildings-2020, accessed 25 Sep 2020.
23. 2019 Global Status Report for Buildings and Construction, Global Alliance for Buildings and Construction, International Energy Agency and the United Nations Environment Programme, 2019.

02. Industry Overview

Cost savings

Energy costs are approximately one-third of the operating expenses of commercial buildings.[24] To help to address the challenge of significant energy costs, BEMS can play a major role in improving the energy efficiency of buildings by acting as a bridge between the load and the generation point. BEMS does this by supporting the automation of energy optimisation by operators who can view usage in real time using cloud-based online platforms. In addition, the application of predictive analytics to the building's energy data can help avoid sudden break downs and disruptions.

Beyond compliance to net zero goals

The World Green Building Council has been promoting industry commitment to the goal of all buildings operating at net zero carbon by 2050, and all new buildings from 2030.[25] An important element of the strategy to achieve net zero is the concept of zero energy buildings (**ZEBs**). ZEBs are those buildings that do not depend on the grid for their own energy needs, they make themselves independent of the grid by improving energy efficiency and also by depending on onsite renewable energy generation to meet their energy needs.

The Net Zero Carbon Buildings Commitment aims for all buildings to be net zero carbon in operation by 2050. Since its launch in 2018, signatories to the Commitment account for 76 organisations with 6,000 assets, covering over 32 million m^2 of total floor area across 28 cities.[26] Signatory cities include Cape Town, Copenhagen, eThekwini, Heidelberg, Helsinki, Johannesburg, London, Los Angeles, Medellin, Melbourne, Montreal, New York City, Newburyport, Oslo, Paris, Portland, San Francisco, San Jose, Santa Monica, Seattle, Stockholm, Sydney, Tokyo, Toronto, Tshwane, Valladolid, Vancouver, and Washington DC.

ZEBs leverage different solutions and technologies such as solar power, geothermal, energy storage, the building design, building envelope and the architecture itself in order to achieve the zero energy status. Along with these, BEMS represents an important solution to the problem of energy consumption and emissions.

Smart city initiatives

Frost & Sullivan estimates that there will be more than 26 smart cities[27] by 2025, and the total global smart city solutions market will be valued at $3.3 trillion in that year.[28] This push toward smart city development is underpinned by urbanisation, increasing urban wealth, better collaboration across various government agencies, improved connectivity, and the leverage of digital technologies. Whilst the last decade saw several pilot projects and the dominance of a select group of innovator cities, the coming decade is expected to see a widespread uptake of smart city solutions, especially in medium sized cities and cities in developing nations. In general, cities with access to more financial resources—particularly a stronger tax and consumer base—will adopt smart city solutions faster than other cities. As technology is proven and becomes less expensive, it will then spread to less affluent cities.

Smart city initiatives support demand growth for BEMS as they directly translate into investment in smart buildings and smart precincts.

24. Global Home Energy Management Systems (HEMS) and Building Energy Management Systems (BEMS) Market, Forecast to 2025, Frost & Sullivan, Aug 2019.
25. World Green Building Council, https://www.worldgbc.org/thecommitment, accessed 25 Sep 2020.
26. World Green Building Council, https://www.worldgbc.org/thecommitment, accessed 29 Sep 2020.
27. Frost & Sullivan considers a city 'smart' when it has active and verifiable pursuits in at least 5 of the 8 following smart concepts, namely, smart governance and education, smart healthcare, smart buildings, smart mobility, smart infrastructure, smart technology, smart energy, and smart citizens.
28. Global Mega Trends to 2030, Frost & Sullivan, Sep 2019.

The move towards distributed energy resources (DERs) and energy storage

DER technologies refer to power generation and energy storage systems located at or near the point of utilisation. These include solar photovoltaic (**PV**), wind systems, fuels cells, batteries, uninterrupted power supplies (**UPS**), other turbines, etc. Significant technological advances have improved the performance and lowered the cost on several DER options available for buildings. In addition, the market has been supported by favourable regulatory policies and incentives for prosumers.[29] DERs not only minimise infrastructure development requirements, as energy does not need to be transmitted and distributed over long distances, but also help governments meet emission targets. For example, considering the most popular type of DER i.e. solar, the global installed capacity of commercial and industrial solar PV is expected to grow over four times – from 6,991 megawatt (**MW**) in 2015 to 27,975 MW in 2025.[30] However, full optimisation of DERs requires BEMS to improve visibility of energy flows and pricing dynamics.

Green buildings premium

Green building certifications or rating systems positively impact property valuations, make easier the sale or lease process, support higher rentals, improve occupancy rates and strengthen tenant retention. These certifications include internationally adopted green certificates (such as Leadership in Energy and Environmental Design (**LEED**) from the U.S. Green Building Council and Building Research Establishment's Environmental Assessment Method (**BREEAM**) from BRE Global), as well as national ratings (such as BCA Green Mark in Singapore or National Australian Built Environment Rating System (**NABERS**) in Australia). This supports the uptake of BEMS and is expected to be a long-term driver of demand.

Table 1: Effect of Green Certification on Commercial Properties, Global

Parameter	Mean Increase on account of green certification
Rental Income	6.3%
Occupancy	6.0%
Sale Price	14.8%

Source: A Review of the Impact of Green Building Certification on the Cash Flows and Values of Commercial Properties, Department of Built Environment, School of Engineering, Aalto University, Finland, March 2020 (analysis of 70 peer-reviewed studies across the globe over the period 2008 to 2019)

2.5 Key Industry Trends in BEMS

The main trends underway in the building technologies sector that impact the opportunity for BEMS are discussed below:

Enhanced Connectivity

By 2025, 5G[31] networks are expected to cover one-third of the world's population; accounting for 1.2 billion connections.[32] The global development and rollout of 5G is standards driven. The 3rd Generation Partnership Project (**3GPP**) standards organisation is leading the technical development of 5G and has based its requirements on more than 100 use cases. In terms of smart building use cases, 5G has a higher bandwidth than 4G, which can facilitate higher data transfer rate to AI programs. Also, the ability of 5G to connect 1 million devices for every square kilometre will make it the backbone for IoT devices and overall connected ecosystems.

In addition, several communication protocols are enabling smart building use cases including wired (BACnet, LonMark, Modbus), wireless (Bluetooth, Sub-1Ghz, Wi-Fi, Gateways) and others (Digital Addressable Lighting Interface (**DALI**), Zigbee, KNX).

29. A prosumer is an energy consumer who also produces energy by having installed an energy generation unit (such as solar panels) onsite.
30. Global Solar PV Power Market, Forecast to 2025, Frost & Sullivan, Aug 2019.
31. The fifth generation mobile communication network.
32. GSM Association, https://www.gsma.com/futurenetworks/ip_services/understanding-5g/5g-innovation/, accessed 01 Oct 2020.

02. Industry Overview

Internet-of-things (IoT)

IoT combined with intelligent cloud networking will become financially attractive and change the market dynamics of smart buildings. Building systems integrated with IoT gateway platforms facilitate connection between field-level devices and the cloud and open up new opportunities for BEMS participants.

Increased use of data analytics

Data analytics is becoming a core offering in BEMS, with primary focus on reducing energy cost and improving operational efficiency in buildings. New opportunities exist in client engagement, energy benchmarking, building optimisation, and demand response applications.

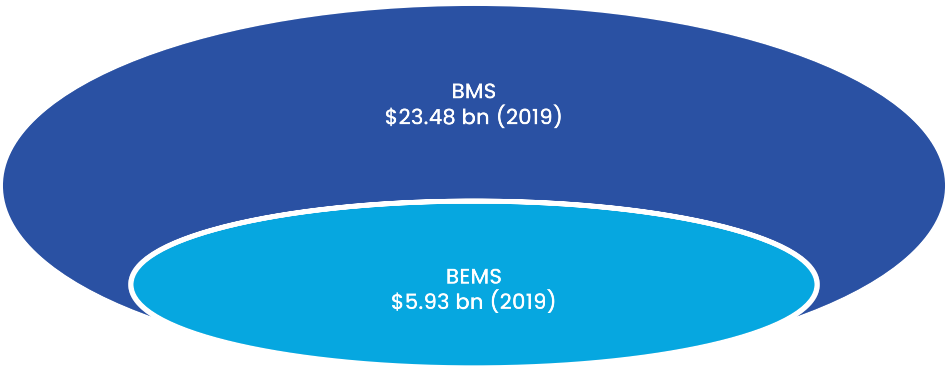
Leverage of Artificial Intelligence

Beyond enhanced operational efficiency and cost savings, building owners and managers are looking for additional value in terms of carbon savings, energy savings, and occupant's comfort and productivity. AI based solutions – because they empower buildings with autonomous intelligence – are seen as one approach to delivering additional value. This is driving uptake of a range of AI solutions in buildings that Frost & Sullivan believes will result in an over 35% compound annual growth rate for the market for AI solutions in buildings globally between 2019 and 2030.[33] Major applications of AI in buildings include predictive maintenance, building performance optimisation, building process optimisation, asset optimisation, AI-based energy monitoring, AI-based demand response, AI-based power trading, and AI-based lighting control. However, a major industry challenge to realising the benefits of AI in buildings is the lack of skilled and experienced professionals to leverage AI effectively. Commercial buildings, especially office, retail, hospitality, and healthcare premises, are immediate targets for AI implementation, as these buildings mostly operate round-the-clock and look for building energy management solutions that can bring down their energy costs, whilst enhancing occupants' comfort and operational efficiency.

2.6 Total BMS Market

The global BMS market was valued at $23.48 billion in 2019. Out of this market, the BEMS segment was valued at $5.93 billion.[34]

Figure 6: Total BMS Market and BEMS Segment, Global, 2019



Source: Frost & Sullivan analysis

33. Artificial Intelligence in the Global Homes & Buildings Industry, Forecast to 2030, Frost & Sullivan, May 2020.
34. Frost & Sullivan analysis.

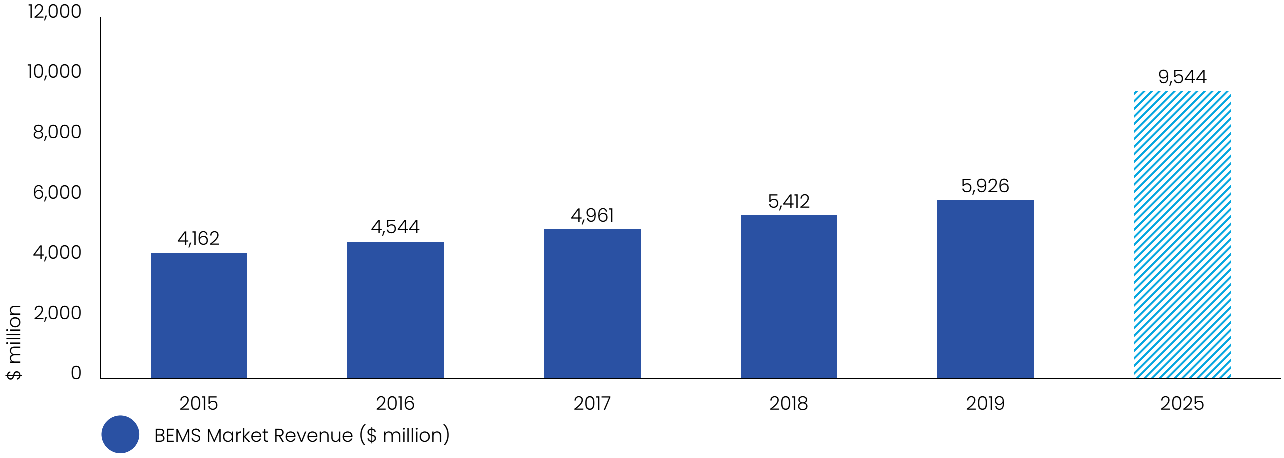
2.7 BEMS Market Opportunity

In 2019, total energy efficiency investments in buildings were over $205 billion.[35] This includes all incremental spending on new energy-efficient equipment in buildings, as well as the full cost of refurbishments that reduce energy use.

Actual BEMS Market Revenues, Growth and Segmentation

The global BEMS market was estimated at $5.93 billion in 2019 and is expected to reach $9.54 billion by 2025.[36] Whilst the COVID-19 pandemic is expected to negatively impact new building construction activity, as well as occupancy in existing building stock in several markets over the near-term, the long-term fundamentals remain strong for uptake of BEMS.

Figure 7: BEMS Market: Revenue Forecast, Global, 2015–2019 and 2025

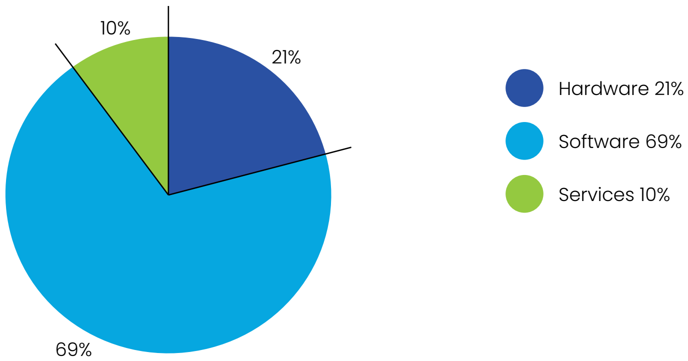


Source: Frost & Sullivan analysis

Forecast assumes economic recovery in 2021

Software accounted for 69% of the total BEMS market revenue and is likely to remain the main driver of the value-proposition to clients.

Figure 8: BEMS Market: Revenue by Sub-segment, Global, 2019



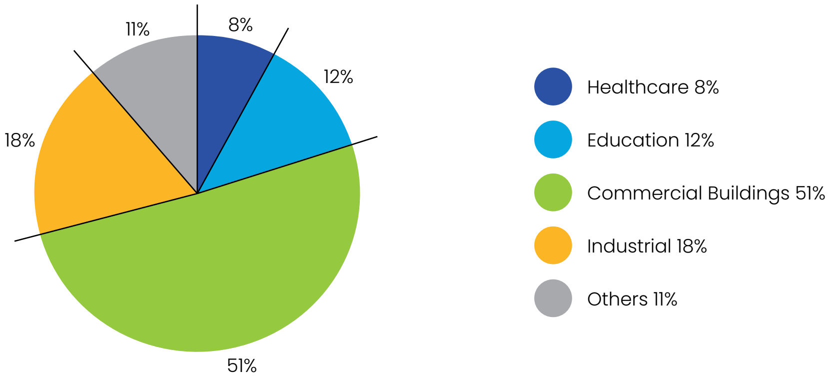
Source: Frost & Sullivan analysis

In terms of end-sectors, commercial buildings (which include offices, retail and hospitality) represent the single largest segment of the total BEMS market. This is followed by the industrial sector, education and healthcare.

35. Tracking Buildings 2020, IEA, June 2020, https://www.iea.org/reports/tracking-buildings-2020, accessed 25 Sep 2020.
36. Global Home Energy Management Systems (HEMS) and Building Energy Management Systems (BEMS) Market, Forecast to 2025, Frost & Sullivan, Aug 2019.

02. Industry Overview

Figure 9: BEMS Market: Revenue by End-sector, Global, 2019

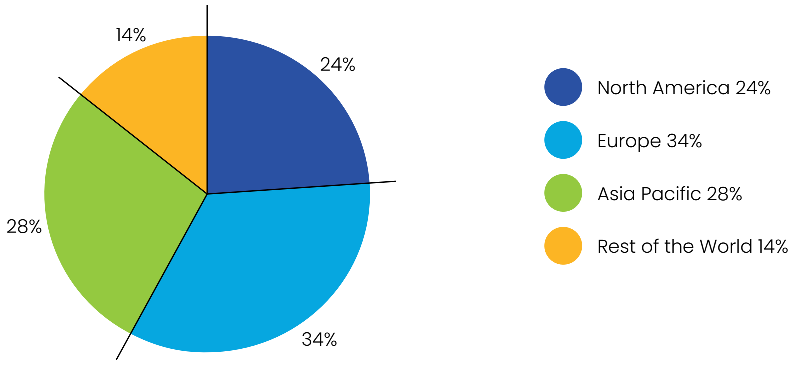


Source: Frost & Sullivan analysis

Commercial buildings include office, retail and hospitality
Others include utilities, infrastructure and public buildings

Europe is the most mature BEMS market globally – driven by strong regulation and strong end-client awareness and appreciation of the benefits of proactive energy management. Asia-Pacific is expected to be a strong growth market – driven by more governments supporting energy efficient buildings and high energy prices.

Figure 10: BEMS Market: Revenue by Major Region, 2019



Source: Frost & Sullivan analysis

Total Addressable Market Opportunity for BEMS

Assuming 100% BEMS penetration of all non-residential buildings globally, assuming 25% of total building floor space being non-residential[37] and using indicative industry estimates of BEMS revenue per year, the total addressable opportunity for BEMS globally is estimated at around $71 billion in 2019. This refers to the total addressable opportunity should 100% market penetration be achieved and not actual market revenues.

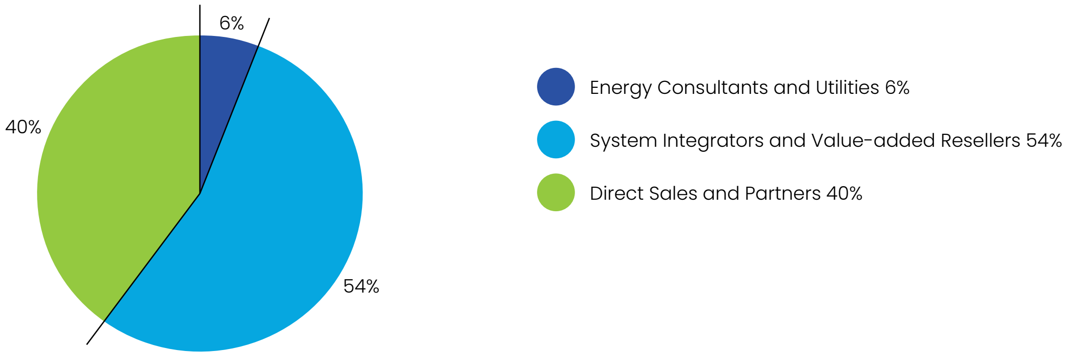
37. Frost & Sullivan estimates.

2.8 Competitive Environment

Channels to Market

For direct sales, the BEMS solution is sold to end users on a subscription basis, whereas for indirect sales, companies sell BEMS to System Integrators (**SIs**) at a fixed cost and SIs devise a pricing model for end users based on the complexity of the project. SIs and value-added resellers (**VARs**) dominate the market due to their vital role in the installation of BEMS products. However, emerging BEMS companies tend to follow a primarily direct sales approach during the initial years for larger accounts, as it enables them to nurture and leverage long-term relationships for repeat business.

Figure 11: BEMS Market: Revenue by Distribution Channel, Global, 2019



Source: Frost & Sullivan analysis

Competitive Tools

Key factors providing competitive advantage in this market include:

- **Pricing and Business Model:** BEMS pricing varies depending on the different types and size of buildings, and it is highly customised. The price is defined based on several factors, such as building size, number of data points, and number of users. There exists a linear relationship between the price of the software and size and complexity of the building. Most emerging companies adopt a subscription-based model for their clients. In this model, the company charges its clients for the software on a monthly or annual basis. Different subscription levels are offered and the cost varies based on the functionality included, data points, and building size: (1) Basic package includes dashboard visualisation, utility bill management, and energy benchmarking; (2) Mid-tier package includes fault detection and diagnostics, budget and procurement, and occupant engagement and insights; and (3) Premium or flagship product includes all services that involve improving energy efficiency, client engagement, and building performance optimisation.
- **Cloud-based solution:** The benefits of accessing technologically advanced solutions and secure storage without the client having to invest upfront in such resources is likely to make cloud-based platforms more attractive to building owners and managers.
- **Partnerships:** Effective partnerships with energy service companies (**ESCOs**), installers, system integrators, facilities management companies, and energy consultants will help expand the client base.
- **Service capability:** Client engagement is a key to helping clients understand the BEMS value proposition. This, along with consistent and reliable service, improves client-client relationship and will also help companies build long-term relationships.

Barriers to entry

The intellectual property (**IP**) to deliver accurate and reliable capture and analysis of energy data is difficult to achieve. In addition, clients look for successful track record of deployments – which makes it more difficult for new entrants to compete with established providers. Finally, providers who can provide holistic and integrated solutions (not only software, but also hardware and optimisation support services) are difficult to dislodge.

02. Industry Overview

Competitors

The competitive landscape for BEMS globally is characterised by a first tier of companies who are deeply entrenched in the industry, offering a wide range of hardware and software beyond BEMS applications. There is also a very fragmented second tier, with a number of emerging companies across regions growing at accelerated rates. The second tier includes emerging companies that are software-based innovators incorporating disruptive technologies in their product offerings. Some of the second tier companies have been able to leverage cloud platforms, AI, as well as a strong service team to grow their share of market at a rapid pace. The fragmentation of the market is expected to reduce over the long term as mergers and acquisitions help existing competitors achieve scale and acquire complementary capabilities quickly.

2.9 Conclusions

The growth in total building floor space, the overarching need to reduce energy and emissions from buildings, supported by ambitious regulatory frameworks and targets, along with realised cost savings are the main factors driving demand for BEMS globally. In addition, both the public and private sector are looking to move beyond compliance towards achieving ZEB goals. Furthermore, smart city initiatives will support investment in smart buildings and precincts. Finally, the technological advances, lowered cost and supportive regulatory environment for DERs and energy storage will increase the attractiveness of BEMS as a tool to realise the full benefits of such smart energy solutions.

The global BMS market was valued at $23.48 billion in 2019. Out of this market, the BEMS segment was valued at $5.93 billion. The global BEMS market is expected to reach $9.54 billion by 2025 (equating to 61% growth over that period).

The dominance of software within the total BEMS market has seen the emergence of a range of specialist BEMS providers who have leveraged innovation in analytics to grow at above-market-average growth rates. BEMS providers with cloud-based platforms (leveraged by clients on a subscription basis) and who bring appropriate service capabilities to support clients over the long term will be best placed to maximise on the global BEMS market opportunity.

2.10 Disclosure

This is an independent report prepared by Frost & Sullivan. Save for the preparation of this report and services rendered in connection with this report for which normal professional fees will be received (see Section 6.5), Frost & Sullivan has no interest in EP&T and no interest in the outcome of the Offer. Payment of these fees to Frost & Sullivan is not contingent on the outcome of the Offer. Frost & Sullivan has not and will not receive any other benefits (including any commissions) and there are no factors which may reasonably be assumed to have influenced the contents of this report nor which may be assumed to have provided bias or influence. Frost & Sullivan consents to the inclusion of this report in the Prospectus in the form and context in which it is included, including all references to the report and to statements from the report contained in this Prospectus. As at the date of this report, this consent has not been withdrawn. Frost & Sullivan does not hold a dealer's license or Financial Services License. This report does not constitute advice in respect of the Offer.

03.

Company Overview

03. Company Overview

3.1 Introduction to EP&T

EP&T was founded in 1993. It provides building energy management solutions that reduce energy and water wastage within commercial real estate and assists to improve the overall sustainability efforts of property developers, owners and managers. EP&T works with its clients to identify opportunities to optimise building plant operating systems and settings through our proprietary cloud-based data analytics software platform and data collection tools. EP&T then collaborates with them to implement these initiatives to improve a building's cost consumption and operational performance.

EP&T's core client engagement principals are to:

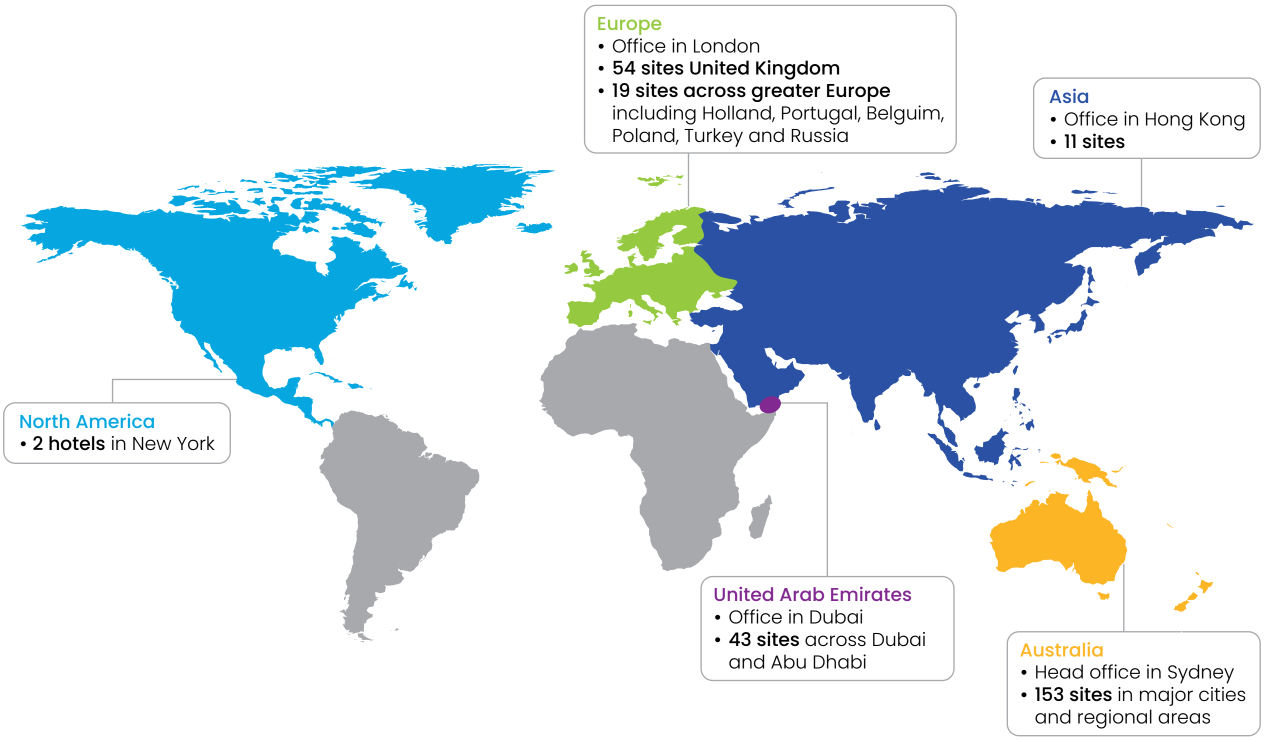
- Save our client's money (refer to Section 3.3.3);
- Support their sustainability objectives and assist them to meet their Environmental, Social and Corporate Governance (ESG) measures;
- Contribute to our clients' carbon emission reduction strategies; and
- Help clients achieve top rankings in global sustainability indexes.

EP&T's technology is installed in 280 buildings in 18 countries all serviced from our headquarters in Sydney, with international support from offices in London, Dubai and Hong Kong.

Our clients include "blue-chip" property owners and managers across a wide range of building sectors, including: offices, industrial sites, shopping centres, entertainment facilities, hotels, hospitals and residential towers.

EP&T's business model is to provide its data analytics software platform and data collection tools under a software as a service 'SaaS' revenue model that covers the system set-up, software licencing and ongoing support.

Our global footprint. Offices in Sydney, London, Dubai and Hong Kong.



Region	Employees*
Australia	37
UK	6
Dubai	10
Hong Kong	5
Total	**58**

* As at the Prospectus Date.

EP&T is ISO9001 accredited in Australia (re-certified in December 2020) and UK since 2019. ISO9001 is founded on compliance with quality management principles within an organisation.

3.2 Company History

EP&T was founded in 1993 on the principles of Environment, Property and Technology.

Initially we supplied hardware-based energy efficiency solutions in the Australian market. The experience gained from this market was first channelled into a manual, data-driven operational efficiency solution. As we expanded and technology advanced, we were able to combine our data-driven insights and Intellectual Property (IP) with research and development to create our proprietary EDGE software solution. After 27 years of operation, our data sources and analytics capabilities in the building energy optimisation space are well-honed and constantly evolving.

A timeline of some of EP&T's highlights in its operating history is shown below:

1993	1996	2008	2013	2016	2017	2018	2018	2019
EP&T founded in Australia	Innovation of EDGE	EP&T London office opened	EP&T HK office opened	First Employee in EP&T Dubai office	First convertible notes issued by company	Mobile app released	First client site awarded in USA	SaaS model introduced

3.3 EP&T proprietary technology platform

3.3.1 Overview

EP&T's EDGE platform is our stand-alone, modular solution for building owners, operators, and occupiers. EDGE plays a significant role – from data capture at the property, to aggregation and analysis, to the implementation of our solutions. The Energy & Water Analytics module is the core component, and clients can customise remaining modules and performance optimisation services to suit their specific needs.

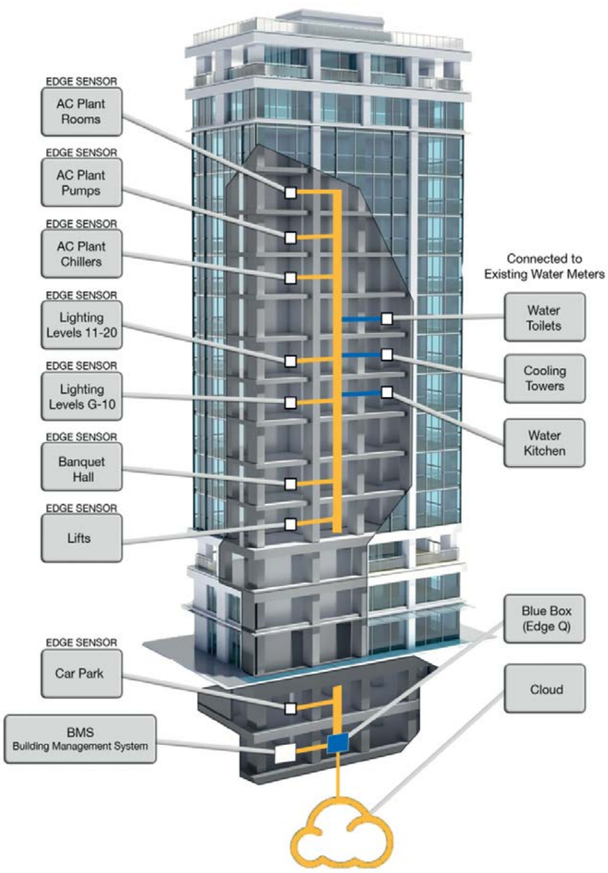
The full suite solution comprises of four stages, to which the EDGE platform is central. The figure below shows the process flow of how EP&T delivers the benefits it provides to clients.

03. Company Overview

CAPTURE

The EDGE platform is hardware agnostic and can capture, cleanse and aggregate data from multiple sources within a building. EP&T designs its solutions around the characteristics of each individual building and based on client requirements.

Below is an example of the sources of data that can be captured within the EDGE platform:



AGGREGATE

Aggregating data is an important phase that filters out the most relevant sources of information for analysis. The process to aggregate data in the EDGE cloud is either through:

- On site, using EP&T's proprietary data aggregation device or similar componentry, and then transferred to the EDGE cloud platform; or
- Sent directly from the data source to the EDGE cloud platform.

The appropriate method is determined by EP&T's engineers on a site by site basis. In most cases this determination can be made remotely.

ANALYSE

The EDGE algorithms will highlight where inefficiencies are occurring. Through analysis of historical as well as ongoing data, the platform helps clients understand the effect these inefficiencies have on utility consumption and recommends new operational strategies that will lead to further savings.

Our proprietary technology and algorithms deliver accurate identification of faults and energy inefficiencies. Accurate analysis drives change, process improvements, Building Management System optimisation and monetary savings.

SOLVE (Performance Optimisation)

EP&T collaborates with building managers to improve and optimise building plant operating systems.

EP&T's EDGE platform allows clients to subscribe to the Performance Optimisation service which provides clients with alerts to undertake actions that drive building operational efficiency and energy savings. Operational anomalies are flagged as they occur in order to optimise performance.

The components of the Performance Optimisation service are:

Customised Reporting

Alongside the automated reports that the EDGE platform generates (monthly consumption summaries, time filtered reporting and financial summaries) our team also arrange customised reporting to suit client requirements.

Alerts/Faults Triage

The EDGE platform identifies daily alerts and faults across our global client base. Our team of technical service analysts triage all alerts and communicate pressing issues to each site's facilities management team. This allows the client team to optimise energy and water consumption and improve maintenance outcomes.

Performance Reviews

A key element of our performance management process is monthly reviews of open issues with the key stakeholders involved. Our engineers will liaise with facilities managers, asset managers and contractors as required to resolve savings opportunities.

Curated Action Items

We go one step further than automated system alerts, ensuring we understand how and why a building may be consuming unnecessarily. Our Technical Services team specialise in analysing possible reasons for increased consumption, identifying savings opportunities, and advising the client site teams on actions to take to resolve issues.

Engineers On Call

Our Technical Services engineers are available to assist 24/7 with urgent issues. With personnel on the ground in each key market, we offer the personal touch when it comes to identifying what is driving consumption and why.

Building Audits

Our team conducts regular personalised audits, working with client teams to assist in implementing identified utility performance initiatives. On-site energy audits are typically conducted overnight and early morning as required as part of our analytics service.

3.3.2 How we interact with our clients

Our clients are categorised into three key groups:

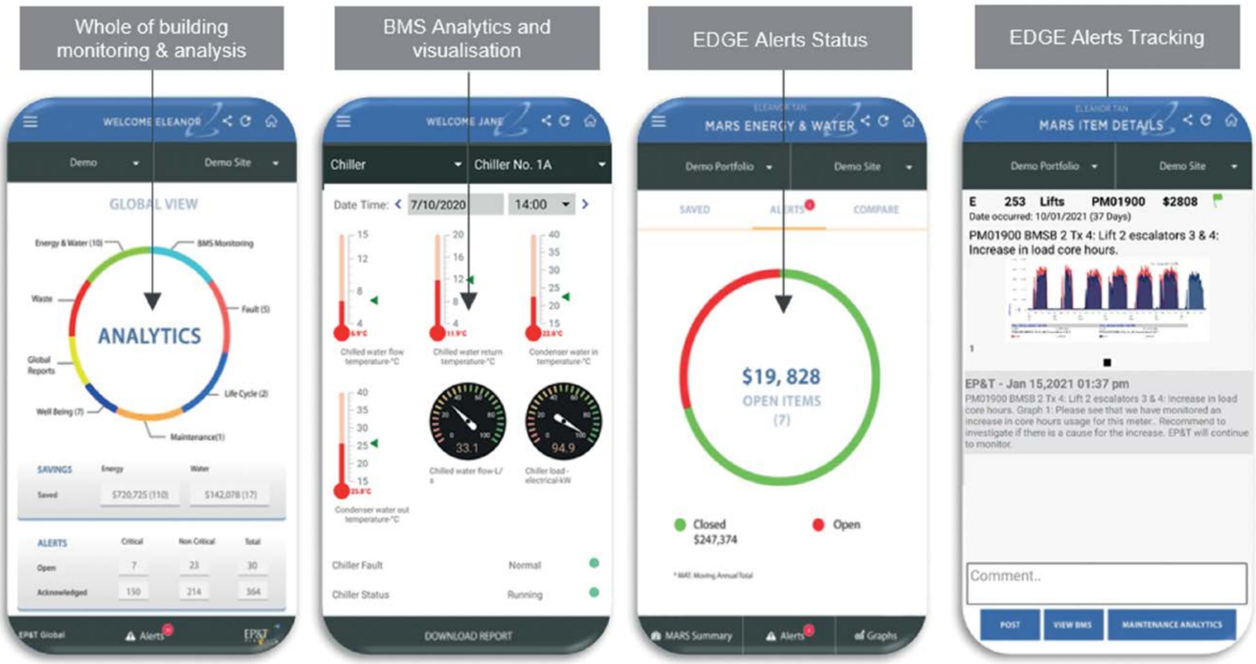
- Building Owners;
- Operators; and
- Occupiers.

Each has their own specific requirements when it comes to building optimisation. Our EDGE platform has been designed to be flexible enough to meet the needs of all three client groups. The following sections give examples of the reporting functionality and capabilities of the EDGE platform via smartphone, tablet and desktop. This is not a comprehensive list but serves to demonstrate how our clients access information through their choice of device.

03. Company Overview

EDGE smartphone and tablet app

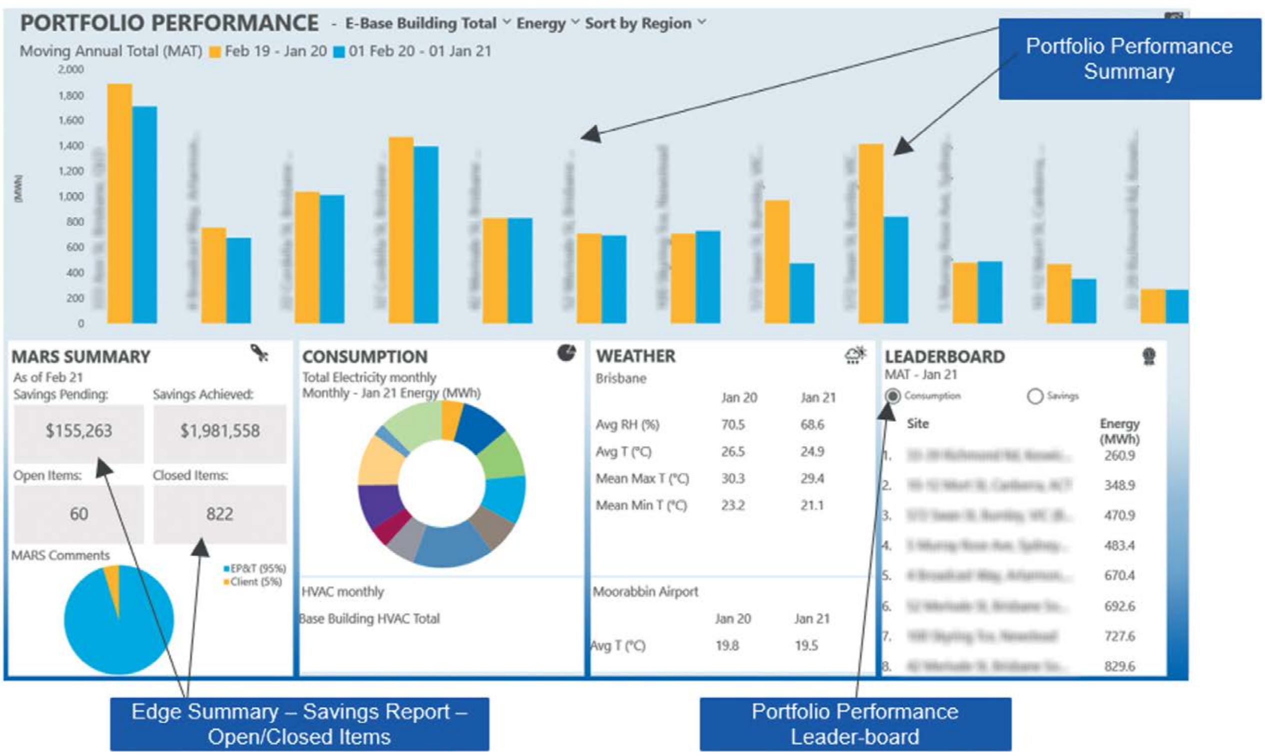
We call it 'The Building in your Pocket'. The EDGE smartphone (and tablet) app provides client site teams with access to alerts even when they are away from their desktop computers, and regardless of whether they are an owner, operator or occupier.



EDGE MARS (Monitoring Analysis & Reporting Service) Portal

Users (in this case Owners and Operators) have visibility to their individual property or (in the case of the below visual) portfolio of properties and the utility usage performance for each site. The reports can be automated for release at specific times or generated on demand.

Clearly visible sections are actual dollar figure savings, tasks (open items) outstanding, consumption graphs and visual comparisons per property.



EDGE Interface (Reporting and Example Alerts)

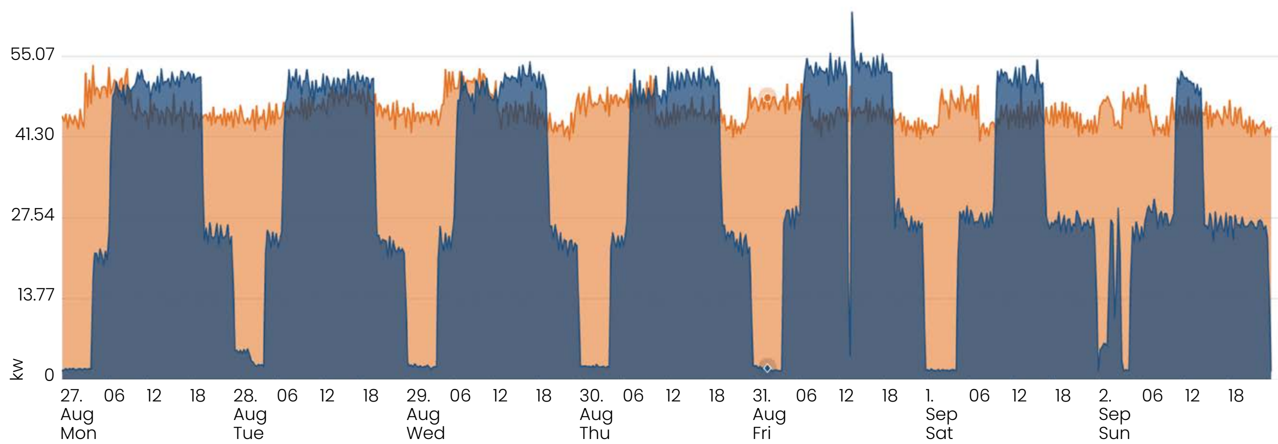
Building management Operators may require a deeper level of granular detail from the EDGE platform. This is achieved through the desktop interface. Automated elements of the platform are essential to 'round-the-clock' monitoring of the property.

- Detailed reporting on the EDGE platform communicates actionable items to the operator.
- Alerts are generated based on threshold values being exceeded – things like expected consumption values, consumption during out-of-hours periods, and operational conflicts.
- EDGE will issue alerts to nominated users via the app and the software portal.
- A register of all alerts generated in the system is maintained.

The image below is a screen shot from the EDGE portal. It is designed for the onsite engineer. It shows a list of the savings items available at a Sydney commercial office site in table form, a weekly visual snapshot of energy consumption, and a log of all communications between EP&T analysts and the client-side team.

Graphs are a user friendly and visual way to show comparisons within the EDGE platform.

The below image shows the orange area representing the unnecessary 24/7 operation of heating equipment at a site. This was due to a fault in the Building Management Software on the client's end. EDGE identified that a reset was necessary. Usage after the reset (the blue area) shows that energy consumption was reduced.



03. Company Overview

3.3.3 Product strengths

There are a number of key competitive strengths to our platform. These are outlined in summary below:

A single platform (EDGE)

- Comprehensive monitoring and data analysis tools.
- Our integrated hardware and software suite assists in ensuring that client needs are addressed in one platform.
- EDGE allows for a verified single performance baseline (*"single source of truth"*) for client stakeholders.

High fidelity, granular data capture

- Systems are designed to capture the level of data most suited to the client's building and goals.
- This delivers accurate insights and energy savings.

Machine Learning Capabilities

- We use the depth and breadth over 27 years of data capture to continually inform our optimisation recommendations.
- This ensures that EDGE is delivering informed results for our clients.

A stand-alone, modular solution.

- Clients expect tailored products and services.
- Due to the flexibility of our approach, we are able to meet varying client demands.

Hardware agnostic

- We can capture data from multiple sources and devices.
- This doesn't limit our capability to service different asset classes.

Performance optimisation processes

To facilitate the implementation of savings opportunities we combine:

- Detailed analytics;
- Insights and experience of our engineers; and
- Collaborative client interaction.

We find that this process also helps build long-term client relationships.

We do not rely on third parties for the provision of core software solutions

We have innovated software products to align with our clients' needs, requirements and goals.

Experience and expertise:

Our team includes a diverse mix of qualified engineers. Our 58 personnel have a combined employment term of 296 years (average 5 years 2 months tenure per employee) with EP&T. This knowledge base positions us as an authoritative source in the building energy optimisation industry.

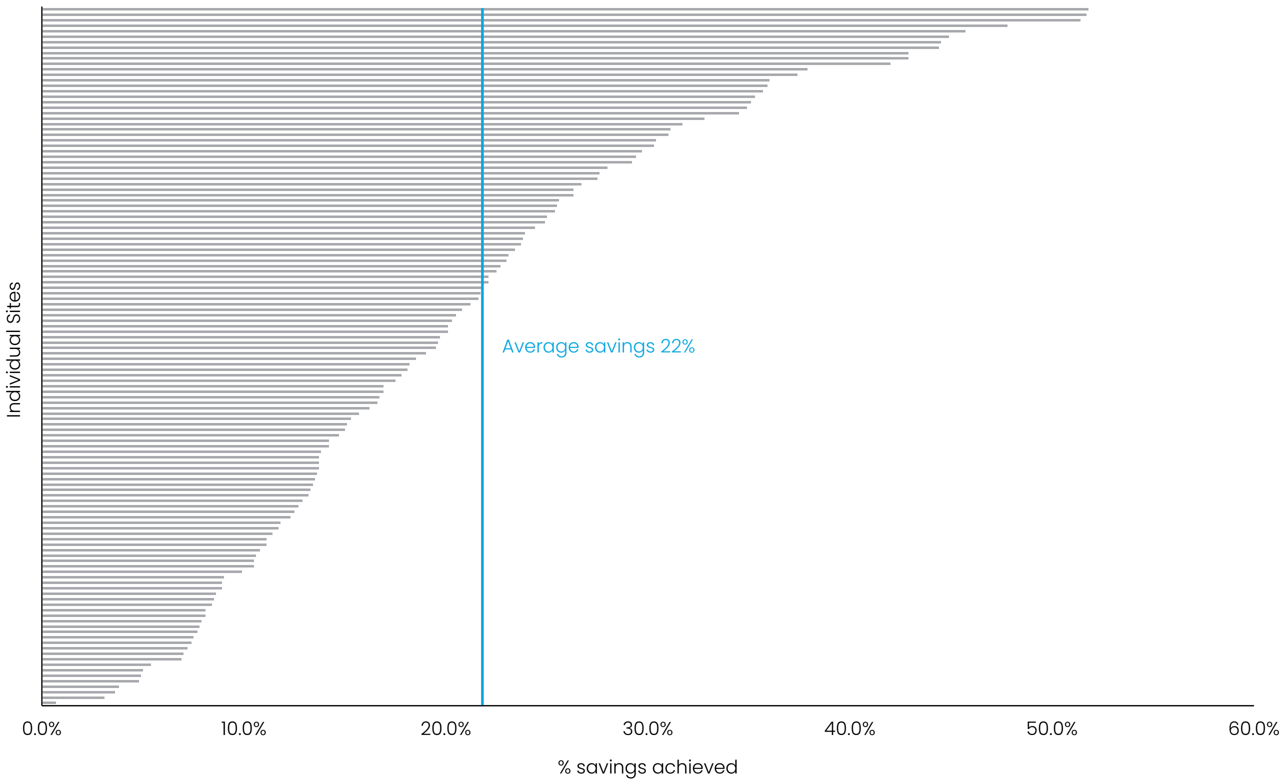
3.3.4 What does this mean for our clients?

Energy Savings

EP&T's core value proposition to its clients is founded on delivering energy savings. We have a proven track record of delivering consistent energy savings for our clients. The figure below shows the average annual savings achieved across the EP&T client portfolio when measured against the baseline year which is usually the 12-month period prior to commencement of the contract with EP&T.

Figure 1: Energy savings

Annualised energy savings by site



Source: EP&T.

Average annual savings achieved across EP&T's client portfolio when compared against the baseline year is approximately 22%.

This equates to over 100,000 tonnes of CO2 emissions avoided each year, which is equivalent to taking over 22,000 passenger vehicles off the road annually and over the past 5 years EP&T has delivered over $110 million in energy savings for clients.

Energy efficiency and sustainability ratings/benchmarks

EP&T standards facilitate accurate reporting to the leading Australian & International energy efficiency and sustainability ratings/benchmarks – such as the Dow Jones Sustainability Index, Global Real Estate Sustainability Benchmark and NABERS (National Australian Built Environment Rating System).

EP&T tracks the NABERS ratings movements for certain clients based in Australia. These clients have seen increases to their NABERS ratings of up to 2.5 stars, and on average, the NABERS ratings for these clients has improved by 0.8 stars over the course of their respective contracts with EP&T.

Green building certifications or rating systems have been shown to positively impact property valuations; make the sale or lease process easier; support higher rentals; improve occupancy rates and strengthen tenant retention. Refer Section 2.4.

03. Company Overview

Awards and recognition won by EP&T clients

Our clients continue to win some of the world's most prestigious energy efficiency and sustainability awards. Over recent years, our clients have been recognised for sustainability, energy management, green business and many others. A selection of awards won by our clients since 2016 are shown below.

2020	**TOP RATED** – Dow Jones Sustainability World Index for Real Estate **WINNER** – GRESB Global Leader for Listed Retail **GOLD** – EPRA Sustainability Reporting Awards **6 STARS** – Achieved maximum 6 Star NABERS Rating **B List** – CDP Climate Performance scorers
2019	**WINNER** – GRESB Global Leader for Listed Diversified Retail/Office **WINNER** – No. 1 in DJSI Corporate Sustainability **WINNER** – GRESB European Leader for Listed Retail **GOLD** – EPRA Sustainability Reporting Awards **6 STARS** – Achieved maximum 6 Star NABERS Rating
2018	**WINNER** – GRESB Global Leader for Listed Diversified Retail/Office **WINNER** – No. 1 in DJSI Corporate Sustainability **GOLD** – EPRA Sustainability Reporting Awards **6 STARS** – Achieved maximum 6 Star NABERS Rating
2017	**WINNER** – CIBSE Test of Time Award **GOLD** – EPRA Sustainability Reporting Awards **WINNER** – GRESB Global Leader for Listed Diversified Retail/Office **6 STARS** – Achieved maximum 6 Star NABERS Rating
2016	**WINNER** – No. 1 in DJSI **WINNER** – No. 1 in GRESB Aus/NZ (Aus/NZ GRESB benchmark is the highest globally) **WINNER** – No. 1 in GRESB Europe Diversified Retail/Office category **GOLD** – EPRA Sustainability Reporting Awards

3.4 EP&T's business model

EP&T generates revenue by selling the EDGE platform under a Software as a Service (**SaaS**) subscription direct to clients. The SaaS fees cover all system set up costs and ongoing services for a client in a fixed recurring fee. Fees are charged monthly, quarterly or annually. On occasion, revenue is derived from upfront charges to clients or through one off sales of ancillary services or equipment.

3.4.1 SaaS model

SaaS stands for Software-as-a-Service and is defined as a software licensing and distribution model whereby software is centrally hosted and delivered to licensed users on a subscription basis over the internet. Users access the software by logging onto the platform through a web browser or app on an internet connected device and interacting with the information and processes hosted by the SaaS provider on a central platform, often called the "cloud". Software hosted on cloud-based infrastructure allows for upgrades to be delivered automatically to all users from a centralised location with minimal impact to both EP&T and our clients.

EP&T's SaaS model primarily encapsulates the EDGE platform, but also covers the costs of the Performance Optimisation Service and equipment installation and set up costs where applicable. SaaS is typically licensed on a monthly (or annual) usage or subscription basis, which reduces the upfront cost for users and transfers the cost of the software to a recurring operating expense (subscription fee). This is unlike the client engagement model primarily employed by EP&T prior to 2019 (the capital model) where the client was charged an upfront equipment installation and establishment costs along with an upfront licence fee. Under this previous model, EP&T then charged an ongoing service fee.

3.4.2 Annualised Contract Value (ACV)

EP&T charges its clients ongoing fees for the provision of access to the EDGE software platform and associated contracted ongoing services, including data collection and aggregation equipment where required. Ongoing fees are usually invoiced monthly or quarterly in advance starting from the date on which EP&T commences the provision of services to the client.

EP&T refers to the total amount to be invoiced under a contract with a client over a 12-month period as the Annualised Contract Value (**ACV**) of that contract. ACV is a recurring fee invoiced to clients and is a lead indicator of future revenue and cash inflows. EP&T's policy for recognising a contract within ACV requires the following criteria to be met:

1. EP&T has a binding agreement with the client in the form of a signed contract or valid purchase order which commits the client to pay ongoing fees to EP&T.
2. The project to which the ACV relates has either been installed or installation is expected to be commenced within 4 months of entering a binding agreement with the client.
3. The oldest outstanding invoice due from the client with respect to the ACV for a contract is no longer than 120 days overdue and the client has not entered into and adhered to a formal cash based repayment plan with EP&T for the overdue invoices.
4. The client has not entered any form of insolvency proceedings or creditor protection.
5. The client has not notified EP&T in writing that they intend to dispute or terminate the contract for valid and legally enforceable reasons.

3.4.3 Revenue and Costs

EP&T generates revenue and incurs operating costs as follows:

Sources of revenue

Recurring subscription fees (ACV)	• Driven by the size of the building and the complexity of the system installed. • Support service fees based on level of service supplied and size and complexity of the building.
Project fees	• Upfront fees charged for hardware and system installation, equipment replacement charges and system upgrades outside of our SaaS model. • One-off fees charged for consulting or advisory services such as NABERS assessments.
Other revenue	• Research and development incentives, interest charged on deferred payment arrangements.

Attributable costs

Cost of sales	• Hardware and third-party installation costs related to project revenues. • Freight costs. • Data transfer and communication costs.
Engineering and products	• Salaries of the projects and engineering teams who manage the installation and commissioning of the EDGE systems.
Research and development	• Salaries and expenses of the research and development team who undertake research, development, and maintenance activities. • Costs of test equipment and sample products for testing.
Sales and marketing	• Salaries of the sales team, sales commissions. • Salaries of the estimating and solution design team. • Minimal marketing spend has been incurred historically, however, funds will be allocated to establish a marketing function and to undertake advertising and associated marketing spend.
General and administration	• Salaries and other expenses of the management and administration teams, including costs for external legal, accounting, and other costs such as insurance and occupancy costs.

03. Company Overview

3.4.4 Guaranteed savings

In accordance with certain contracts signed with our clients, EP&T provides the client with a guaranteed minimum energy saving target. EP&T is obligated to pay the client for any shortfall between actual savings achieved and the guaranteed energy savings amount.

The energy savings are stipulated in the applicable contract with the client and based on modelled savings determined by EP&T's engineers and technical services team taking into account numerous factors including net lettable area, asset location and asset class. For savings guarantees, a shortfall in guaranteed savings reimbursed to a client can be recovered from any excess savings achieved by that same client in future years. The guarantees are unsecured.

The maximum remaining savings guaranteed to clients and the timeframes for measurement at 31 December 2020 are shown below:

Guarantee measurement date	Within 12 months $'000	In 1-2 years $'000	In 3-5 years $'000	Over 5 years $'000	Total $'000	Measurement not commenced** $'000
Uncovered actual guaranteed savings*	44	–	7,390	–	7,435	21,344

Source: EP&T.

* Calculated as total guarantee amount per client contracts less actual savings achieved to date for each respective contract to 31 December 2020.

** Actual energy savings measurement only commences when a site system has been installed and commissioned and sufficient data is available to measure actual savings. These sites have an average savings guarantee of 12.3%.

3.4.5 Client contract terms

Irrespective of whether EP&T's client has engaged with EP&T under the SaaS model (see Section 3.4.1) or the historical upfront capital model, EP&T contracts take a similar form. They generally run for 3 to 7 years, with the following key termination rights and limitations of liability:

(a) **Termination:** EP&T can cancel any uncompleted orders or suspend any supply of goods if the client defaults or commits any breach, suffers an insolvency event and on such cancellation, any payment for any goods already supplied shall immediately become due. In the event that a client terminates the contract prior to the end of the contract term, then the client will be liable to pay to EP&T all remaining unbilled amounts under the contract from the date of termination to the end of the contract term. The client may terminate where EP&T suffers an insolvency event and where goods and services have been provided the amounts due will be immediately payable, however, any remaining unbilled amounts under the contract will not be payable.

(b) **Liability:** EP&T provides its clients with a warranty for the duration of the initial contract term from the date of supply. EP&T's liability (as set out in its standard terms and conditions) for any breach of a condition or warranty is limited at EP&T's option, to any one or more of the following:

- in the case of services, to the supply of the services again or the payment of the cost of having the services supplied again; and
- in the case of goods, to the repair or replacement of the goods, or the costs of having the goods repaired or replaced.

Subject to law, EP&T's aggregate liability to a client for all claims of any kind made in connection with the subject matter of the contract, however arising and in whatever form, is limited to five times the aggregate amount actually paid by the client.

3.5 EP&T's revenue performance

EP&T has current EDGE installations in buildings with a combined Net Lettable Area (**NLA**) of over 5 million square meters across 18 countries. We measure over 5.6 billion data points within these buildings per year. The EDGE platform has been built for global adoption across all forms of commercial real estate. The platform can be rolled out into commercial buildings of varying sizes and the data capture methodology can be tailored to deliver the most cost-effective solution available.

3.5.1 Diverse Client Base

EP&T has a broad range of blue-chip clients, in Australia and Internationally. Our commercial and retail clients are owners of premium and A-grade buildings. EP&T has an international presence with offices in Europe, the Middle East, Asia and Australia and continues to expand into new territories. With several client relationships spanning 10 years, EP&T has proven to be a trusted analytics partner for its clients.

EP&T's clients include entities such as British Land, M&G Real Estate, Derwent London, IHG, and Property NSW.

EP&T's client spread (based on Annual Contract Value as at February 2021) by building use and geography is shown below:

Figure 2: Annualised contract value by building use[1]

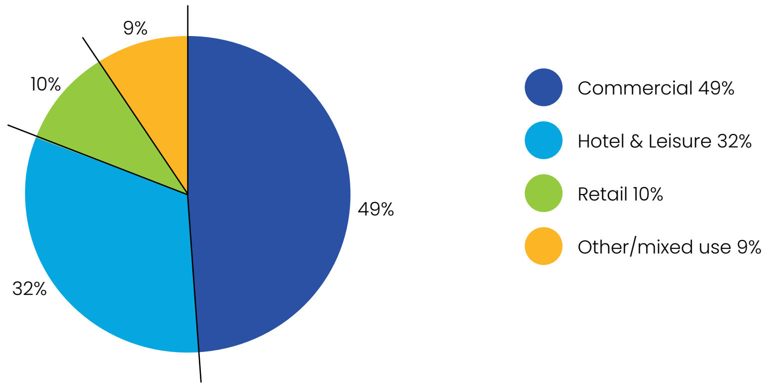
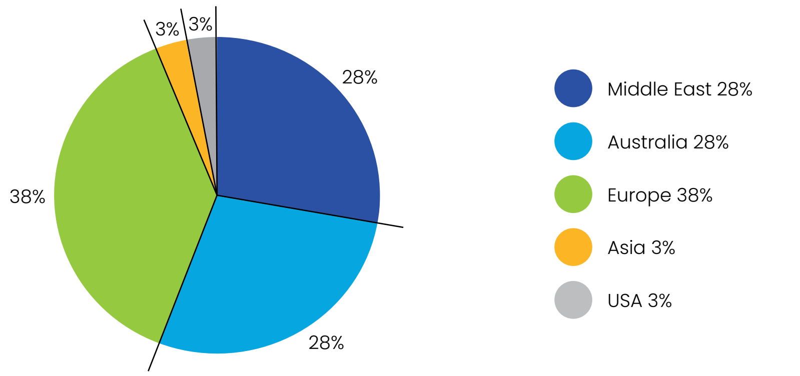


Figure 3: Annualised contract value by region[1]



Source EP&T.

1. As at February 2021.

The benefits of this diverse client base from both a geographical and asset class perspective are:

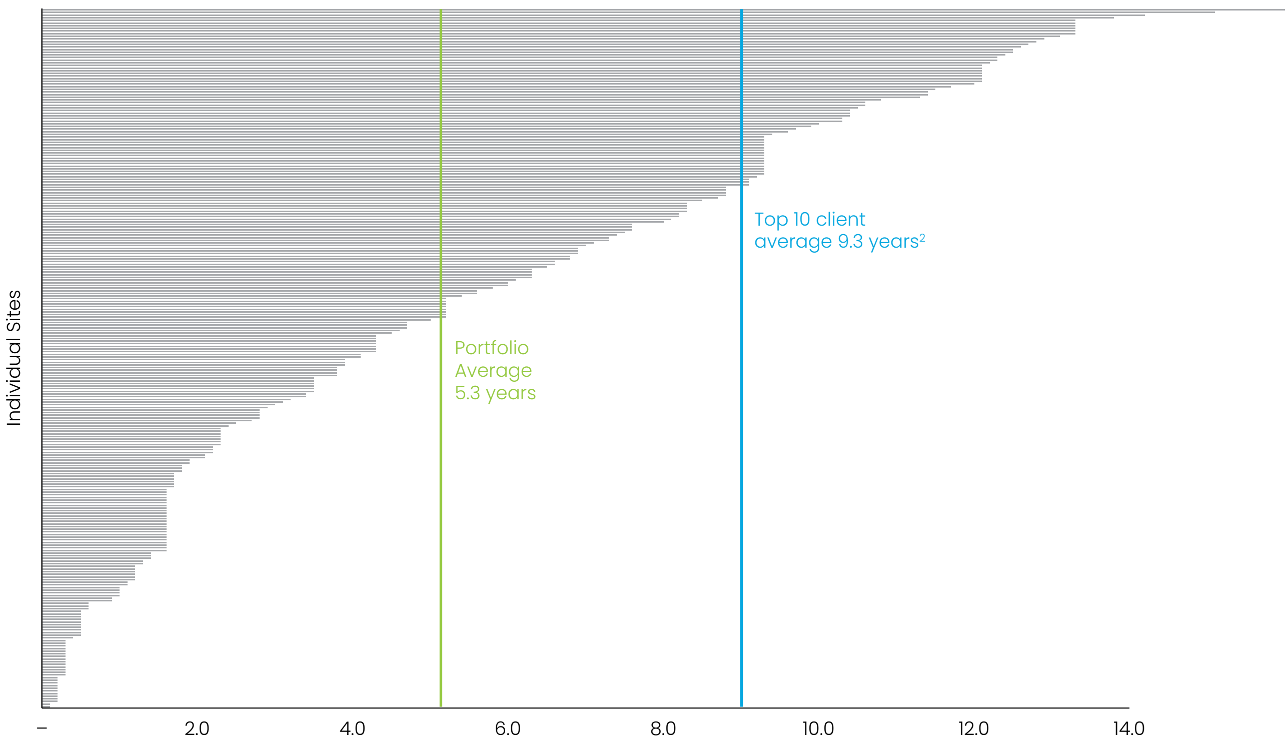
1. **Risk mitigation** – EP&T is less exposed to downturns in specific markets or asset classes as a result of its broad client base.
2. **Ability to service client portfolios** – many of EP&T's clients own portfolios of buildings in different territories and asset classes. EP&T can demonstrate that it has the capability and experience to service such portfolios which may increase its opportunities to secure contracts for portfolios of buildings.
3. **Large addressable market** – EP&T's ability to service clients and buildings in diverse markets and asset classes means that its potential client base and addressable market is broad. Refer Section 2 for information on the global addressable market for the industry in which EP&T operates.

03. Company Overview

3.5.2 Long Term Client Relationships

EP&T's contract terms with its clients are typically between 3 and 7 years for the initial term and subsequent to the end of the initial term, renewals are for periods of between 1 and 3 years. The average client relationship (from the start of the initial contract with the client to date) is 5.3 years across the client base as a whole, and is 9.3 years for the top 10 clients (based on number of buildings contracted with EP&T in the client portfolio). The distribution across the portfolio can be seen in Figure 4 below. 40% of sites have been added in past 2 years and 15% of sites have been with EP&T for over 10 years.

Figure 4: Ongoing site relationship length[1] (years)



Source: EP&T.

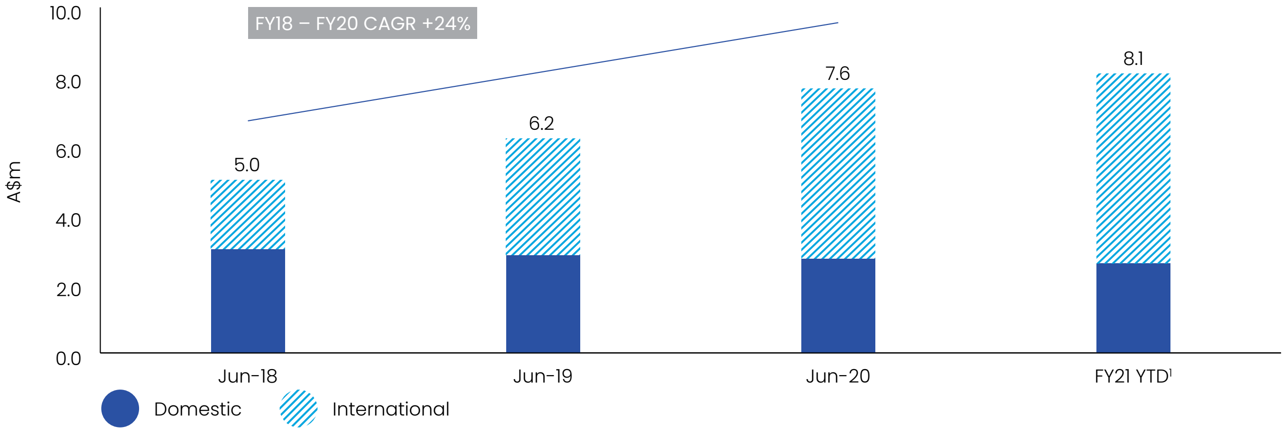
1. As at February 2021.

3.5.3 ACV

EP&T has achieved sustained ACV growth rates

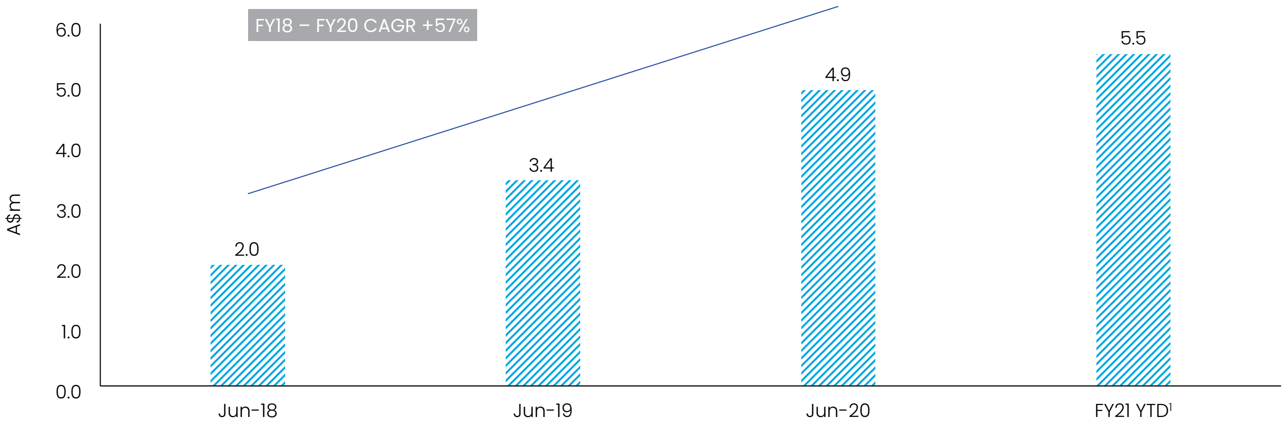
EP&T has achieved sustained growth in ACV in international markets – investment in overseas offices is delivering high levels of offshore growth. The below graphs show the growth in ACV since June 2018.

Figure 5: Total ACV (Global, $m)



Source: EP&T.

Figure 6: ACV (Ex Australia, $m)



Source: EP&T.

1. As at February 2021.

Global ACV CAGR of 24% was achieved from June 2018 to June 2020. At February 2021 ACV is $8.1 million up from $7.6m at June 2020. Prior to June 2018 the majority of ACV was generated within Australia. Investment in overseas operations has delivered a 57% CAGR in non-Australian based ACV from June 2018 to June 2020 and this now represents 64% of total group ACV.

Over 84% of the ACV growth in the 2020 financial year was achieved in the six months to December 2019. New business wins in the second half of FY20 were impacted by the COVID-19 pandemic with no new significant orders received between February 2020 and August 2020. All forms of commercial real estate have been at low occupancy during this period and the ensuing uncertainty this brought has delayed the decision-making process of building owners and operators and subsequently delayed conversion of projects in the sales pipeline.

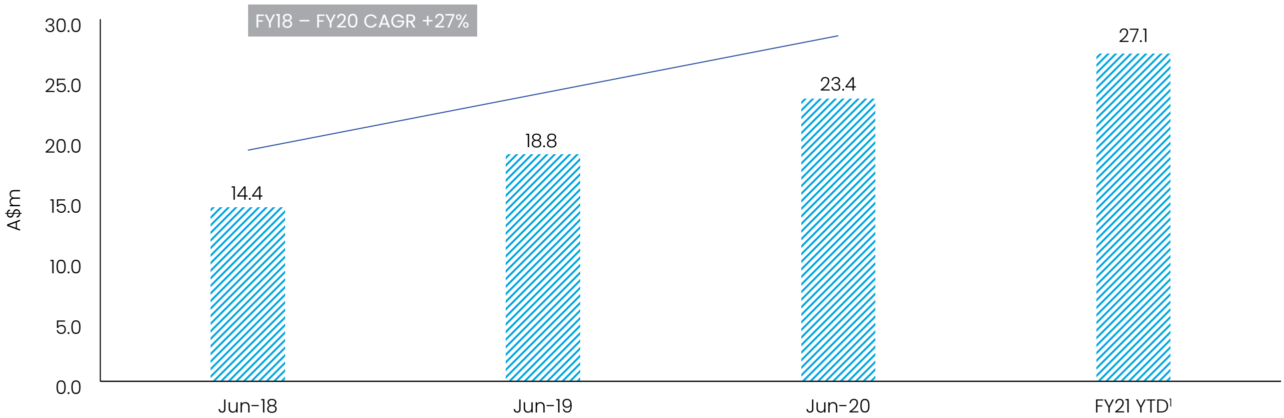
03. Company Overview

3.5.4 Remaining unbilled Total Contract Value

Contract terms with EP&T clients are typically between 3 and 7 years. The Total Contract Value (**TCV**) of any given contract is calculated as the ACV multiplied by the contract term. The portion of unbilled TCV on hand in February 2021 is $27.1m.

The below graph shows the growth in unbilled TCV. This figure represents future amounts to be billed under the contracts on hand.

Figure 7: Unbilled contract revenue ($m)



Source: EP&T.

1. As at February 2021.

The average remaining unexpired term on current contracts is 3 years and 4 months. This unbilled TCV does not include future value of contracts which are renewed.

Unbilled TCV has increased from $14.4m at 30 June 2018 to $23.4m at 30 June 2020, a CAGR of 27%. This figure has increased to $27.1m at February 2021.

FY20 unbilled TCV growth has been impacted by delays to new contract wins arising from the COVID-19 pandemic.

3.5.5 ACV churn rate

Average annual churn rates across all contracts for the period from 1 July 2017 to 30 June 2020 was 7.4% (calculated based on ACV losses each year from 1 July 2017 to 30 June 2020 as a percentage of total ACV at the beginning of each year). Reasons for ACV churn can include redevelopment of buildings or the sale of buildings with the new owner electing not to retain EP&T's services.

3.6 Growth strategy

EP&T's growth to date has been delivered by a small, Founder-led sales team and with minimal advertising or marketing support. In order to accelerate growth going forward, EP&T management have identified and are executing on the following strategies as key action areas.

Action	Description
Invest in Sales and marketing	Investment in expanding the sales team of EP&T and also targeted marketing activity is required to increase EP&T's brand recognition in the market and gain deeper levels of market penetration. Marketing activity to be implemented include the creation of new sales collateral, strategic digital communications, sponsorship of industry events, among others.
Move our client engagement model to SaaS based revenue contracts	EP&T's historical client engagement model was based around an upfront capital fee for the system set up and installation, followed by an ongoing services fee. The initial capital heavy nature of the revenue model often prolonged the sales cycle or prevented a sale at all. The SaaS model that was introduced in September 2019 offers the opportunity to shorten the sales cycle and stimulate ACV growth.
Assessing further international expansion	EP&T has a pipeline of global sales opportunities and a proven track record of successfully entering new markets, from individual sites through to large multi-region portfolio owners. We intend to continue this strategy going forward. International expansion will be targeted in those regions where EP&T assess the addressable market opportunities lie for accretive expansion.
Product Innovation	Continued product innovation to meet the evolving requirements of our clients and to anticipate their future expectations. The expansion of the product suite is constantly being considered where it will result in cross-sell opportunities and increase EP&T's addressable market.
Better utilise EP&T's extensive building operational knowledge	EP&T's database of building operating data has the potential to be a future meaningful revenue stream, so as to allow EP&T to provide anonymous real time and predictive insights into the optimal operating set up of commercial buildings.
Acquisitions (M&A)	EP&T will consider strategic acquisitions to accelerate entry into new markets, accelerate growth in existing markets, to consolidate the industry or add new products and capabilities to the technology platform.

03. Company Overview

3.7 Sales and marketing

3.7.1 Overview

EP&T's revenue growth is primarily driven by a range of direct sales strategies focusing on winning new clients, expanding further into the portfolios of existing clients and the upselling of additional products to the existing client base.

The sales team is divided into two functions – new client acquisition and account management (e.g. client support and cross-selling). The two functions work cohesively to target key industries and new clients through both a lead generation and an account management strategy. The decision makers within EP&T's client organisations can range from facility managers or site teams (for smaller individual sites) up to C-level executives when proposing a portfolio-wide or large site solution.

Historically, EP&T has not invested significantly in marketing activity. Sales have been relationship driven, mainly through the Founder and other EP&T employees. We have identified that a strategic marketing plan will be a key to driving future revenue growth.

3.7.2 Direct sales

EP&T's global sales personnel are focused on winning new clients. Sales team personnel also develop a pipeline of new client targets, and related sales plans based on the size of the opportunity and the probability of success.

The Process

EP&T targets commercial building segments and companies that it believes can benefit from the EDGE product suite. They are allocated to the sales team that is best placed (either from a skill set or geographical location perspective) to build the relationship. EP&T then prepares a high-level value proposition document for the client.

3.7.3 Cross-sell of products

EP&T leverages a "land and expand" strategy whereby a client who owns a portfolio of buildings may initially only install EDGE in one or two of the buildings in their portfolio. Over time the client adds additional buildings as the effectiveness of the system is proven. This represents an opportunity to upsell across the wider portfolio in the future. The modular nature of the EDGE platform also provides the potential to cross-sell new modules to existing clients. Every client is assigned an account management team focused on comprehensive account servicing through the generation of true partnership and collaboration. New opportunities for upselling and cross-selling evolve from this relationship.

3.7.4 Partnership Arrangements

In line with EP&T's global expansion strategy, a partner model is being tested under which the partner will make introductions between EP&T and potential clients and then assist EP&T throughout the sales cycle by leveraging their relationship with the client. This approach is intended to fast-track EP&T's global expansion by increasing the number of qualified leads that the sales team can pursue.

3.7.5 Marketing

Marketing will play a crucial role in elevating brand recognition, boosting client consideration and supporting sales. A range of projects are underway at EP&T in the area of marketing.

Our on-going marketing includes, but is not limited to:

- Brand refresh. Updated website and all design collateral.
- Search Engine Optimisation (SEO) and Search Engine Marketing (SEM) to ensure that potential clients can find us when they search for building optimization services online.
- PR and Communications will be used to broadcast thought leadership and case studies.
- Video and animated content to explain what, how and why we do what we do.
- Social media campaigns.
- B2B communication to target the right prospects.
- Sponsorship and attendance at industry events.
- Internal communications and staff recognition.
- Corporate Social responsibility program.

3.8 Intellectual property

3.8.1 Intellectual property protection

EP&T protects its intellectual property through a combination of trademarks, domain names, copyrights and trade secrets, as well as contractual provisions and restricting access to its proprietary technology. EP&T has entered into confidentiality agreements with its employees, consultants, contractors and business partners. EP&T's employees and contractors who work on material software or hardware (including the EDGE platform) are also employed or engaged under agreements that contain intellectual property ownership and confidentiality provisions, pursuant to which EP&T retains the rights to all technology developed for EP&T.

3.8.2 System and data protection

Measures utilised to protect EP&T's systems and client data include:

Identity & Access Management	Every individual is uniquely identified, authenticated and then authorised to access specific systems according to their functional purpose.
Network Security	In order to provide defensive measures against viral and other attacks, firewalls and Intrusion Detection Systems (IDS) are deployed at the gateway (the access point to the world-wide web).
Encryption	With the use of 256-bit encryption, suitably strong encryption measures are employed and implemented to protect EP&T's intellectual property; storage encryption is in place for EP&T's research and development team's work; and data is encrypted before transfer to any removable media devices.
Security Monitoring	Critical servers are scanned for security vulnerability by open source software. Firewall logs and critical hardware logs are recorded and analysed.
Virus Protection	Antivirus software is installed onto servers and computers connected to EP&T's office network. Procedures are in place to ensure anti-virus software has the latest updates and virus signatures are installed to verify that computers are virus-free.
Backup and Recovery	All electronic information is copied onto secure storage media on a regular basis and is encrypted.
Physical Security Measures	Access to areas containing sensitive information is physically restricted. An inventory of all computer equipment and media is maintained to account for restricted and confidential information. Proper data disposal is in place to ensure that devices and media are securely destroyed by secure eraser software or physically destroyed.
Business Continuity	EP&T provides a safe, secure IT environment to serve clients' requirements, ensure stability and continuity of the business, and promote confidence in its ability to provide goods and/or services in an uninterrupted manner, and also to recover quickly from any disaster and minimise disruption.

03. Company Overview

3.9 COVID-19

As a result of the COVID-19 pandemic certain clients of EP&T (particularly those in the hotel and hospitality industries outside of Australia) requested that EP&T pause billing for ongoing services while occupancy in their establishments was low. At its peak, pauses granted amounted to 9% of EP&T's ACV but since September 2020 the level of revenue on pause reduced to around 4% and this has continued to reduce thereafter.

Two of EP&T's international customers entered voluntary administration (or the overseas equivalent) due to COVID-19 which represents approximately $220k of EP&T's ACV so these contracts are on hold while buyers for the properties are sought.

At the beginning of COVID in March 2020, EP&T had 21 live projects from recently awarded contracts which were yet to be installed. Travel and building access restrictions meant that the installation of these projects was delayed and slower than under normal circumstances. Installation of these projects has now been fully or largely completed for all except 2 of the properties (hotels located in London and Paris). The contracts with all these customers are still valid and in force but the slower installation process deferred the commencement of invoicing ongoing fees to the customers resulting in lower statutory revenues in the second half of the 2020 financial year and the first half of the 2021 financial year. The full contract values will still be invoiced by EP&T, but in later periods than had the COVID-19 related delays not taken place.

In Australia access to a number of client buildings was limited as a result of COVID-19, so one-off maintenance services that are usually delivered to these clients could not be performed. This led to a revenue drop of over 30% in Australia between March and June 2020 compared to the prior year's corresponding period, and as such EP&T was entitled to claim the JobKeeper allowance. Since September 2020 EP&T has no longer been eligible to claim the JobKeeper allowance.

In recent months, EP&T has seen an increase in new business opportunities again as many building operators are increasingly focused on cost savings due to lower occupancy as a result of COVID-19. The Directors are monitoring the situation closely and continue to consider the impact of COVID-19 on EP&T's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.

04.

Financial Information

04. Financial Information

4.1 Introduction

The Financial Information of EP&T contained in this Section 4 includes the following:

- Pro forma historical aggregated Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2018 (FY2018), 30 June 2019 (FY2019) and 30 June 2020 (FY2020) and 6 months ended 31 December 2020 (1HFY2021) together with the six months ended 31 December 2019 comparative information (1HFY2020);
- Statutory historical aggregated Statement of Cash Flows for FY2018, FY2019, FY2020, 1HFY2021 and 1HFY2020;
- Statutory historical aggregated Statement of Financial Position as at 31 December 2020 ('Statutory Historical Statement of Financial Position'); and
- Pro forma historical aggregated Statement of Financial Position as at 31 December 2020 and the associated details of the pro forma adjustments ('Pro Forma Historical Statement of Financial Position');

together referred to as the "**Historical Financial Information**".

The statutory historical aggregated statements of profit or loss and other comprehensive income for FY2018, FY2019, FY2020, 1HFY2021 and 1HFY2020 are included in Appendix B of the Prospectus

The Historical Financial Information should be read together with the other information contained in this Prospectus, including:

- management's discussion and analysis set out in this Section 4;
- the risk factors described in Section 5;
- an assessment of the impact of COVID-19, set out in Section 3.9;
- the description of the use of the proceeds of the Offer described in Section 7.1.2;
- the Independent Limited Assurance Report, set out in Section 8; and
- the indicative capital structure described in Section 7.1.5.

Unless stated otherwise, all amounts disclosed in this section are presented in Australian dollars and rounded to the nearest thousand. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

Investors should note that past performance is not an indication of future performance.

4.2 Basis of preparation and presentation of the Historical Financial Information

The Directors of EP&T are responsible for the preparation and presentation of the Historical Financial Information.

The Historical Financial Information included in this section has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards adopted by the Australian Accounting Standards Board which are consistent with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and EP&T's accounting policies. EP&T's significant accounting policies are described in Appendix A. Noting the details provided in Section 4.3 the accounting policies of EP&T have been consistently applied throughout the periods presented.

The Historical Financial Information (other than the pro forma adjustments to the Historical Financial Information and the results of those adjustments) has been derived from the audited historical aggregated financial statements of EP&T Pty Limited and its aggregated companies for FY2018, FY2019 and FY2020 and the reviewed historical aggregated financial statements of EP&T Pty Limited and its aggregated companies for 1HFY2021 with 1HFY2020 comparative information. The financial statements for FY2018, FY2019 and FY2020 were audited and 1HFY2021 and 1HFY2020 reviewed by Grant Thornton Audit Pty Ltd in accordance with Australian Auditing Standards for the purposes of the listing on ASX. The audit opinions issued to the Directors for FY2018, FY2019 and FY2020 and reviewed conclusion for 1HFY2021 were unqualified but included an emphasis of matter on material uncertainty around going concern as well as an emphasis of matter on the basis of accounting as the financial statements are prepared on an aggregated basis as EP&T did not historically form a consolidated group (see details of Corporate Restructure in Section 7.1.4.1 and discussion below). In addition, the financial statements for FY2018 included a qualification as Grant Thornton Audit Pty Ltd were appointed auditors of a subsidiary company subsequent to 30 June 2018 and were not able to observe the counting of physical inventories.

The Aggregated Group reported the operating activities and financial results of the business until the Corporate Restructure when EP&T Global Limited (the Company) became the ultimate parent company of the Aggregated Group. Following the Corporate Restructure, the Company is the reporting entity. The Corporate Restructure has been evaluated in accordance with the criteria in AASB 3: 'Business Combinations' and it has been determined that the underlying substance of the group is unchanged. The Corporate Restructure therefore has no impact on the book value of net assets as recorded prior to the Corporate Restructure. The transaction will be accounted for using the predecessor carrying values of the net assets of the Aggregated Group at the time of the Corporate Restructure. The carrying value of the net assets will continue to be recorded at their book values as per the Aggregated Group aggregated financial statements and the results of the Aggregated Group will continue to be reported in a manner consistent with that recorded by the Aggregated Group.

The Directors note that the accounting for transactions such as the Corporate Restructure referred to above and contemplated in connection with the Offer is currently being reviewed by international accounting standard setters, and is subject to alternative interpretations and may be subject to change. The timing of any decisions, the outcome of these deliberations, and whether any potential changes are retrospective or only prospective could mean that the financial reporting outcome may be different to that reported in this Prospectus. In the event that the transactions contemplated by the Offer were required to be recorded at fair value:

- The net assets of EP&T as at 31 December 2020 would be increased to reflect the indicative market capitalisation of the Offer by approximately $44.3 million (based on the Offer Price);
- The Directors estimate that the excess of the fair value (based on the indicative market capitalisation) compared to the book value of net assets, if a purchase price allocation were required to be undertaken in the future, would primarily be allocated to client relationships (estimated to be $24.2 million) and technology (estimated to be $15.5 million). A deferred tax liability would also be recognised representing the difference between the tax and accounting cost bases of the identified intangible assets; and
- To the extent that any of the excess was allocated to finite intangible assets (client relationships and technology), NLAT would be impacted by the annual amortisation of these intangible assets, which the Directors have estimated to be $7.2 million per year.

If acquisition accounting were required to be applied in the future, the exact impact cannot be determined at this time, as a formal purchase price allocation has not been carried out. The above estimates are preliminary indicative estimates only, which may change upon undertaking a formal purchase price allocation in the future.

Should acquisition accounting be subsequently required, the impact is non cash in nature and will not affect future cash flows or the ability of EP&T to pay future dividends, as the overall financial position of the parent entity, the Company, will be the determinant of whether or not dividends are able to be paid in future periods.

The Historical Financial Information is presented in an abbreviated form and does not contain all of the disclosures, statements or comparative information required by Australian Accounting Standards applicable to financial reports prepared in accordance with the Corporations Act 2001.

The Historical Financial Information has been reviewed in accordance with the Australian Standard on Assurance Engagements *ASAE 3450 Assurance Engagements involving Fundraising and/or Prospective Financial Information* by Grant Thornton Corporate Finance Pty Ltd as set out in the Independent Limited Assurance Report in Section 8. Investors should note the scope and limitations of the Independent Limited Assurance Report.

The Historical Financial Information has been prepared for the purpose of the Offer.

04. Financial Information

4.3 Changes in Accounting Standards

AASB 9 Financial Instruments and AASB 15 Revenue from contracts have been applied from 1 July 2017.

AASB 16 Leases

The Aggregated Group adopted AASB 16 leases effective on 1 July 2019. On adoption of AASB 16, the Aggregated Group recognised lease liabilities in relation to the property leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 10%. The Aggregated Group had no leases previously classified as finance leases, and no leases classified as finance leases for the year ended 30 June 2020. Restating FY2018 and FY2019 under AASB 16 would reduce operating expenses by $0.5 million and increase depreciation by $0.4 million and interest expense by $0.1 million.

The associated right-of-use assets for property leases were measured at the amount equal to the lease liability using the 'cumulative catch-up' method. The net impact on retained earnings on 1 July 2019 was nil.

Interpretation 23: Uncertainty over Income Tax Treatments

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB112 Income Taxes. It does not apply to taxes or levies outside the scope of AASB112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Aggregated Group applies judgement in identifying uncertainties over income tax treatments. The Aggregated Group has assessed whether the interpretation had an impact on its Financial Information and has concluded that it does not have an impact on the Financial Information.

4.4 Non IFRS financial measures

EP&T uses certain measures to manage and report on its business that are not recognised under IFRS. These measures are collectively referred to as 'non-IFRS financial measures'. These non-IFRS financial measures do not have a prescribed definition under IFRS and therefore may not be directly comparable to similarly titled measures presented by other entities. These measures are collectively referred in this Section 4 and under Regulatory Guide 230 *Disclosing Non-IFRS Financial Information* published by ASIC as 'non-IFRS financial measures'. These should not be construed as an indication of, or an alternative to, corresponding financial measures determined in accordance with the IFRS. Although EP&T believes these non-IFRS financial measures provide useful information to users in measuring the financial performance and condition of the business, investors are cautioned not to place undue reliance on any non-IFRS financial measures included in this Prospectus.

In particular the following non-IFRS financial measures are included:

- EBITDA which means earnings before interest, taxation, depreciation & amortisation;
- EBIT which means earnings before interest and taxation;
- Annual Contract Value – Gross ("ACV – Gross") which represents the gross annualised revenue from current client contracts;
- Annual Contract Value – Net ("ACV – Net") which represents the Annual Contract Value – Gross less the value of any annual contracts relating to sites under dispute, transitioning to other service providers or clients under financial distress;
- Unbilled Contract Value ("UCV") which represents future amounts not yet billed under current contracts (excluding expected renewals);
- Total Contract Value ("TCV") signed which represents the ACV – Net multiplied by the contract term of new clients;
- Lifetime Value ("LTV") which represents estimated gross profit from the ACV generated by the client base, factoring a historical 3 year churn rate of ACV (this is across the entire client base); and
- Average term remaining which represents unbilled contract value divided by annual contract value to gauge the average term remaining on the existing contracts.

4.5 Pro forma Historical Aggregated Statements of Profit or Loss and Other Comprehensive Income

The table below represents the Pro Forma Statement of Profit or Loss and Other Comprehensive Income for FY2018, FY2019, FY2020, 1HFY2021 and 1HFY2020.

Table 4.1 Pro forma Statement of Profit or Loss and Other Comprehensive Income

$'000	Notes	FY2018 Pro forma	FY2019 Pro forma	FY2020 Pro forma	1HFY2021 Pro forma	1HFY2020 Pro forma
Revenue	1	9,297	9,286	6,702	3,223	3,503
Cost of goods sold	2	(1,830)	(1,801)	(765)	(162)	(485)
Gross profit		**7,467**	**7,484**	**5,937**	**3,061**	**3,018**
Operating expenses	3	(9,938)	(11,924)	(10,036)	(5,004)	(4,884)
Other gains/(losses)	4	1,150	569	609	419	246
EBITDA		**(1,321)**	**(3,871)**	**(3,490)**	**(1,524)**	**(1,620)**
Depreciation and amortisation expense	5	(118)	(123)	(528)	(253)	(270)
EBIT		**(1,439)**	**(3,994)**	**(4,018)**	**(1,778)**	**(1,890)**
Interest income	6	3	96	228	134	131
Interest expense	7	(77)	(124)	(283)	(103)	(180)
Loss before income tax		**(1,513)**	**(4,022)**	**(4,073)**	**(1,747)**	**(1,939)**
Income tax (expense)/benefit	8	(71)	217	122	155	44
Loss after income tax		**(1,584)**	**(3,805)**	**(3,951)**	**(1,592)**	**(1,896)**
Other comprehensive income	9	27	23	(216)	(352)	21
Total comprehensive loss		**(1,557)**	**(3,782)**	**(4,167)**	**(1,944)**	**(1,875)**

Notes:

1. **Revenue** represents project revenues and the subsequent contracted service and service and maintenance income received from clients. Refer to Section 3.4.3 for a discussion of EP&T's revenue model.
2. **Costs of goods sold** represents materials and sub-contractor costs incurred in the installation of hardware components, alongside freight and regulatory body expenses incurred to issue ratings.
3. **Operating expenses** represents payroll related expenditure, as well as variable and fixed general business expenses, including but not limited to; professional fees, IT costs, travel and entertainment, occupancy, motor vehicles and recruitment expenses. The associated charge to the profit and loss account for provisions and impairments of inventories and receivables is also recognised within operating expenses.
4. **Other gains/(losses)** mainly represents R&D tax credits and government stimulus packages received in response to COVID-19 in FY2020.
5. **Depreciation and amortisation expense** relates to the depreciation charge on leasehold improvements and IT equipment, as well as a charge in FY2020 against a right of use asset.
6. **Interest income** relates to the financing element of project revenue contracts, whereby clients pay over the term of the contract for capital equipment.
7. **Interest expense** includes charges mainly in relation to the convertible CNotes issued which is the reason for the continuing increase since FY2018.
8. **Income tax benefit** is as a result of the utilisation of unused tax losses.
9. **Other comprehensive income** relates to the FX translation to $ of the overseas entities from local currencies.

04. Financial Information

4.6 Reconciliation of pro forma net loss after tax to statutory net loss after tax

Set out below is a reconciliation for the pro forma net loss after tax to the pro forma net loss after tax for FY2018, FY2019 and FY2020.

Table 4.2 Net loss after tax reconciliation

	Notes	FY2018	FY2019	FY2020	1HFY2021	1HFY2020
Statutory net loss after tax		(378)	(2,518)	(4,107)	(2,886)	(1,722)
Bad debts written off net of provisions	1	(510)	(1,672)	414	1,768	–
Incremental public company costs	2	(763)	(763)	(763)	(382)	(382)
Convertible note interest and derivative liability movement	3	67	1,149	703	348	209
JobKeeper	4	–	–	(198)	(441)	–
Pro forma net loss after tax		(1,584)	(3,805)	(3,951)	(1,592)	(1,896)

Notes:

1. **Bad debts written off** represents project revenues in the Middle East recognised in the respective years written off in 1HFY2021 less the bad debt expense already recognised.
2. **Incremental public company costs** represents additional costs to be incurred following listing including Directors fees, ASX fees and D&O insurance.
3. **Convertible note interest and movement in Derivative Liability** represents adding back the interest on convertible notes and movement in derivative liability as the convertible notes will be converted to Shares on listing therefore reflecting the capital structure going forward.
4. **JobKeeper** represents JobKeeper assistance received due to COVID-19 added back.

4.7 Key financial and operating metrics

Set out below are the key financial and operating metrics for FY2018, FY2019, FY2020, 1HFY2021 and 1HFY2020.

Table 4.3 Key financial and operating metrics

	FY2018	FY2019	FY2020	1HFY2021	1HFY2020
ACV – Gross ($'000)	5,413	7,232	8,556	9,034	8,441
ACV – Net ($'000)	5,011	6,217	7,649	7,826	7,425
UCV ($'000)	14,438	18,772	23,390	25,605	24,652
Average term remaining (years)	2.7	3.0	3.1	3.3	3.3
LTV ($'000)	49,589	61,524	75,697	77,453	73,487
TCV signed – annual ($'000)	6,211	7,464	10,852	–	–
Pro forma revenue	9,297	9,286	6,702	3,223	3,503
Recurring pro forma revenue %	49%	45%	82%	80%	88%
Non-recurring pro forma revenue %	51%	55%	18%	20%	12%

Notes:

Recurring pro forma revenue % is the proportion of revenue earned from contracted service income. Non-recurring pro forma revenue % is the proportion of revenue earned from projects as well as service and maintenance revenue.

4.7.1 Management discussion and analysis of key financial and operating metrics

The following information has been prepared in relation to EP&T's Historical Financial Information for FY2018, FY2019, FY2020 and 1HFY2021.

Revenue

Contracted service revenue

An increasing source of revenue historically has been generated from contracted service revenue earned from clients subsequent to the installation of equipment. This revenue stream is considered recurring and represents ongoing fees from clients on standard terms. Contractor service revenues increased by $0.4 million between FY2018 and FY2019 and by a further $0.4 million in FY2020 to $5.5 million. Contractor service revenues in 1HFY2021 decreased due to customers requesting temporary pauses to contracts arising from building closures due to COVID-19. ACV has increased over the historical period.

Project revenue

Project revenue represents the sale of equipment and associated costs of installation and establishment. Project revenue decreased from $3.8 million in FY2018 to $3.6 million in FY2019 and to $0.8 million in FY2020. This was predominately due to the change in sales model to a SaaS revenue model whereby EP&T retain ownership of the equipment. The reduced project revenue in FY2020 and 1HFY2021 includes existing projects that were negotiated under the previous business model as the business transitioned towards a SaaS model in September 2019.

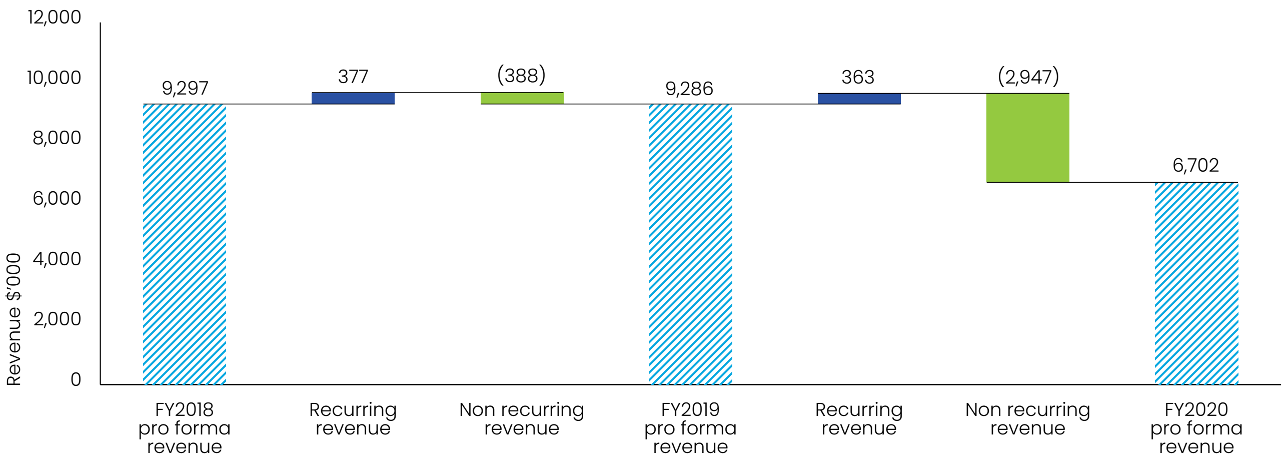
Service and maintenance revenue

Service and maintenance revenue represents ad hoc repair and maintenance work for existing clients. These revenues are variable in nature and non-recurring as often requires the replacement or repair of site equipment.

Recurring and non-recurring revenue

Only contracted service revenues are classified as recurring with the client generally paying monthly throughout the term of the contract. Both project revenues and service and maintenance revenues are considered to be non-recurring. Below is presented a bridge of historical revenue by recurring and non-recurring revenue stream. Whilst recurring revenues have increased this has been offset by a significant decrease in project revenues due to the shift towards the SaaS operating model.

Recurring v non-recurring revenue bridge

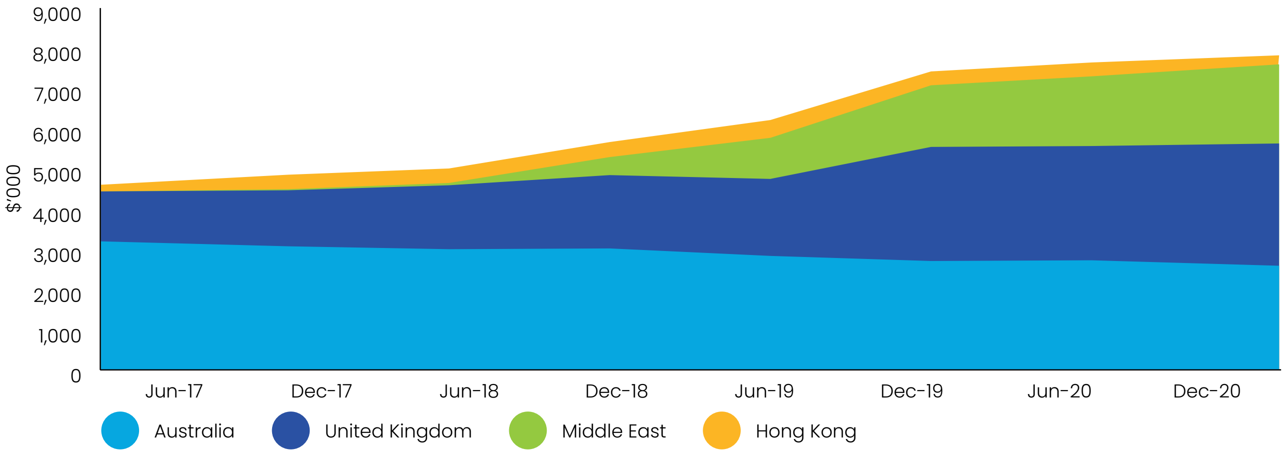


ACV – Net and UCV

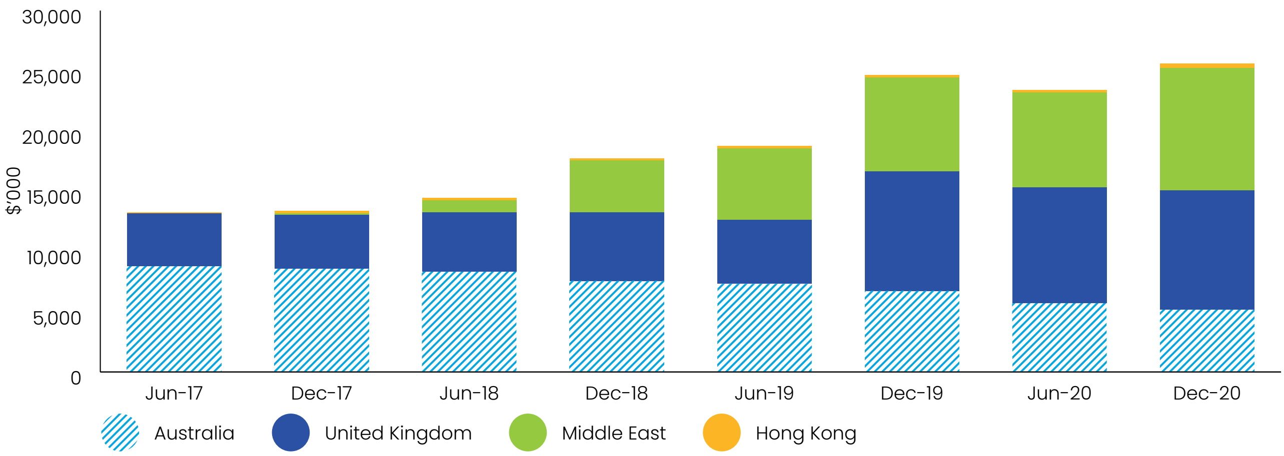
In September 2019 EP&T changed its revenue model to a SaaS model which had an initial negative impact on statutory revenue and EBITDA. Despite this the increasing ACV – Net and UCV are positive lead indicators for future revenues and cash flows. This growth has been achieved through predominately non-Australian territories, which represent 67% of total ACV – Net at 31 December 2020. ACV – Net increased by $1.6 million between 30 June 2019 and 31 December 2020, predominately driven by Europe and the Middle East.

04. Financial Information

Six monthly ACV Net



Six monthly UCV



4.7.2 Costs of goods sold and gross margin

Costs of goods sold have decreased by $1.0 million between FY2018 and FY2020 due to a reduction in project revenues. Costs of goods sold have reduced at a higher rate than the reduction in project revenue increasing overall gross margin from 80% in FY2018 and FY2019 to 88.6% in FY2020 and to 90% in 1HFY2021. This increase in gross margin % is as result of a shift towards higher margin contracted service revenues.

4.7.3 Operating expenses

Employee expenses are the most significant operating expense, and increased between FY2018 and FY2019 as a result of headcount expansion particularly within the Middle East. All employees voluntarily agreed to temporary pay reduction from 1 April 2020 through to 1 October 2020 given the uncertainty in the general economic climate brought about by the onset of COVID-19, and combined with a reduction in the Australian headcount this led to a $0.9 million decrease in total employee costs between FY2019 and FY2020 and $0.2 million in 1HFY2021.

Other operating expenses have decreased by $1.1 million between FY2019 and FY2020, predominately as a result of a reduction in the occupancy expense due to the implementation of AASB 16. Furthermore, an inventory provision for $0.4 million was first recognised in FY2019 but remains consistent as at 31 December 2020.

4.7.4 Other gains/(losses)

Other gains in FY2018 related to $1 million being received in the form of R&D tax credits, whilst $0.6 million was also received in FY2019 and FY2020. The R&D tax credit was $0.4 million in 1HFY2021.

4.7.5 EBITDA

EBITDA loss has increased between FY2018 and FY2019, however reduced in FY2020 and 1HFY2021. This is largely due to the change in operating model and the subsequent delays in revenue recognition over the course of the contracts, without a corresponding reduction in employee and operating costs. These costs have been incurred to ensure the business continues its growth trajectory centred upon increasing ACV-Net and TCV and, in turn, the committed revenues associated with future contracts.

4.7.6 Depreciation and amortisation

Depreciation and amortisation has increased given the given the adoption of AASB 16 in FY2020 and the corresponding recognition of a right of use asset in respect of the operating leases for the various offices throughout the regions operated by EP&T.

4.7.7 Net loss after tax

EP&T has historically reported net operating losses. EP&T has been in a development and investment phase of its business life cycle whereby investments have been made to create capacity for future growth. Significant investment has been made through expenditure with employees.

4.7.8 Impact of COVID-19 on the Company's Financial Information

Refer to Section 3.9 for details of the impact on EP&T's business and strategies in light of COVID-19.

04. Financial Information

4.8 Statutory Historical Cash Flows

Set out in the table below is a summary of EP&T's Statutory Historical Cash Flows for FY2018, FY2019, FY2020, 1HFY2021 and 1HFY2020.

Table 4.4 Statutory Historical Cash Flows

$'000	FY2018 Audited	FY2019 Audited	FY2020 Audited	1HFY2021 Reviewed	1HFY2020 Reviewed
OPERATING CASH FLOWS					
Statutory NLAT	**(378)**	**(2,518)**	**(4,107)**	**(2,886)**	**(1,722)**
Non-cash amounts in NLAT	112	1,297	752	2,065	323
Movement in trade and other receivables	(701)	(3,027)	1,771	603	612
Movement in other assets	(123)	4	(45)	(436)	15
Movement in tax receivables	(436)	272	108	102	459
Movement in deferred tax assets	(30)	(217)	(122)	(155)	(44)
Movement in inventories	11	521	(561)	(131)	(219)
Movement in trade and other payables	(232)	1,128	271	359	(188)
Movement in lease liabilities	–	–	103	(206)	–
Movement in provisions	219	89	99	31	(34)
Net operating cash flows	**(1,558)**	**(2,451)**	**(1,731)**	**(655)**	**(798)**
INVESTING CASH FLOWS					
Purchase of property, plant and equipment	(97)	(32)	(22)	(453)	(8)
Movement in term deposits	112	–	(9)	–	(9)
Net investing cash flows	**15**	**(32)**	**(31)**	**(453)**	**(17)**
Net operating and investing cash flows	**(1,543)**	**(2,483)**	**(1,762)**	**(1,107)**	**(815)**
FINANCING CASH FLOWS					
Payment of lease liabilities	–	–	(481)	–	–
Proceeds from Convertible Notes, net of issue costs	1,500	1,914	2,325	950	1,881
(Payments to)/advances from shareholder	114	1,007	(64)	–	(64)
Net financing cash flows	**1,614**	**2,921**	**1,780**	**950**	**1,817**
Net cash flows	**71**	**438**	**18**	**(157)**	**1,002**
Closing cash	**(190)**	**248**	**266**	**109**	**1,250**

4.9 Management discussion and analysis of the Statutory Historical Cash Flows

Operating cash flows

EP&T has historically been loss making as it has incurred discretionary expenses to grow the business and realign the sales model towards SaaS contracts, this has led to operating cash flows being in deficit. Non cash amounts in the profit and loss predominately relate to fair value adjustments on Convertible Notes and the associated embedded derivative liability, alongside depreciation and foreign exchange gains and losses. Historically, project contracts have resulted in working capital lock-up, as billings have been spread over the life of contracts. This ceased after FY2020 as EP&T moved towards a SaaS model and no longer sell equipment upfront.

Investing cash flows

Payments for property, plant and equipment has been limited, although is likely to increase going forward as equipment will be capitalised rather than sold to clients under the SaaS operating model, and will therefore be required to be replaced.

Financing cash flows

The business has continued to receive increased funding from the issue of Convertible Notes in FY2018, FY2019, FY2020 and 1HFY2021. All Convertible Notes are to be converted into Shares prior to Completion.

04. Financial Information

4.10 Statutory Historical Statement of Financial Position

The table below has been extracted from the audited historical aggregated statement of financial position of EP&T Pty Limited and its aggregated companies and adjusted to reflect the pro forma adjustments that have been made to the Statutory Historical Statement of Financial Position (further described in Section 4.11) and the Pro Forma Historical Statement of Financial Position as at 31 December 2020.

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes and is not represented as being necessarily indicative of EP&T's view on its future financial position.

Table 4.5 Statutory and Pro Forma Historical Statement of Financial Position as at 31 December 2020

$'000	Notes	EP&T at incorp-oration date	Pro forma adjustments and Corporate Restructure	Impact of the Offer	Pro Forma
CURRENT ASSETS					
Cash and cash equivalents	1,2,8,10	–	2,217	6,520	8,737
Trade and other receivables	8	–	2,439	70	2,509
Inventories		–	1,518	–	1,518
Other current assets		–	790	(88)	702
Income tax receivable		–	526	–	526
Total current assets		**–**	**7,489**	**6,502**	**13,991**
NON-CURRENT ASSETS					
Trade and other receivables		–	431	–	431
Financial assets		–	68	–	68
Deferred tax assets		–	690	–	690
Plant and equipment		–	1,079	–	1,079
Total non-current assets		**–**	**2,268**	**–**	**2,268**
TOTAL ASSETS		**–**	**9,757**	**6,502**	**16,259**
CURRENT LIABILITIES					
Trade and other payables	5	–	2,921	(40)	2,881
Borrowings	10	–	1,108	(1,108)	–
Provisions		–	1,144	–	1,144
Lease liabilities		–	325	–	325
Total current liabilities		**–**	**5,499**	**(1,148)**	**4,351**
NON-CURRENT LIABILITIES					
Trade and other payables	10	–	811	(811)	–
Provisions		–	28	–	28
Lease liabilities		–	323	–	323
Total non-current liabilities		**–**	**1,162**	**(811)**	**323**
TOTAL LIABILITIES		**–**	**6,661**	**(1,959)**	**4,702**
NET ASSETS/(LIABILITIES)		**–**	**3,096**	**8,461**	**11,557**
EQUITY					
Issued capital	1,6,7,8,9	–	55,468	8,837	64,304
Accumulated losses	1,3,5,8,9	–	(7,802)	(1,469)	(9,274)
Reserves	1,	–	(44,047)	1,093	(42,954)
FX reserve		–	(523)	–	(523)
TOTAL EQUITY		**–**	**3,096**	**8,461**	**11,557**

4.11 Description of pro forma adjustments

The following transactions and events contemplated in this Prospectus which are to take place on or before Completion, referred to as the pro forma adjustments, are presented as if they, together with the Offer, had occurred on or before 31 December 2020 and are set out below.

With the exception of the pro forma transactions noted below no material transactions have occurred between 31 December 2020 and the date of this Prospectus which the Directors consider require disclosure.

Pro forma transactions:

1. Corporate Restructure involving EP&T Global Limited issuing 64,811,972 shares to the owners of the Aggregated Group in return for the shares in the Aggregated Group. The Corporate Restructure has been accounted for using the net liability carrying values of the Aggregated Group prior to the Corporate Restructure. The difference between the fair value (based on the indicative market capitalisation) and the carrying values has been recognised as a restructuring reserve for the purposes of the Prospectus to highlight the impact of maintaining the predecessor carrying values. In future reporting periods, issued capital will be reported net of this amount;
2. Additional $1 million of convertible notes issued after 31 December 2020 and prior to Completion of the Offer;
3. Additional interest accrued on convertible Notes between Dec-20 and Completion of the Offer, in May 2021 of $0.3 million;
4. Receipt of loan in Hong Kong in January 2021 amounting to $0.57 million (HK$3.5 million) (the Hong Kong loan);
5. The conversion of the principal, accrued interest outstanding Completion of the convertible Notes into a total of 71,629,533 Shares;
6. Issue of 1,857,995 Shares to the Lead Manager amounting to $0.37 million;
7. The completion of the Offer, raising $9.5 million through the issue of 47,500,000 Shares at an issue price of $0.20 per Share;
8. Expenses associated with the Offer totalling $1.3 million with $0.7 million being capitalised and $0.5 million being expensed. The GST claimable as a result of RITC provisions within the GST legislation totals $0.1 million;
9. Issue of Options to Directors, senior management and the Lead Manager with a total value of $1.5 million; and
10. Shareholder loans totalling $1.1 million, overdraft of $0.6 million and Hong Kong loan of $0.57 million are to be repaid upon Completion of the Offer.

A deferred tax asset has not been recognised in relation to the capitalised Offer costs due to the uncertainty surrounding the flow of economic benefits that will flow in future periods.

04. Financial Information

4.11.1 Pro forma cash and cash equivalents

EP&T expects that it will have sufficient cash to fund its operational requirements and business objectives following the Offer.

Table 4.6 Audited and pro forma cash and cash equivalents as at 31 December 2020

$'000	Pro forma adjustment	Total cash and cash equivalents
EP&T cash and cash equivalents at incorporation date		–
Pro forma transactions:		
Corporate Restructure (cash acquired)	1	647
Additional Convertible Notes issued	2	1,000
Receipt of Hong Kong loan	6	570
Offer	9	9,500
Offer costs	10	(1,061)
Loan repayments	12	(1,919)
Pro forma cash and cash equivalents		**8,737**

Note:
Refer to pro forma transactions in Section 6.11 for further detail.

4.11.2 Pro forma capital structure summary as at 31 December 2020

Table 4.7 Pro forma capital structure

EP&T at incorporation date	Pro forma adjust-ment	No. of shares	Share capital $'000	Accumu-lated losses $'000	Reserves $'000	FX reserve $'000	Net assets $'000
Corporate Restructure	1	64,811,972	45,931	(8,252)	(44,047)	(523)	(6,887)
Accrual of interest on Convertible Notes	3	–	–	(257)	–	–	(257)
Conversion of Convertible Notes	6	71,629,533	9,162	1,078	–	–	10,240
Lead Manager	7	1,857,995	375	(375)	–	–	–
Issue of Options	10	–	–	(1,093)	1,093	–	–
Pre Offer capital structure		**138,299,500**	**55,468**	**(8,899)**	**(42,954)**	**(523)**	**3,096**
Public offer	8	47,500,000	9,500	–	–	–	9,500
Offer costs	9	–	(663)	(376)	–	–	(1,039)
Total		**185,799,500**	**64,304**	**(9,274)**	**(42,954)**	**(523)**	**11,557**

Note:
Refer to pro forma transactions in Section 4.11 for further detail.

4.12 Contingent Liabilities

EP&T has contingent liabilities of $67,938 as at 31 December 2020 relating to bank guarantees held on property leases. Other property lease guarantees have been paid as deposits for Middle East, Hong Kong and United Kingdom premises to the amount of $54,896.

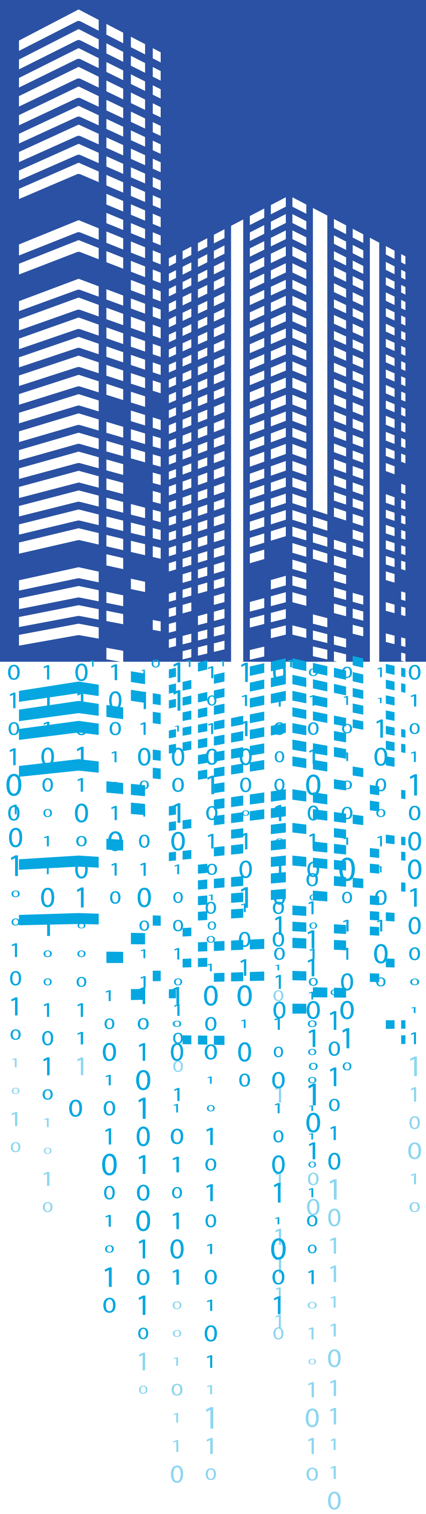
EP&T operates a guaranteed energy savings scheme with certain clients, the maximum remaining savings guaranteed to clients as at 31 December 2020 are $7.4 million, however to date there have been no instances of energy savings not being provided to clients, hence no liability is recognised in the Statutory Historical Statement of Financial Position.

Table 4.8: Guaranteed energy savings scheme

Guarantee measurement date	<1 year	1-2 years	3-5 years	+5 years	Total
Uncovered actual guaranteed savings	44	–	7,390	–	7,435

4.13 Dividend policy

The dividend policy of EP&T is to reinvest all cash flows into the business to maximise its growth. Accordingly, no dividends are expected to be paid in the near term following EP&T's listing on ASX.



05.

Key Risks

05. Key Risks

5.1 Introduction

This Section 5 describes some of the potential risks associated with EP&T's business and the industry in which it operates, and the risks associated with an investment in the Shares. It does not purport to list every risk to which EP&T and its investors may be exposed now or in the future. The occurrence or consequences of some of the risks described in this section are partially or completely outside the control of EP&T, the Directors and management. The occurrence of any single risk, or a combination of these risks, may have a material adverse impact on EP&T's business, financial performance and operations.

The selection of risks has been based on an assessment of a combination of the likelihood of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. That assessment is based on the knowledge of the Directors as at the Prospectus Date, but there is no guarantee or assurance that the importance of different risks will not change or that other risks will not emerge.

There can be no guarantee that EP&T will deliver on its business strategy, or that any forward-looking statement contained in this Prospectus will be achieved or realised. EP&T's actual results could differ materially from those anticipated in any such forward-looking statements as a result of certain factors, including the risks described below and elsewhere in the Prospectus. You should note that past performance is not a reliable indicator of future performance.

Before applying for Shares, you should satisfy yourself that you have a sufficient understanding of these matters and should consider whether Shares are a suitable investment for you, having regard to your own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in EP&T, it is recommended that you seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional advisor before deciding whether to invest.

5.2 Specific risks

5.2.1 Failure to achieve profitability

EP&T has historically focused on developing its platform and product and growing its client base through expansion of overseas offices. EP&T changed its client engagement model in FY20 to a SaaS model under which revenues are invoiced and recognised over the contract term. This has led to a decrease in revenue when compared to FY18 and FY19 and this has in turn increased NPAT losses in FY20 and 1HFY21 compared to FY18 and FY19. This change to a SaaS model is part of EP&T's growth strategy and EP&T expects that losses and negative operating cash flows will continue in the near term as a result of this change. However, there is a risk that the strategy to change to the new client engagement model is not successful and the Company does not achieve profitability in the future. If EP&T fails to generate positive NPAT in the future it may be required to raise further capital and the Company's future operations and ability to execute its growth strategy may be adversely affected. An investment in EP&T should therefore be regarded as speculative.

5.2.2 Failure to retain existing clients and attract new business

Whilst EP&T is an established player in the Building Energy Management Systems (BEMS) market, it remains in the early stages of its new focused growth strategy (see Section 3.6), and its ability to scale its business is heavily reliant on new client growth.

EP&T's business also depends on the Company's ability to retain existing clients and attract further additional business from existing clients. There is a risk EP&T's existing clients reduce their usage of the Company's building energy management solution (for example the number of sites, services or modules used) or terminate their relationship with the Company. This would result in a reduction in the level of payments made from clients resulting in a decrease in the Company's revenue.

05. Key Risks

EP&T's ability to retain existing clients and attract new clients, as well as increasing existing clients' level of usage of the Company's solution, depends on many factors including the adequacy of EP&T's solution with respect to matters such as functionality, energy savings achieved, cost-effectiveness, pricing, client support, and value compared to competing products. In addition, clients' use of EP&T's solution may be affected by external factors such as changes to laws and regulations and a client's willingness to pursue energy efficiency solutions. Failure to appropriately retain and upsell existing clients and achieve client growth may materially and adversely impact growth in EP&T's ACV.

EP&T has experienced a period of sustained growth in ACV and the number of sites using its solution (refer to Section 4.3.5.3 for further information). The Company can reasonably expect further growth in the future which could place strain on current management, operational and finance resources as well as the infrastructure supporting the EP&T solution. Failure to appropriately manage growth could result in failure to retain existing clients and a failure to attract new clients, which could adversely affect EP&T's operating and financial performance.

5.2.3 Failure to meet minimum guaranteed savings levels

EP&T has guaranteed a pre-determined value of energy savings following installation of monitoring equipment and the commencement of monitoring and reporting services to certain clients in accordance with their specific agreements (refer to Section 3.4.4 for further information). Under the various guarantees, EP&T is obligated to pay the relevant client in cash for any shortfall between actual savings achieved and the guaranteed energy savings amount. The savings are stipulated in the applicable contracts and are based on modelled savings determined by EP&T in accordance with an approval process which involves a rigorous review and assessment being undertaken by the technical services department of data points against comparable buildings. There is a risk that the approval process to determine the appropriate guarantee is ineffective or that the guarantees are called upon. Whilst the guarantees are unsecured, maintaining the strength of EP&T's reputation is important to retaining and growing its client base and if EP&T fails to generate minimum guaranteed savings for clients this may adversely impact its reputation. In addition, failure to generate guaranteed savings for clients will result in EP&T incurring a liability to repay the shortfall which may adversely impact EP&T's future financial performance.

5.2.4 Failure to recover long term receivables from clients

Prior to EP&T's adoption of its new SaaS business model (refer to Section 3.4 for further information), EP&T's client contracts included deferred payment arrangements (Zero Investment Plan or ZIP) and as such EP&T is exposed to credit risk from certain clients who have entered a deferred payment arrangement. The extended nature of these payments increases EP&T's risk of exposure to clients who may encounter financial difficulties. The Company's ability to recover deferred payments from clients who encounter financial difficulties may be impacted and this may lead to impairment charges being recognised in EP&T's financial statements and reduced cash collections in the future. Although the ZIP model has been discontinued, as at 31 December 2020, there was a balance of $4.0 million owed to the Company under deferred payment arrangements which are due to be paid to EP&T in instalments over the next 4 years of which $1.7m has been provided for as a bad debt in the company's financial statements at 31 December 2020 as a result of doubts regarding the collectability of this debt.

5.2.5 Failure to successfully implement its business strategy

EP&T is in the early stages of implementing a new growth strategy. There is a risk that EP&T's business strategy or any of its growth initiatives will not be successfully implemented, deliver the expected returns or ultimately be profitable. For example, EP&T's growth depends in part, on the increasing adoption of building energy management solutions and it may be difficult for EP&T to persuade potential new clients of the benefits of using a software based building energy management solution and to adopt EP&T's integrated modular solutions. Promoting awareness of EP&T's brand is therefore critical to the Company's success, however there is a risk that investment in sales and marketing may not realise benefits for several years or may not realise benefits at all. Failure to successfully execute its business strategy will negatively impact EP&T's ability to attract new clients.

In addition, implementing the EP&T solution for a large number of new clients will test the business' execution capabilities. If EP&T is unable to successfully implement the EP&T solution for new clients, or if implementation costs overrun or implementation is unexpectedly delayed, EP&T may not generate the financial returns it intends. There is also a risk that EP&T is unable to scale fast enough to secure and implement all the opportunities that may present themselves in the future. Growth into new markets may be inhibited by unforeseen issues particular to a territory or sector, including the need to invest significant resources and management attention to the expansion, and the possibility that the desired level of return on its business will not be achieved.

5.2.6 Increased competitive pressures

EP&T's competitors include global building management system companies who have greater financial and operational resources, as well as in-house building management teams who develop internal energy management solutions. This is coupled with the current evolution of the broader building energy management solution market, which has seen a number of new entrants over recent years.

In this competitive landscape, there is a risk that EP&T may:

- fail to implement changes to satisfy the changing expectations of the Company's clients, relative to and with the same efficiencies as its competitors;
- be slower to anticipate and adapt to technological changes and updates, which may result in a prolonged period of product obsolescence; and/or
- face the risk that in-house building management teams developed internal solutions may become preferred to outsourced building energy management system solutions.

If any of these risks arise, EP&T's ability to effectively compete and increase its market share will be adversely effected which could result in the reduction of EP&T's market share and revenue, having a material adverse impact on EPT's revenue and profitability.

A general increase in competition, new entrants to the market, and competitors undertaking aggressive marketing campaigns may also require EP&T to increase marketing expenditure to attract clients and maintain market share which would adversely impact EP&T's financial performance even if EP&T's market share is maintained.

5.2.7 Pricing risk

As described in Section 3.1, under EP&T's business model, it primarily generates revenue by charging ongoing subscription fees to clients for the length of their contract, based on the type of products or modules chosen by the client and the level of equipment they require to be installed for EP&T's system to operate effectively. Each contract has a set/agreed term and upon expiry of a client's contract, there is a risk that the relevant client may try to renegotiate contract terms for more favourable provisions including price discounts by comparing price offerings and solutions which are offered by the Company's competitors. In order to retain its clients and maintain or increase market share, EP&T may be required to agree to negotiated terms, including in relation to price reductions, which would result in a direct reduction in revenue and have a negative impact on EP&T's financial performance. While EP&T may resist such attempts to renegotiate prices, business economics, market conditions or competitive forces (refer to risk 5.2.6) may dictate such terms need to be accepted.

5.2.8 Product liabilities

Given the nature of EP&T's products, it is exposed to potential product liability risks, which are inherent in the research and development, manufacturing, marketing and use of its current and future products. Whilst EP&T maintains liability insurance, there may be circumstances where the Company:

(a) may not be able to maintain insurance for product or service liability on reasonable terms;

(b) EP&T's insurance may not be sufficient to cover large claims; and/or

(c) the insurer chooses to disclaim coverage on claims.

Although EP&T endeavours to work to rigorous standards and has systems in place to maintain these standards, there is still the potential for products to contain defects that may result in damage to clients' premises. Defects and damage of this nature could result in loss of a client, reputational damage to the Company and claims for damages against the Company, and may have a material adversely impact on EP&T revenue and profitability.

There is also the risk that where such claims on the Company's insurance policy are made that:

(a) the Company's policy may not be sufficient in respect of coverage, specifically if they are larger claims;

(b) the insurer may rely on an exclusion to disclaim coverage; and/or

(c) the ability of the Company to negotiate better terms in the future in respect of its policy and coverage will be effected.

As such, in the event that product defects result in damage to client premises and claims against the Company's insurance policy are made, it follows that the Company will also incur increased insurance costs which would adversely impact on EP&T's financial performance.

05. Key Risks

5.2.9 Operations in foreign jurisdictions or unfamiliar markets

As set out in Section 3.1, EP&T currently operates in 18 countries, including in the Middle East, the United Kingdom and Hong Kong, and it is seeking to expand into various other foreign countries. The business and operations of the Company are therefore subject to a range of different legal and regulatory regimes. As EP&T expands its presence into international jurisdictions, it will be subject to the risks associated with doing business in regions which may have political, legal and economic instability or less sophisticated legal and regulatory systems, including (i) unexpected changes in, or inconsistent application of, applicable foreign laws and regulatory requirements; (ii) less sophisticated technology standards; (iii) difficulties engaging local resources; and (iv) potential for political upheaval or civil unrest which could have a material adverse effect on the Company's business, operations and financial performance.

Changes in laws and regulations affecting the industry or EP&T's operations, may require EP&T to obtain additional approvals and/or licences which may result in additional costs. Additionally, EP&T could face legal, tax or regulatory sanctions or reputational damage as a result of any failure to comply with (or comply with developing interpretations of) applicable laws, regulations, codes of conduct and standards of good practice. This gives rise to risks including, but not limited to, labour practices, foreign ownership restrictions, tax regulation, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regimes and other issues in foreign jurisdictions in which EP&T currently or may operate. A breach in any of these areas could result in fines or penalties, the payment of compensation or the cancellation or suspension of EP&T's ability to carry on certain activities or product offerings could interrupt or adversely affect parts of the Company's business and may have an adverse effect on its business, operations and financial performance.

5.2.10 Failure to adequately maintain and develop the building energy management solution

EP&T's business model depends on the Company's ability to continue to ensure that clients are satisfied with its building energy management solution and its technology systems are continuing to develop and are subject to change. EP&T's success will, in part, depend on its ability to offer services and systems that remain current with the continuing changes in technology, evolving industry standards and changing consumer preferences. There is a risk that EP&T fails to maintain its building energy management solution adequately, or that updates may introduce errors and/or performance issues, causing client satisfaction in EP&T's solution to fall. Client satisfaction may also fall as a result of real or perceived reductions in functionality, ability to identify energy savings opportunities, product quality, reliability, cost-effectiveness or client support for the EP&T's solution, or a failure to accommodate and reflect changes and developments in technology and in the commercial, compliance and regulatory environment. Any of these factors may result in reduced sales and usage, loss of clients, damage to EP&T's reputation and an inability to attract new clients.

EP&T's future growth may also depend on its ability to develop enhancements and new features for its solution so that it continues to satisfy client needs, attract new clients and generate additional revenue from increased usage. There is a risk that the development and introduction of new features and modules does not result in a successful outcome for EP&T due to various reasons, including insufficient investment, unforeseen costs, poor performance and reliability, low client acceptance, existing competition or economic and market conditions. The failure to successfully develop new product features and modules may have a material adverse impact on EP&T's future operations and financial performance.

5.2.11 Disruption or failure of technology systems and software

Both EP&T and its clients are dependent on the performance, reliability and availability of the Company's technology platforms, data centres and global communications systems (including servers, the internet and the cloud environment in which EP&T provides its products). There is a risk that these systems may fail to perform as expected or be adversely affected by factors outside the control of EP&T including, service outages or data corruption that could occur as a result of computer viruses, "bugs" or "worms", malware, internal or external misuse by websites, cyber-attacks or other disruptions including natural disasters, power outages or other similar events. These events may be caused by factors outside of EP&T's control, and may lead to prolonged disruption to its platform, or operational or business delays and damage to EP&T's reputation. This could potentially lead to a loss of clients, legal claims by clients, and an inability to attract new clients, any of which could have a material adverse impact on EP&T's business, operations and financial performance.

5.2.12 Cyber security incidents

The use of information technology is critical to EP&T's ability to deliver its products and services to clients and the growth of its business. Through the ordinary course of business, EP&T collects confidential information about its clients. Cyber attacks may compromise or breach the technology platform used by EP&T to protect confidential information which may have an adverse effect on EP&T's reputation and consequently its financial performance. There is a risk that the measures EP&T takes to prevent technology breaches may prove to be inadequate which may result in cyber-attacks, unauthorised access to data, financial theft and disruption to business-as-usual services. Any accidental or deliberate security breaches or other unauthorised access to EP&T's information technology systems or client data may result in reputational damage, a loss of confidence in the services the Company provides, loss of information integrity, a disruption of services to clients or breaches of EP&T's obligations under applicable laws or agreements, each of which may have a material adversely impact on EP&T's reputation and financial performance..

EP&T may also incur costs as a result of rectifying system vulnerabilities or introducing additional safeguards to minimise the risk of future security breaches. Any of these events could have a material adverse impact on EP&T's reputation and financial performance. Any security or data issues experienced by other cloud software companies globally could also adversely impact clients' trust in cloud solutions generally and could adversely affect EP&T's ability to migrate clients to its cloud platform.

5.2.13 Failure to realise benefits from research and development

EP&T has invested significantly in research and development, and it expects to continue to do so in the future in order to further expand and improve its solution and to maintain and enhance its competitive position. When investing in research and development EP&T makes certain assumptions about the expected future benefits generated by the investment and the expected timeframe in which such benefits may be realised. These assumptions are subject to change and involve both known and unknown risks that are beyond EP&T's control. Any change to these assumptions may have an adverse impact on EP&T's ability to realise benefits from innovation and product development related costs.

5.2.14 Sales cycles and implementation times can be complex, lengthy, and require significant resources

Sales cycles for EP&T's products are typically around 6 months, but can be longer. Clients are often large organisations that frequently have extensive budgeting, procurement, competitive bidding, technical and performance reviews and potentially, regulatory approval processes that can slow down the sales process, at times by months. In some instances, a client may require one or more pilot programs to test EP&T's products and solutions before committing to a larger deployment. These pilot programs may be quite lengthy and provide no assurance that they will lead to a larger deployment or future sales. The implementation and deployment of EP&T's solutions can vary due to contract negotiations and challenges with implementation or to critical dependencies, such as the installation of other products, including smart meters. Further, the implementation and deployment of EP&T's platform often involves multiple parties from different organisations such as building owners, tenants, facilities managers, and BMS vendors, among others, which may cause delays and require additional resources. As a result of the factors noted above, there is a risk that the acquisition of new clients may be delayed which would impact EP&T's ability to execute its growth strategy and have a material adverse impact on EP&T's business, operations and financial performance.

5.2.15 Failure to protect EP&T's intellectual property rights

The value of EP&T's solution is dependent on its ability to protect its intellectual property, including business processes, know-how and trademarks. EP&T has historically protected its intellectual property through a combination of trademarks, domain names, copyrights and trade secrets, contractual provisions, restricting access to its proprietary technology, confidentiality agreements with its employees, consultants, contractors and business partners. As EP&T grows and diversifies geographically, there is a risk that these actions may not be adequate and may not prevent the misappropriation of its intellectual property or deter independent development of similar products by others.

There is a risk that:

- competitors may create, or have already created, intellectual property rights (including patents) that restrict EP&T's ability to exploit its own technology; and/or
- given the nature of EP&T's intellectual property, it may be unable to detect the unauthorised use of its intellectual property rights in all instances.

05. Key Risks

These risks may require EP&T to:

- develop non-infringing technology or enter into royalty or licensing agreements with competitors; and/or
- undertake actions to protect the its intellectual property, including commencing costly legal proceedings in various jurisdictions.

Challenging a competitor's patent or protecting EP&T's own intellectual property may be costly and time-consuming and there is no guarantee that EP&T will be successful, further where EP&T is found to infringe a competitor's patent or intellectual property, EP&T may be required to pay damages and restrict EP&T's ability to use its own technology.

Taking action to assert intellectual property infringement against EP&T may not be adequate or enforceable and this may not result in future prevention of the misappropriation of its intellectual property and proprietary information. If EP&T fails to protect its intellectual property rights adequately, competitors may gain access to its technology which would in turn harm its business, financial performance and operations.

5.2.16 Breach of third party intellectual property rights

There is a risk that third parties may allege that EP&T's products use intellectual property derived by them or from their products without their consent or permission. EP&T may be the subject of claims which could lead to disputes or litigation, which could result in the payment of monetary damages, cause delays and increase costs, which in turn could have an adverse impact on EP&T's operations, reputation and financial performance.

5.2.17 Inability to attract or retain key personnel

EP&T's success is dependent upon the ongoing retention of key personnel across the executive management, the Research & Development, Technical Services and Projects teams. There is a risk that EP&T may not be able to retain key personnel or be able to find effective replacements for key personnel without causing disruption to the Company's operations. The loss of such personnel, or any delay in their replacement, could have a material adverse impact on management's ability to operate the business and execute EP&T's growth strategies and prospects, including through the development and commercialisation of new solutions or modules. Any prolonged periods of disruption would adversely impact EP&T's operations and financial performance, and result in the potential loss of key client relationships and business process knowledge.

5.2.18 Compliance with laws and regulations

EP&T's business is subject to laws and regulations that may evolve and be subject to uncertain interpretation. In addition, new laws and regulations may be implemented in the future that could impact EP&T's business. While EP&T has developed internal processes around compliance with legal and regulatory requirements, these processes may not ensure compliance with all relevant laws and regulations across all the jurisdictions in which EP&T operates. It is also possible that EP&T's compliance structures may not yet be or become sufficient to enable the business to address the changing regulatory environment and any changing expectations from government regulators. Any past, current or future violations of applicable laws and regulations (including in relation to compliance with applicable employment awards or categorisation of independent contractors) (whether in or outside of Australia) may have a material adverse effect on EP&T's reputation, financial performance and business operations. There is also a risk that changes to the legal and regulatory environment which affects the Company's business may require EP&T to incur additional costs in order to comply with those laws and regulations.

There is also a risk EP&T may be subject to regulatory investigations and sanctions or fines by governmental agencies in the event of non-compliance with relevant statutory or regulatory requirements. Such investigations, sanctions or fines may be as a result of how EP&T employs people (for example whether EP&T appropriately characterises people as employees or contractors and have paid or withheld appropriate amounts of tax, or occupational health and safety investigations). Such investigations, including the costs of settling claims or paying sanctions or fines, and any associated operational impacts, may be costly and damaging to EP&T's reputation and business relationships, any of which could have an adverse effect on EP&T's financial performance, position or industry standing.

5.2.19 Litigation, claims, disputes

There is a risk that EP&T may be subject to litigation, claims, disputes or investigations in the course of its business, including litigation regarding intellectual property rights, product liability claims, claims arising under acquisition contracts or client contracts, or other litigation not covered by insurance. In addition to causing reputational damage, costs associated with such litigation, claims, disputes or investigations, including the cost of settling claims or paying sanctions or fines, and any associated operational impacts, may have a material adverse impact on EP&T's financial performance.

5.2.20 Foreign exchange fluctuations

EP&T's financial statements are presented in Australian dollars. EP&T has a portion of current sales revenue denominated in currencies other than the Australian dollar, most notably British Pounds, Euros and United Arab Emirates Dirham. As a result, EP&T's revenue is increasingly sensitive to movements in the exchange rate between these currencies and Australian dollar. The proportion of revenue denominated in currencies other than the Australian dollar may increase over time as EP&T continues to grow and expand into overseas jurisdictions. At present, EP&T does not hedge this exposure, and as a result any changes in the exchange rates in the jurisdictions in which the Company operates may adversely impact its business, operations and financial performance.

5.2.21 Ability to access capital markets or refinance debt on attractive terms

EP&T has historically relied on non-bank and bank debt funding to help fund its business operations. EP&T's Banking Facilities will require refinancing in the future. In the future, EP&T may also be required to raise capital through public or private financing or other arrangements. Such financing may not be available on acceptable terms, or at all, and a failure to raise capital when needed could harm EP&T's business. If EP&T cannot raise funds on acceptable terms, it may not be able to grow its business or respond to competitive pressures. Any deterioration in the level of liquidity in the debt and equity markets may prevent EP&T from being able to refinance some or all of its debt on favourable terms (if at all) or raise new equity. This may adversely impact EP&T's business, operating and financial performance.

5.3 General risks

5.3.1 Exposure to general economic and financial market conditions

EP&T is exposed to changes in general economic conditions in the United Kingdom, Dubai, Australia and globally. Adverse changes in inflation rates, interest rates, exchange rates, employment rates, government policies (including fiscal, monetary and regulatory policies), other structural changes and other factors driving global macroeconomic conditions are outside the control of EP&T, the Directors and EP&T management, and are not reliably predictable. Any of these factors may have an adverse impact on EP&T's business and financial performance. There is a risk that external factors impacting EP&T's industry may cause EP&T's clients and potential clients to reduce, delay or cancel expenditure on EP&T's products and services. Any reduction, delay or cancellation may have a material adverse effect on EP&T's financial performance.

5.3.2 COVID-19

The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of EP&T remains largely unknown. EP&T's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact EP&T's operations and are likely to be beyond the control of EP&T.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on EP&T's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. If any of these impacts appear material prior to Completion, EP&T will notify investors. Once listed, and in compliance with its continuous disclosure obligations, EP&T will continue to update the market in regard to the impact of COVID-19 on its revenue channels and any adverse impact on EP&T.

05. Key Risks

5.3.3 Price of Shares may fluctuate

The price at which Shares are quoted on ASX may increase or decrease due to a number of factors including factors unrelated to the operating performance of EP&T. These factors may cause the Shares to trade at prices below the Offer Price. There is no assurance that the price of the Shares will increase following quotation on ASX, even if EP&T's earnings increase. Some of the factors which may affect the price of the Shares include:

- the number of potential buyers or sellers of Shares on ASX at any given time;
- fluctuations and general volatility in the domestic and international market for listed stocks;
- general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices;
- changes in fiscal, monetary or regulatory policies, legislation or regulation;
- inclusion in or removal from market indices;
- the nature of the markets in which EP&T operates;
- variations in sector performance, which can lead to investors exiting one sector to prefer another;
- initiatives by other sector participants which may lead to investors switching from one stock to another; and
- general operational and business risks.

Other factors which may negatively affect investor sentiment and influence EP&T specifically or the stock market more generally include acts of terrorism, an outbreak of international hostilities or fires, floods, earthquakes, labour strikes, civil wars and other natural disasters.

Further, the share prices for many companies have in recent times, been subject to wide fluctuations, which in many cases may reflect a diverse range of non-company-specific influences such as global hostilities and tensions, acts of terrorism and the general state of the economy. Such market fluctuations may materially adversely affect the market price of the Shares.

No assurances can be given that the performance of the Shares will not be adversely affected by any such market fluctuations or factors. None of EP&T, the Seller, the Directors, the Seller directors or any other person guarantees the performance of the Shares.

5.3.4 Significant retained holding by Founder

Immediately after Completion, the Founder (through his investment vehicle Magnetar Capital Limited and related parties) is expected to hold approximately 31% of the issued share capital of EP&T. Therefore, the Founder may have the capacity to influence the election of Directors, the approval of significant corporate transactions and the success of a takeover or similar offer
for the Shares. The interests of the Founder may differ from the interests of EP&T and the interests of Shareholders who purchase Shares under the Offer.

5.3.5 Shareholders may suffer dilution

In the future, EP&T may elect to issue new Shares, including pursuant to equity incentive arrangements, or engage in capital raisings to fund growth initiatives. While EP&T will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12-month period (other than where exceptions apply), some or all Shareholders may be diluted as a result of such issues of Shares and fundraisings.

5.3.6 Trading in Shares may not be liquid

Prior to the Offer, there has been no public market in the Shares. There can be no guarantee that an active market in the Shares will develop or that the price of Shares will increase. There may be relatively few potential buyers or sellers of the Shares on ASX at any time. This may increase the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price that Shareholders paid.

As noted above, the Founder (through his investment vehicle Magnetar Capital Limited and related parties) is expected to hold approximately 31% of the Shares following Completion, which may impact on liquidity. Further, certain Shareholders will be subject to escrow arrangements in relation to the Shares they hold immediately following Completion. A summary of the escrow arrangements is set out in Section 6.4. This could affect the prevailing market price at which Shareholders are able to sell their Shares at certain points in time. For example, Shares may be illiquid during the escrow period but may be extremely liquid when those shares come out of escrow.

5.3.7 Adverse taxation changes may occur

Taxation law is complex and frequently changing, both prospectively and retrospectively. EP&T may be exposed to changes in taxation legislation or interpretation in Australia and any other jurisdiction in which it currently conducts and may in the future conduct business. Changes in taxation law (including goods and services taxes and stamp duties), or changes in the way taxation laws are interpreted, create a degree of uncertainty and may impact the tax liabilities or future profitability of EP&T or the tax treatment of a Shareholder's investment. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and Shareholder returns.

Tax authorities may review the tax treatment of transactions entered by EP&T. Any actual or alleged failure to comply with, or any change in the application or interpretation of, taxation laws applied in respect of such transactions, may increase EP&T's tax liabilities or expose it to legal, regulatory or other actions. An interpretation of taxation law by a revenue authority that is contrary to EP&T's or its adviser's interpretation of those taxation laws may also increase the amount of tax to be paid.

EP&T has claimed the research and development tax incentive provided by the Australian Government (R&D Incentive). The R&D Incentive is self-assessed by EP&T based on a review by management.

R&D is a complex area of the tax legislation, particularly in relation to software R&D. As such, there is a risk that the ATO or Innovation and Science Australia could take a different view to EP&T in relation to its R&D claims. Should EP&T's claims be selected for audit and EP&T is not able to provide appropriate documentation or adequately substantiate its claims, it is possible that EP&T could be required to refund amounts previously received together with penalties depending on the outcome of the audit. The financial years ended 30 June 2017, 30 June 2018, 30 June 2019 and 30 June 2020 are open to audit as at the date of this Prospectus. In relation to the value of R&D incentives received by EP&T in each of those financial years, these amounts are $572,483, $647,361, $646,249 and $499,339 respectively.

EP&T received payments from the Federal Government under the JobKeeper Scheme of $643,500. EP&T's eligibility to participate in the JobKeeper Scheme would be based in part on a decline in reported GST turnover. It is possible that the ATO could take an alternative view on the interpretation of eligibility requirements under the JobKeeper Scheme. For example, the ATO could review or challenge any supporting calculations undertaken as a basis for EP&T's eligibility for this scheme. Should this eventuate, EP&T may no longer qualify to participate in the JobKeeper Scheme or may be required to repay amounts received under this scheme.

Under Australian transfer pricing rules, EP&T is required to deal at an arm's length in relation to transactions with its foreign related entities.

No transfer pricing documentation has been prepared to substantiate EP&T's arm's length position in respect of its transactions with its foreign related parties. However, EP&T is currently engaged with Grant Thornton in relation to a review and preparation of appropriate transfer pricing documentation in respect of EP&T's related party transactions.

Each prospective investor is encouraged to seek professional tax advice in connection with any investment in EP&T.

5.3.8 Australian Accounting Standards may change

Changes to the Australian Accounting Standards (AAS) are determined by the Australian Accounting Standards Board (AASB) and are not within the control of EP&T and its Directors. The AASB may, from time to time, introduce new or refined AAS, which may affect the future measurement and recognition of key income statement and statement of financial position items.

There is also a risk that interpretation of existing AAS, including those relating to the measurement and recognition of key income statement or statement of financial position items, including revenue and receivables, may differ. Any changes to AAS or to the interpretation of those standards may have an adverse effect on the reported financial performance and position of EP&T.

5.3.9 Inability to pay dividends

EP&T's ability to pay dividends or make other distributions in the future is contingent on EP&T making profits and certain other factors, including the capital and operational expenditure requirements of the business. Therefore, there is no assurance that dividends will be paid. Moreover, to the extent that EP&T pays any dividends, its ability to offer fully franked dividends is contingent on making taxable profits. EP&T's taxable profits may be difficult to predict, making the payment of franked dividends unpredictable.

The value of franking credits to a Shareholder will differ depending on the Shareholder's particular tax circumstances. Shareholders should also be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year, will depend on the individual tax position of each Shareholder.

05. Key Risks

5.3.10 Force majeure events may occur

Events may occur within or outside Australia that could impact upon global, Australian, or other local economies relevant to EP&T's financial performance, the operations of EP&T and the price of the Shares. These events include, but are not limited to, acts of terrorism, outbreaks of disease and pandemics (such as COVID-19), international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, or other man-made or natural events or occurrences that can have an adverse effect on the demand for EP&T's products and services and its ability to conduct business. EP&T has only a limited ability to insure against some of these risks.

Refer to Section 3.9 for further information on the COVID-19 pandemic and its impact on EP&T.

06.

Key People, Interests and Benefits

06. Key People, Interests and Benefits

6.1 Board of Directors

The Directors bring to the Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance experience.

Director & Experience

Jonathan Sweeney

Independent Non-Executive Chairman

Jonathan joined EP&T in 2021. He has enjoyed a distinguished career, working in financial services for 35 years. He was the Managing Director of Trust Company (now part of Perpetual) from 2000 till 2008 where he oversaw the merger with Permanent Trustees, established Trust's business in Singapore and established a joint venture with The Bank of New York. He then co-founded Equity Real Estate Partners in mid-2009 that back door listed into Folkestone (now part of Charter Hall) where he became Folkestone's COO with responsibilities for the legal, regulatory, financial and operational areas until he left in early 2013 to pursue a non-executive career.

Jonathan is currently Chairman of 8IP Emerging Companies Ltd (ASX code: "8EC"), a non executive director of BT Funds Group, The Australian Davis Cup Tennis Foundation, a member of Perpetual Superannuation Ltd's Investment Committee and Chairman of Perpetual Private's Investment Committee. He was previously a non-executive director of Velocity Rewards Pty Ltd from 2014 to 2021, Tennis New South Wales from 2012 to 2019 and Easton Investments (ASX code: "EAS"), from 2009 till 2014.

Jonathan holds a Bachelor of Commerce and Laws from the University of NSW, is a Chartered Financial Analyst and has completed the AICD Company Directors Course as well as the Stanford Executive Program.

Keith Gunaratne

Founder and Executive Director

Keith founded EP&T in 1993. He has been involved in developing energy conservation technologies for over 20 years and has extensive experience applying these technologies to the commercial, retail and industrial sectors.

Keith has formal education in Electrical Engineering, Air-conditioning technologies, Computer Science and Business Management, which includes studies at Harvard Business School.

Director & Experience

John Balassis

Independent Non-Executive Director

John joined the advisory board for EP&T in 2011. He has over 25 years in strategy and M&A across a range of industries including infrastructure, transportation and energy.

John has worked in both Australia and internationally. He is a former senior executive at KPMG. For the past several years John has been a Board representative and CEO of investee entities for a US based energy and resources specialised investment firm.

As non-executive director, John has experience in working with management teams to assist them to grow through merger, acquisitions and strategic joint ventures. John has a Bachelor of Economics (majors in Accounting and Business Law) from Macquarie University, is a Member of the Institute of Chartered Accountants in Australia and is a member of the Australian Institute of Company Directors (MAICD).

Victor van Bommel

Independent Non-Executive Director

Victor joined the advisory board for EP&T in 2016. He has over 20 years' experience in investment banking and real estate.

Victor is CEO and founder of Orange Capital Partners (**OCP**), a real estate investment firm based in Amsterdam, who own and manage a portfolio of real estate assets in excess of USD$3.5bn.

Prior to OCP, Victor worked for 14 years at Goldman Sachs in London, where he had various senior positions in equities and real estate capital markets.

Victor is a member of the European Association for Investors in Non-Listed Real Estate Vehicles (INREV) and the Association of Institutional Property Investors in the Netherlands (IVBN).

6.2 Key executives

Management comprises the following:

Executive & Experience

Trent Knox

Chief Executive Officer

Trent joined EP&T as Sales Director in June 2020, and was appointed Chief Executive Officer in September 2020.

He has worked primarily in the automotive and software industries for 30 years. Trent brings his extensive experience in strategic and inclusive business leadership to EP&T with a focus on strengthening the bonds between its customers and people. His diverse career in SaaS, platform delivery, sales, automotive, franchising and financial services includes significant highlights with a strong growth focus. His 4 years as GM Sales and Marketing at Volkswagen Financial Services resulted in a threefold increase in interest earning assets and a 250% increase in network coverage. He was responsible for turning West Michigan Auto Auctions from a 70-units a week business in 2007 to 700 units a week in 2010. As COO and then president of the Auction Broadcasting Company, sales increased by 580% during his 6-year tenure.

06. Key People, Interests and Benefits

	Executive & Experience
	**Keith Gunaratne** *Founder and Executive Director* Refer to Section 6.1.
	**Richard Pillinger** *Chief Financial Officer and Company Secretary* Richard joined EP&T in March 2018 as Chief Financial Officer and has over 15 years' experience in senior financial management activities within Australian and US publicly listed companies, including 4 years within the Washington H Soul Pattinson Group of companies. Over the past 10 years, working at EP&T and BlueNRGY Group Richard's career has been focused on the global renewable energy and sustainability industries. During his career, Richard has been involved in the acquisition and subsequent integration of companies in Australia, USA and Europe. Richard has extensive experience in managing the transition to SaaS based business models. Richard is a Fellow of the Institute of Chartered Accountants England & Wales and holds a Bachelor of Science degree from the University of Nottingham, UK.
	**Rajesh Jampala** *Chief Operating Officer* Rajesh joined EP&T in October 2014 and is responsible for managing EP&T's global operations including overall client deliverables. Having worked at EP&T, Simavita Limited and Laurent Bakery over the last 14 years, Rajesh has a depth of experience in enhancing cross functionality across departments, providing strategic direction, commercial advice, continuous improvement plans and fostering strong communication with our clients. Rajesh is a Certified Practising Accountant (CPA) and holds a Bachelor of Engineering in Computer Science and Master of Practising Accounting from Monash University.

6.3 Interests and benefits

This Section 6.3 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director or director or proposed director of the Seller;
- person named in this Prospectus who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of EP&T or the Seller; or
- underwriter to the Offer or financial services licensee named in the Prospectus as a financial services licensee involved in the Offer,

holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of EP&T or the Seller;
- property acquired or proposed to be acquired by EP&T in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of EP&T, the Seller or the Offer or to any Director or proposed Director or director or proposed director of the Seller to induce them to become, or qualify as, a Director or a director of the Seller.

6.3.1 Directors' and senior management interests and remuneration

6.3.1.1 Senior management remuneration

Chief Executive Officer

EP&T Australia is party to an employment contract with Trent Knox to govern his employment with EP&T, dated 20 May 2020. Trent is employed in the position of CEO of EP&T. Trent's annual remuneration package is comprised of a base salary of A$275,000 (plus 9.5% superannuation, capped at A$21,694) and annual cash bonus of up to 50% of his base salary (excluding superannuation) upon satisfaction of financial performance measures and key performance indicators in accordance with his employment contract and at the discretion of the Board. He is also entitled to participate in the Employee Incentive Plan. The terms and conditions of Trent's bonus and any further awards, including as to targets, vesting and/or exercise (as the case may be), may be determined by the Directors. Trent's employment contract may be terminated by either EP&T or Trent by providing at least 3 months' notice in writing before the proposed date of termination. In some cases EP&T may terminate Trent's employment without notice, including in circumstances of gross or serious misconduct, materially failing to perform his duties, being convicted of a serious criminal offence and bankruptcy. Trent's employment contract also includes a restraint of trade period of 24 months following termination. Enforceability of such restraint of trade is subject to all usual legal requirements.

Executive Director – Chief Technology Officer and Enterprise Sales

Keith Gunaratne is party to two (2) employment contracts which govern his employment with EP&T, as follows:

- with EP&T Global FZ LLC (EP&T Global Limited's Dubai subsidiary) dated 12 March 2021, as amended on 15 March 2021 (**Dubai Employment Agreement**); and
- with EP&T Global Limited (EP&T Limited's Hong Kong subsidiary) dated 12 March 2021 (**Hong Kong Employment Agreement**),

(together "**Keith Gunaratne Employment Agreements**").

Keith is employed in the position of Chief Technology Officer and Enterprise Sales of EP&T. Pursuant to the Dubai Employment Agreement, Keith's annual remuneration package is comprised of a base salary of AED560,000 (equivalent to A$200,0001) plus annual pension contribution of AED100,800 (equivalent to A$36,0001). Keith is entitled to sales commission in line with the Sales Incentive Plan applicable to his role as in force at the time. Keith is entitled to additional allowances while he is based outside of Australia of: personal travel expenses to/from Australia capped at A$30,000 per year; housing and living allowance of AED52,800 (equivalent to A$18,8501) per year and private medical cover costing up to AED40,000 (equivalent to A$14,300[38]) per year. In addition to this, pursuant to the Hong Kong Employment Agreement, Keith's remuneration package also includes an additional annual cash salary of HKD600,000 (equivalent to A$100,000[39]). Under the Keith Gunaratne Employment Agreements, Keith's employment contract may be terminated by either EP&T or Keith by providing at least 3 months' notice in writing before the proposed date of termination. On termination Keith will be entitled to a statutory end of service gratuity payment as required under UAE employment legislation. The maximum end of service gratuity available under this legislation is 24 months of salary. EP&T has agreed to accrue Keith's end of service gratuity payment based on an annual salary of AED1,905,500 (equivalent to A$680,000[38]), being the salary paid to Keith prior to the amendment dated 15 March 2021. In some cases EP&T may terminate Keith's employment without notice, including in circumstances of gross or serious misconduct, materially failing to perform his duties, being convicted of a serious criminal offence and bankruptcy. Keith's employment contract also includes a restraint of trade period of 18 months following termination. Enforceability of such restraint of trade is subject to all usual legal requirements.

38. Payments under Keith Gunaratne's Dubai Employment Agreement remuneration package will be paid in United Arab Emirates Dirham (AED) currency. The exchange rate to convert the AED amounts to the Australian dollar equivalents above is A$1= AED2.8.
39. Payments under Keith Gunaratne's Hong Kong Employment Agreement remuneration package will be paid in Hong Kong dollars (HKD) currency. The exchange rate to convert the AED amounts to the Australian dollar equivalents above is A$1= HKD6.0.

06. Key People, Interests and Benefits

Chief Financial Officer

EP&T Australia is party to an employment contract with Richard Pillinger to govern his employment with EP&T, dated 20 February 2018. Richard is employed in the position of CFO of EP&T. Richard's annual remuneration package is comprised of a base salary of A$251,949 (plus 9.5% superannuation, capped at A$21,694) and an annual cash bonus of up to 30% of his Total Remuneration Package (TRP) upon the achievement of key performance indicators in accordance with his employment agreement and at the discretion of the Board. He is also entitled to participate in the Employee Incentive Plan. The terms and conditions of any further awards, including as to targets, vesting and/or exercise (as the case may be), may be determined by the Directors. Richard's employment contract may be terminated by either of EP&T or Richard by providing at least 3 months' notice in writing before the proposed date of termination. In some cases EP&T may terminate Richard's employment without notice, including in circumstances of gross or serious misconduct, materially failing to perform his duties, being convicted of a serious criminal offence and bankruptcy. Richard's employment contract also includes a restraint of trade for a period of 24 months following termination. Enforceability of such restraint of trade is subject to all usual legal requirements. Richard will be entitled to receive a A$57,465 cash bonus upon EP&T successfully listing on ASX.

Chief Operating Officer

EP&T Australia is party to an employment contract with Rajesh Jampala to govern his employment with EP&T, dated 27 December 2017. Rajesh is employed in the position of Chief Operating Officer of EP&T. Rajesh's annual remuneration package is comprised of a base salary of A$220,060 and a training allowance of A$10,000 (plus 9.5% superannuation, capped at A$21,694) and an annual cash bonus of up to 30% of TRP upon the achievement of key performance indicators in accordance with his employment agreement and at the discretion of the Board. He is also entitled to participate in the Employee Incentive Plan. The terms and conditions of any further awards, including as to targets, vesting and/or exercise (as the case may be), may be determined by the Directors. Rajesh's employment contract may be terminated by either of EP&T or Rajesh by providing at least 3 months' notice in writing before the proposed date of termination. In some cases EP&T may terminate Rajesh's employment without notice, including in circumstances of gross or serious misconduct, materially failing to perform his duties, being convicted of a serious criminal offence and bankruptcy. Rajesh's employment contract also includes a restraint of trade for a period of 24 months following termination. Enforceability of such restraint of trade is subject to all usual legal requirements. Rajesh will be entitled to receive a A$75,526 cash bonus upon EP&T successfully listing on ASX.

6.3.1.2 Director appointment letters

Prior to the Prospectus Date, each of the Directors has entered into letters with EP&T Global Limited, confirming their roles and responsibilities as directors of a public listed entity, and EP&T's expectations of them as Directors.

6.3.1.3 Non-Executive Director remuneration

Under the Constitution, the Board may decide the total amount paid to each Director as remuneration for their services as a Director. However, under the ASX Listing Rules, the total amount paid to all Directors for their services (excluding, for these purposes, the salary of any Executive Director) must not exceed in aggregate in any financial year the amount fixed by EP&T's general meeting.

This amount has been fixed by EP&T at A$500,000 per annum. For the financial year ended 30 June 2021, it is expected that the fees payable to the current Directors will not exceed A$41,500 in aggregate. Annual Director fees currently agreed to be paid by EP&T are A$122,000 to the Chairman, Jonathan Sweeney, A$67,000 to John Balassis and A$60,000 to Victor van Bommel. These Director fees include fees payable to each Director for their roles on the relevant Board committees. All Non-Executive Directors' fees are inclusive of superannuation contributions where required by law to be made by EP&T.

The Non-Executive Directors are not entitled to participate in any employee incentive scheme (including the Employee Incentive Plan).

Section 6.3.1.6 provides an overview of the Shares in which Directors are expected to have an interest directly or indirectly through an investment vehicle at Completion.

6.3.1.4 Other information about Directors' interests and benefits

John Balassis and Victor van Bommel were members of EP&T's Advisory Board prior to being appointed Non-Executive Directors. Under the terms of their agreements each received annual Advisory Board member fees of A$25,000. From time to time, additional fees were payable for services provided outside the scope of the Advisory Board charter. The Advisory Board member agreements were terminated prior to the Prospectus Date. The following Advisory Board fees were paid to each of John Balassis and Victor van Bommel from the date of appointment to the date of termination: John Balassis A$257,833; Victor van Bommel A$96,256.

Directors may be paid for travel and other expenses incurred in attending to EP&T's affairs, including attending and returning from meetings of the Board or committees of the Board or general meetings. Any Director who devotes special attention to the business of EP&T or who performs services which, in the opinion of the Board, are outside the scope of ordinary duties of a Director, may be remunerated for the services (as determined by the Board) out of the funds of EP&T. There are no retirement benefit schemes for Directors, other than statutory superannuation contributions.

6.3.1.5 Deeds of access, indemnity and insurance for Directors

EP&T has entered into deeds of indemnity, insurance and access with each Director which confirm each person's right of access to certain books and records of EP&T and its wholly owned subsidiaries for a period of seven years after the Director ceases to hold office. This period may be extended where certain proceedings or investigations commence before the seven year period expires. The deeds also require EP&T to provide an indemnity for liability incurred as an officer of EP&T and its subsidiaries, to the maximum extent permitted by law.

Pursuant to the Constitution, EP&T is required to indemnify Directors and employees, past and present, against liabilities allowed under law. Under the deeds of indemnity, insurance and access, EP&T indemnifies each Director against all liabilities to another person that may arise from their position as a director of the Company or its subsidiaries to the extent permitted by law. The deeds stipulate that EP&T will meet the full amount of any such liabilities, including reasonable legal costs and expenses.

Pursuant to the Constitution, EP&T may arrange and maintain directors' and officers' insurance for its Directors to the extent permitted by law. Under the deeds of indemnity, insurance and access, EP&T must obtain such insurance during each Director's period of office and for a period of seven years after a Director ceases to hold office. This seven year period can be extended including where certain proceedings or investigations commence before the seven year period expires.

6.3.1.6 Directors' interests in Shares and other securities

Following Completion, it is expected that the Directors will hold the following Shares and other securities in EP&T:

Directors[1]	At Completion			
	Shares	Existing Options	Ownership percentage (undiluted)	Ownership percentage (fully diluted)
Jonathan Sweeney[2]	250,000	2,765,990	0.1%	1.47%
Keith Gunaratne	58,264,311	3,457,488	31.36%	29.99%
John Balassis	1,018,039	829,797	0.55%	0.90%
Victor van Bommel[2]	2,223,532	829,797	1.20%	1.48%

Notes:

1. Directors may hold their interests directly, or through entities associated with them (e.g. through companies or trusts).
2. Jonathan Sweeney has informed EP&T that he, or his investment vehicles, intend to apply for 250,000 Shares under the Offer. Victor van Bommel has also informed EP&T that he, or his investment vehicles, intend to apply for 500,000 Shares under the Offer. John Balassis has also informed EP&T that he, or his investment vehicles, intend to apply for 250,000 Shares under the Offer. Keith Gunaratne has informed EP&T that he, or related parties, intend to apply for 750,000 Shares under the Offer. These Shares have been included in the calculations of total Shares in the first column of the table above.

The Shares applied for by the Directors under the Offer will not be subject to escrow. However all of the Shares held by the Directors on conversion of their Convertible Notes (if any) will be subject to escrow, as further described in Section 6.4.

Final Directors' shareholdings will be notified to ASX following listing on ASX.

06. Key People, Interests and Benefits

6.3.2 Employee and executive incentive arrangements

EP&T has established various incentive arrangements to assist in the attraction, motivation and retention of management and employees including general incentive payments under contracts of employment, bonuses payable under the STIP and/or the right to participate in the Employee Incentive Plan.

6.3.2.1 Short term incentive plan (STIP)

Members of the senior executive team and certain other managers may participate in a short term incentive plan (**STIP**) under which cash based incentives linked to financial metrics may be payable to participants at the sole discretion of EP&T. Annual cash bonuses which may be payable to senior management under the STIP are described in Section 6.3.1.1.

6.3.2.2 Employee Incentive Plan

EP&T has established an employee incentive plan (**Employee Incentive Plan**) which provides the framework under which individual grants of employee incentives outside the STIP are proposed to operate. The key terms of the Employee Incentive Plan are outlined below. As at Completion, no grants under the Employee Incentive Plan will have been made.

Topic	Summary
Administration	The Employee Incentive Plan will be administered by the Board.
Eligibility	Participation in the Plan is by invitation (**Invitation**). Eligible participants are full-time or part-time employees of any EP&T group company (including Executive Directors), or any other person the Board deems eligible in its absolute discretion.
Award	The Employee Incentive Plan provides flexibility for the Board to grant one or more of the following types of award: • options to acquire shares (**Incentive Options**); • rights to acquire shares (**Performance Right**); • shares allocated under the Plan (**Restricted Share**); or • a right to a cash amount determined in reference to the value of shares (**Incentive Right**), (together **Awards**). Any shares issued under the Employee Incentive Plan will rank equally with other Shares issued by EP&T, except for any rights attaching to shares by reference to a record date prior to the date of their issue.
Maximum number of Awards that may be issued under the Employee Incentive Plan	Awards comprising the equivalent of 8,500,000 Shares.

Topic	Summary
Conditions	The Board must set out the terms and conditions of the Award in the Invitation. The Invitation must include: • the type(s) and number of Award(s) being offered or the method by which the number will be calculated; • the amount payable for the grant of an Award or the method by which the amount payable is calculated; and • any vesting conditions, or other condition including any vesting periods. An invitation for an Incentive Option or Performance Right must include: • requirements for exercising the Incentive Option (including any exercise price or exercise period); • whether exercising the Incentive Option or vesting of the Performance Right will only be satisfied by an allocation of shares to the participant; and • the date or circumstances in which the Incentive Option or Performance Right may lapse. An invitation for an Incentive Right must include: • how the amount of the Incentive Right is calculated; and • when the Incentive right will be paid.
Rights to participate in new issues of securities	Incentive Options and Performance Rights do not confer on participants a right to participate in the new issue of securities to existing shareholders unless: • the Incentive Option is entitled to be exercised, or the Performance Right has vested; • Shares have been allocated under the Employee Incentive Plan in respect of that Incentive Option or Performance Right before the determination of entitlements to new securities; or • the participant participates as a holder of allocated Shares.
Issue price	Awards are to be issued at no cost to a participant unless the Invitation specifies otherwise, or in respect of any allocation of Restricted Shares which may be deducted from that employee's remuneration (provided that arrangement is noted in the Invitation). The Board may approve a loan made by an EP&T group company to a participant to satisfy any amount payable for the grant of Restricted Shares. If approved, the invitation to participate must specify the terms and conditions of that loan (including any repayment and dealing restrictions).
Trust arrangement	The Board may, in its discretion, determine that Restricted Shares will be held by a Trustee on behalf of the participant on the terms of the Trust Deed, and any other terms the Board determines. If Restricted Shares are to be held on trust, the invitation must set out: • the name of the trust and trustee; • the participant's right to exercise any voting right attached to those shares; and • the circumstances the participant can direct the trustee to transfer the Restricted Share into the participant's name, or sell the Restricted Share and pay any proceeds to the participant.

06. Key People, Interests and Benefits

Topic	Summary
Dividend equivalent rights	The Board may determine at the time of Invitation regarding an Award other than Restricted Shares, that the participant also be granted rights to be paid cash amounts determined by reference to the value or change in value of shares (**Dividend Equivalent Right**) in respect of exercised Incentive Options, vested Performance Rights, or vested Incentive Rights. If applicable, the Invitation must specify the method of calculating the Dividend Equivalent Right, and when the Dividend Equivalent Right will be paid.
Applications	Applications must be made in accordance with the instructions accompanying the Invitation, or in any other way the Board determines.
Vesting and Exercise	Incentive Options, Performance Rights and Incentive Rights will vest when the vesting conditions (or any other condition stipulated by the Board), have been satisfied. An Incentive Option may only be exercised if it has vested. Restricted Shares cease to be restricted when the vesting conditions applicable have been satisfied, or upon notification from EP&T that the Share is no longer restricted.
Lapsing and forfeiture	Incentive Options will lapse on the earlier of: • 7 years after vesting, or any other date specified in the invitation; • a date or circumstance specified in the invitation for that Incentive Option; • failure to meet a vesting condition within the vesting period; or • the participant's election to surrender the Incentive Option. Performance Rights, Incentive Rights and Restricted Shares will lapse (or in the case of Restricted Shares will be forfeited) on the earlier of: • a date or circumstance specified in the invitation; • failure to meet a vesting condition within the vesting period; or • the participant's election to surrender the relevant Performance Right, Incentive Right or Restricted Shares.
Restrictions on dealing	A participant must not sell, transfer, assign, encumber, option, swap, or alienate rights to the Award, or attempt to do so unless required by law, and permitted by the company's securities trading policy.
Cessation of employment	The Board may determine how a participant's Award is to be treated on cessation of employment. In making such decision, the Board may have regard to any matter they consider relevant, including the circumstances surrounding the cessation, satisfaction of any vesting conditions and the time elapsed in respect of the vesting period of the Award. An application in respect of an Award may be refused by the Board if the participant ceases to be employed by a EP&T group company, or ceases to satisfy any condition imposed by the Board. The Board may determine how a participant's Award is to be treated when the participant is transferred overseas to work for a group company where that transfer may impose tax implications for the participant, impacts the ability to vest or pay amounts relating to the Award or causes additional restrictions on dealing with awards, shares, or proceeds of shares.

Topic	Summary
Control	Where there is a change of control event, the board may determine that: • all or a number of unvested Awards have vested; • all or a number of Incentive Options may be exercised for a specified period, or will lapse; • disposal restrictions on Awards cease to apply; • disposal restrictions on shares allocated on the vesting of a Performance Right or exercise of an Incentive Option cease to apply; and/or • the company will direct the trustee to transfer shares held into the relevant participant's name. If a body corporate obtains control of the company, a participant may, upon exercise of Incentive Options and vesting of Performance Rights, be provided with shares in the controlling body corporate in such manner as agreed and on substantially similar conditions.
Award adjustments	In order to minimise material advantage or disadvantage to a participant resulting from corporate action or capital reconstruction, prior to an allocation of shares or payment to a participant, the Board may determine to make adjustments to the terms of an Award or Dividend Equivalent Right, or grant additional Awards or Dividend Equivalent Rights. Permitted adjustments are: • the number of Awards or Dividend Equivalent Rights a participant is entitled to; • the number of shares a participant is entitled to on exercise of Incentive Options or vesting of Performance Rights; • the amount payable upon vesting of Incentive Rights, exercise of Incentive Options, vesting of Performance Rights, and under Dividend Equivalent Rights. The Board may determine how to treat a participant's Award where fraud, dishonesty, or breach of duty by the employee has occurred.
Amendment to Employee Incentive Plan	The Board may, by resolution, amend the Employee Incentive Plan or any term or condition of any Award. This power may not be exercised in a manner adversely affecting the existing rights of the participant relating to any Award or share already granted without the participants permission. The Board may at any time terminate or suspend the Employee Incentive Plan, or determine to grant incentives outside of the Employee Incentive Plan.

06. Key People, Interests and Benefits

6.3.2.3 Director and senior management Existing Options

The table below sets out the Existing Options of the Company held by Directors and senior members of management (or entities associated with them) at Completion.

Director/senior manager	Existing Options	Exercise Price	Vesting date	Expiry date
Jonathan Sweeney	276,599	$0.20	12 May 2021	15 March 2025
	553,198	$0.29	12 May 2021	15 March 2025
	553,198	$0.34	12 May 2023	15 March 2027
	1,382,995	$0.38	12 May 2024	15 March 2027
Keith Gunaratne	1,151,343	$0.40	12 May 2022	15 March 2025
	1,151,343	$0.50	12 May 2023	15 March 2025
	1,154,801	$0.60	11 May 2024	15 March 2027
John Balassis	82,980	$0.20	12 May 2021	15 March 2025
	165,959	$0.29	12 May 2021	15 March 2025
	165,959	$0.34	12 May 2023	15 March 2027
	414,899	$0.38	12 May 2024	15 March 2027
Victor van Bommel	82,980	$0.20	12 May 2021	15 March 2025
	165,959	$0.29	12 May 2021	15 March 2025
	165,959	$0.34	12 May 2023	15 March 2027
	414,899	$0.38	12 May 2024	15 March 2027
Trent Knox	414,899	$0.20	12 May 2021	15 March 2025
	829,797	$0.29	12 May 2021	15 March 2025
	829,797	$0.34	12 May 2023	15 March 2027
	2,074,493	$0.38	12 May 2024	15 March 2027
Richard Pillinger	864,372	$0.20	12 May 2021	15 March 2025
	864,372	$0.29	12 May 2021	15 March 2025
	864,372	$0.30	12 May 2023	15 March 2025
	864,372	$0.34	12 May 2024	15 March 2027
Rajesh Jampala	432,186	$0.20	12 May 2021	15 March 2025
	432,186	$0.29	12 May 2021	15 March 2025
	432,186	$0.30	12 May 2023	15 March 2025
	432,186	$0.34	12 May 2024	15 March 2027

The terms under which the Existing Options set out in the table above have been granted to the relevant holders are summarised below:

1. Each Existing Option is exercisable into one Share.
2. The Board may determine how Existing Options are to be treated on cessation of employment or Director service. In making such decision, the Board may have regard to any matter they consider relevant, including the circumstances surrounding the cessation, satisfaction of any vesting conditions and the time elapsed in respect of the vesting period of the Option.

Refer to Section 6.3.1 for the current total fees or remuneration package (as applicable) payable to each Director and senior member of management.

6.3.2.4 Lead Manager Existing Options

The table below sets out the Existing Options of the Company held by the Lead Manager at Completion where each Existing Option is exercisable into one Share.

Existing Options	Exercise Price	Vesting date	Expiry date
278,699	$0.20	19 March 2021	18 March 2025
557,399	$0.26	19 March 2021	18 March 2025
557,399	$0.30	19 March 2021	18 March 2025
1,393,496	$0.40	19 March 2021	18 March 2025

6.3.2.5 Summary of Shares, convertible notes and existing options held in EP&T by Directors, advisors and other persons connected with EP&T or the Offer as at the Prospectus Date and as at Completion

	As at Prospectus Date			At Completion[1]	
Directors, advisors and other persons[2]	Shares	Convertible Notes	Existing Options	Shares	Existing Options
Jonathan Sweeney	–	–	2,765,990	250,000[4]	2,765,990
Keith Gunaratne	64,811,972[6]	202,339	3,457,488	58,264,311[7]	3,457,488
John Balassis	–	768,039	829,797	1,018,039[4]	829,797
Victor van Bommel[3]	–	1,598,532	829,797	2,223,532[4]	829,797
Lead Manager	–	–	2,786,993	1,857,995	2,786,993
Management and Executives	–	–	10,026,714	–	10,026,714

Notes:

1. This table includes new issues of Shares due on the conversion of Convertible Notes, and Shares that the Directors, advisors or management and executives have informed EP&T they intend to subscribe for under the Offer.
2. Directors may hold their interests directly, or through entities associated with them (e.g. through companies or trusts).
3. At the Prospectus Date, Victor van Bommel has a beneficial interest of 25% in STAK Fleet Street, which in turn holds 100,000 Convertible Notes which are intended to convert (including interest) into 1,036,439 Shares on Completion. At Completion, Victor's 2,223,532 Shares shown in this table includes 259,110 Shares held by STAK Fleet Street, and 125,000 Shares that STAK Fleet Street intends to apply for under the Offer and reflects his economic interest in EP&T at Completion.
4. Jonathan Sweeney has informed EP&T that he, or his investment vehicles, intend to apply for 250,000 Shares under the Offer. Victor van Bommel has informed EP&T that he, or his investment vehicles, intend to apply for 500,000 Shares under the Offer. John Balassis has informed EP&T that he, or his investment vehicles, intend to apply for 250,000 Shares under the Offer.
5. The Lead Manager shares are shares issued to the Lead Manager for general financial advisory services rendered prior to the Offer.
6. Shares held by Magnetar Capital Limited.
7. This includes 750,000 Shares that related parties of Keith Gunaratne intend to subscribe for under the Offer and 202,339 Shares issued to a related party on conversion of Convertible Notes.

06. Key People, Interests and Benefits

6.4 Escrow arrangements

In accordance with the ASX Listing Rules, Directors and certain shareholders of EP&T will be subject to mandatory escrow conditions for some, or all, of their Shares. Additionally, a number of EP&T's Shareholders will submit to voluntary escrow arrangements for all of their holdings (whether or not they are already subject to mandatory escrow arrangements).

The following table summarises the escrow arrangements that will apply to the Securities held by certain Shareholders immediately following Completion:

Escrowed party	Shares held on Completion subject to escrow		Options held on Completion subject to escrow		Escrow period	Mandatory (M) or voluntary (V) escrow or both
Directors[1]	(m)	(%)	(m)	(%)		
Keith Gunaratne[2]	57.5m	30.9%	3.5m	2.5%	up to 24 months	V and M
Jonathan Sweeney	n/a	n/a	n/a	n/a	n/a	n/a
John Balassis[3]	0.8m	0.4%	0.8m	0.6%	up to 24 months	V and M
Victor van Bommel[4]	2.4m	1.3%	0.8m	0.6%	up to 24 months	V and M
Other Seed capitalists						
Lead Manager[5]	1.9m	1%	2.8m	1.5%	up to 24 months	M
Seed capitalists (not related parties or promoters)[6]	58.9m	31.7%	n/a	n/a	up to 15 months	V and M
Total	**121.5m**	**65.3%**	**7.9m**	**5.2%**		

Notes:

1. Directors may hold their interests directly, or through entities associated with them (e.g. through companies or trusts).
2. Of the 57.5m Shares held post completion, 5,264,935 Shares are eligible for release from escrow from approximately August 2021, 5,264,935 Shares are eligible for release from escrow from approximately February 2022 (see Section 6.4.2). The remaining 46,984,430 Shares will be released from escrow from 12 May 2023 (see Section 6.4.1).
3. Of 0.8m Shares held on Completion, 200,000 Shares are eligible for release from escrow from approximately August 2021, 200,000 Shares are eligible for release from escrow from approximately February 2022 (see Section 6.4.2). The remaining 368,040 Shares will be released from escrow from 12 May 2023 (see Section 6.4.1).
4. Of 2.4m Shares held on Completion, 625,000 Shares are eligible for release from escrow from approximately August 2021, 625,000 Shares are eligible for release from escrow from approximately February 2022 (see Section 6.4.2). The remaining 1,125,860 Shares will be released from escrow from 12 May 2023 (see Section 6.4.1).
5. Of 1.8m Shares held on Completion, all will be released from escrow from 12 May 2023 (see Section 6.4.1).
6. Of 58.9m Shares held on Completion, 23,266,662 Shares are eligible for release from escrow from approximately August 2021, 23,266,662 Shares are eligible for release from escrow from approximately February 2022 (see Section 6.4.2). The remaining 12,423,005 Shares will be released from escrow from 17 June 2021 to 12 May 2022 (see Section 6.4.1).

The "free float" (for the purposes of Listing Rule 1.1 Condition 7) will be approximately 34.7% of the Shares on issue on Completion.

6.4.1 Mandatory Escrow

Certain Securities held by Securityholders following Completion will be subject to mandatory restrictions in accordance with Chapter 9 of the ASX Listing Rules, as set out in the table above.

ASX has granted an in-principle waiver from ASX Listing Rule 9.1(b) to the extent necessary to permit EP&T to apply the restrictions in paragraphs 1 and 2 of Appendix 9B (as applicable) to the Existing Shares and Shares to be issued on conversion of the Convertible Notes, such that:

- Existing Shares held by persons who invested in the subsidiaries of EP&T Global Limited are treated as seed capitalists of EP&T Global Limited;
- cash formula relief is applicable to both the Existing Shares and Shares to be issued on conversion of the Convertible Notes (but not Shares issued on conversion of interest owing under the Convertible Notes); and

- for the purposes of determining the length of the mandatory escrow period for Shares issued to unrelated seed capitalists on conversion of the Convertible Notes, the 12 month escrow will be deemed to begin on the date on which the original cash investment for the Convertible Notes was made.

Chapter 9 of the ASX Listing Rules requires that Shareholders who are substantial (10+%) holders or who are related parties, promoters or associates and whose Securities are subject to mandatory escrow, must enter into restriction deed in the form required by the ASX Listing Rules. If the relevant Shareholder is an otherwise unrelated seed capitalist, they will be sent a restriction notice informing them of the restrictions that apply to their Securities. Mandatory escrow restrictions preclude holders of such restricted securities from dealing in or disposing of those Securities or an interest in those Securities or agreeing to deal in or dispose of those Securities or an interest in those Securities for the relevant restriction periods. The holder of such Securities will also be precluded from granting a security interest over those Securities. However, ASX may consent to those Securities being sold in certain circumstances such as under a takeover bid or under a merger by way of a scheme of arrangement under the Corporations Act.

None of the Shares being offered for issue under the Offer will be subject to ASX-imposed escrow (other than Shares being issued on conversion of Convertible Notes).

6.4.2 Voluntary Escrow

As set out in the table above, certain Shares held by certain Shareholders at Completion (other than any purchased by them under the Offer) will be subject to voluntary escrow arrangements. Under those voluntary escrow arrangements, the relevant Shareholders have agreed not to deal in those Shares from Completion:

- in respect of 50% of the escrowed Shares held by each Shareholder at Completion, until after 4.15pm on the date on which the financial results of the Company for the full year ending 30 June 2021 are released to ASX by the Company; and
- in respect of 50% of the escrowed Shares held by each Shareholder at Completion, until after 4.15pm on the date both of the following conditions have been satisfied: (a) EP&T's financial results for the half year ending 30 June 2021 have been released to ASX; and (b) the volume weighted average Share price for any 10 consecutive days (in aggregate) beginning on the day after the release of those financial results, exceeds the Offer Price by greater than 125%.

Each voluntary escrow arrangement entered into prevents the relevant Shareholder from disposing of their Securities for the applicable escrow period as described above.

The restriction on disposing Shares is broadly defined and includes, among other things, selling, assigning, transferring or otherwise disposing of any legal, beneficial or economic interest in the Shares, encumbering or granting a security interest over the Shares, doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Shares or agreeing to do any those things.

All of the escrowed Shareholders may be released early from these escrow obligations to enable, in summary:

- the escrowed Shareholders to accept an offer under a takeover bid in relation to their Securities if holders of at least half of the Securities the subject of the bid that are not held by the escrowed Shareholders have accepted the takeover bid, and the takeover bid is unconditional (or would become unconditional if accepted by the holder) or all conditions to the takeover bid have been satisfied or waived;
- the Securities held by the escrowed Shareholders to be transferred or cancelled as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act; or
- the escrowed Shareholders to participate in an equal access buy-back or equal return of capital or other similar pro rata reorganisation.

During the escrow period, Shareholders whose Securities remain subject to escrow may dispose of any of their Securities to the extent the disposal is required by applicable law (including an order of a court of competent jurisdiction), or to the extent the disposal is to an affiliate or affiliated fund entity or to a trust or entity which the Shareholder controls where the transferee also enters into an escrow arrangement with the Company on substantially the same terms.

06. Key People, Interests and Benefits

6.5 Interests of advisers

EP&T has engaged the following professional advisers in relation to the Offer:

- Bell Potter Securities Limited has acted as the Lead Manager to the Offer. EP&T has agreed to pay, the Lead Manager the fees described in Section 9.4 for these services;
- Hamilton Locke has acted as Australian legal adviser to EP&T in relation to the Offer. EP&T has paid, or agreed to pay, approximately $330,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Hamilton Locke in accordance with its normal time-based charges;
- Grant Thornton Corporate Finance Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report and has performed work in relation to due diligence enquiries. EP&T has paid, or agreed to pay, up to $220,000 (excluding disbursements and GST) for the above services;
- Grant Thornton Australia Limited has acted as tax due diligence adviser in relation to the Offer. EP&T has paid, or agreed to pay, up to $68,000 (excluding disbursements and GST) for the above services;
- Frost & Sullivan (Australia) Pty Ltd has prepared the Frost & Sullivan Industry Report contained in Section 2. EP&T has agreed to pay Frost & Sullivan a total of $17,500 (excluding GST) for these services.

Other than as otherwise stated, these amounts, and other expenses of the Offer, will be paid by EP&T out of funds raised under the Offer or available cash. Further information on the use of proceeds and payment of expenses of the Offer is set out in Section 7.1.2.

6.6 Corporate governance

6.6.1 Introduction

This Section 6.6 explains how the Board will oversee the management of EP&T's business. The Board is responsible for the overall corporate governance of EP&T. The Board monitors the operational and financial position and performance of EP&T and oversees its business strategy including approving the strategic goals of EP&T and considering and approving an annual business plan, including a budget. The Board is committed to maximising performance, generating financial returns and greater value for Shareholders, and sustaining the growth and success of EP&T.

In conducting EP&T's business with these objectives, the Board seeks to ensure that EP&T is properly managed to protect and enhance Shareholder interests; and that EP&T, and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing EP&T including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for EP&T's business and which are designed to promote the responsible management and conduct of EP&T.

The main policies and practices adopted by EP&T, which will take effect from listing on ASX, are summarised below. In addition, many governance elements are contained in the Constitution. The Code of Conduct outlines how EP&T expects Directors, officers and personnel to behave and conduct business in a range of circumstances. In particular, the Code of Conduct requires awareness of, and compliance with, laws and regulations relevant to EP&T's operations, including occupational health and safety, risk management, privacy and employment and diversity practices. Details of EP&T's key policies and practices and the charters for the Board and each of its committees will be made available at www.eptglobal.com.

The Company is seeking to list its Shares on ASX. The ASX Corporate Governance Council has developed and released its 4th edition of the Corporate Governance Principles and Recommendations for Australian listed entities (**ASX Recommendations**) in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The ASX Recommendations are not prescriptive, but guidelines. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which it has followed the recommendations in the reporting period. Where the Company does not follow a recommendation, it must identify that recommendation and give reasons for not following it. The Company must also explain what (if any) alternative governance practices it has adopted in lieu of the recommendation.

Except as set out below, the Board currently does not anticipate that it will depart from the recommendations of the ASX Recommendations. However, it may do so in the future if it considers that such a departure would be reasonable or appropriate.

6.6.2 The Board

6.6.2.1 Board appointment and composition

As at the Prospectus Date, the Board of Directors comprises three Independent Non-Executive Directors (including the Chairman), and one Executive Director.

Biographies of the Board members are provided at Section 6.1.

Each Director has confirmed to the Company that he anticipates being available to perform his duties as a Non-Executive Director or Executive Director (as the case may be) without constraint from other commitments.

The Board considers an Independent Director to be a Non-Executive Director who is not a member of the Company's management and who is free of any business or other relationship that could materially interfere with or reasonably be perceived to materially interfere with the independent exercise of their judgement. The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted guidelines to assist in this regard. The Board will review the independence of each Director in light of interests disclosed to the Board from time to time.

The Board Charter sets out guidelines of materiality for the purpose of determining independence of Directors in accordance with the ASX Recommendations and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

The Board considers qualitative principles of materiality for the purpose of determining 'independence' on a case-by-case basis. The Board will consider whether there are any factors or considerations which may mean that the Director's interest, business or relationship could, or could be reasonably perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The Board believes that each of Jonathan Sweeney, John Balassis and Victor van Bommel are Independent Directors, free from any business or any other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of the Director's judgement and each is able to fulfil the role of an independent Director for the purposes of the ASX Recommendations.

As Executive Director, Keith Gunaratne is not currently considered by the Board to fulfil the role of an Independent Director.

The Board believes that each of the Independent Non-Executive Directors brings objective and independent judgement to the Board's deliberations, and that each of them makes invaluable contributions to EP&T. Consequently, having considered the Company's immediate requirements as it transitions to an ASX-listed company, the Board believes that the composition of the Board is an appropriate size and reflects an appropriate range of skills, expertise and experience for the Company upon listing on ASX.

The composition of the Board may change over time, depending on the skills and expertise required to manage EP&T.

6.6.2.2 Board Charter

The Board has adopted a written charter to provide a framework for the effective operation of the Board, which sets out:

- the roles and responsibilities of the Board including to provide overall strategic guidance for EP&T and effective oversight of management, oversight of EP&T's financial and capital management, management and review of EP&T's compliance with its disclosure obligations and the Continuous Disclosure Policy (see Section 6.6.4.3), promotion of effective engagement with Shareholders, oversight of policies between EP&T and other stakeholders, ethical and responsible decision making along with compliance and risk management;
- the role and responsibilities of the Chairman and company secretary;
- the delegations of authority of the Board to both committees of the Board, the CEO and other management of EP&T;
- the membership of the Board, including in relation to the Board's composition and size and the process of selection and re-election of Directors, independence of Directors and conduct of individual Directors;
- the Board process, including how the Board meets; and
- the Board's performance evaluation processes, including in respect of its own performance, and the performance of the Board committees, individual Directors and senior management.

The management function is conducted by, or under the supervision of, the CEO as directed by the Board (and by officers to whom the management function is properly delegated by the CEO). Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to access senior management and request additional information at any time they consider appropriate. The Board collectively, and each Director individually, may seek independent professional advice, subject to the approval of the Chairman, or the Board as a whole.

06. Key People, Interests and Benefits

6.6.3 Board committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. To assist in carrying out its responsibilities, the Board has established an Audit and Risk Management Committee and a Remuneration and Nomination Committee, and other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of EP&T, relevant legislative and other requirements and the skills and experience of individual Directors.

Each of the Audit and Risk Management Committee and the Remuneration and Nomination Committee has (and any other committee established by the Board from time to time will have) terms of reference which set out the roles, responsibility, composition and processes of that committee.

6.6.3.1 Audit and Risk Management Committee

The role of the Audit and Risk Management Committee is to assist the Board in carrying out its accounting, auditing and financial reporting responsibilities including oversight of:

- the integrity of EP&T's external financial reporting and financial statements;
- the appointment, remuneration, independence and competence of EP&T's external auditors;
- the performance of the external audit function and review of its audit;
- the effectiveness of EP&T's system of risk management and internal controls; and
- EP&T's systems and procedures for compliance with applicable legal regulatory requirements.

Currently, Jonathan Sweeney, John Balassis and Keith Gunaratne are members of the Audit and Risk Management Committee and John Balassis is the chairperson. EP&T does not currently comply with the recommendations set by the ASX Recommendations in relation to the composition and operation of the Audit and Risk Management Committee because the committee is not comprised solely of Non-Executive Directors. Despite this, the Board believes that the composition of the committee is appropriate, reflecting an appropriate range of skills and expertise.

6.6.3.2 Remuneration and Nomination Committee

The role of the Remuneration and Nomination Committee is to assist and advise the Board on the following nomination related matters:

- appointment and re-election of Directors;
- induction and continuing professional development programs for directors;
- development and implementation of processes for evaluating the performance of the Board, and its committees and Directors;
- processes for recruiting new Directors (including evaluation of skills, independence and experience); and
- succession planning for the Board, the CEO and other senior management,
- to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of EP&T as a whole.

The Remuneration and Nomination Committee will be comprised solely of Non-Executive Directors, all of whom are independent. Currently, Jonathan Sweeney, Victor van Bommel and John Balassis are members of the Remuneration and Nomination Committee and Jonathan Sweeney is the chairperson. EP&T will comply with the recommendations set by the ASX Recommendations in relation to the composition of the Remuneration and Nomination Committee.

6.6.4 Corporate governance policies

The Board has adopted the following corporate governance policies, each of which has been prepared having regard to the ASX Recommendations. EP&T's policies and corporate governance practices will continue to be reviewed regularly and will continue to be developed and refined to meet the needs of EP&T.

6.6.4.1 Risk Management policy

The identification and proper management of EP&T's risks are an important priority of the Board. The Board has adopted a Risk Management Policy appropriate for its business. This policy highlights the risks relevant to EP&T's operations and EP&T's commitment to designing and implementing systems and methods appropriate to minimise and control its risks.

The Board is responsible for overseeing and approving risk management strategy and policies, monitoring risk management, and establishing procedures which seek to provide assurance that major business risks are identified, consistently assessed and appropriately addressed. The Board may delegate these functions to the Audit and Risk Management Committee or a separate risk committee in the future.

The Board will regularly undertake reviews of its risk management procedures to ensure that it complies with its legal obligations.

The Board has in place a system whereby management is required to report as to its adherence to policies and guidelines approved by the Board for the management of risks.

6.6.4.2 Diversity policy

The Board has adopted a Diversity Policy which sets out EP&T's commitment to diversity and inclusion in the workplace at all levels. The policy provides a framework to achieve EP&T's diversity goals and commitment to creating a diverse work environment where everyone is treated fairly and with respect and where everyone feels responsible for the reputation and performance of EP&T. The Remuneration and Nomination Committee will oversee the implementation of the policy and assess progress in achieving its objectives.

6.6.4.3 Continuous disclosure policy

Once listed, EP&T will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, EP&T will be required to immediately disclose to ASX any information concerning EP&T which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. EP&T is committed to observing its disclosure obligations under the ASX Listing Rules and the Corporations Act.

EP&T has adopted a policy to take effect from Completion, which establishes procedures which inform Directors and management of their obligations in relation to timely disclosure of material price-sensitive information. Under the Continuous Disclosure Policy, the company secretary in conjunction with the Board will be responsible for managing EP&T's compliance with its continuous disclosure obligations.

Information will be communicated to Shareholders through the lodgement of all relevant financial and other information with ASX and continuous disclosure announcements will be made available on EP&T's website at http://www.eptglobal.com.au.

6.6.4.4 Securities Trading Policy

EP&T has adopted a Securities Trading Policy which will apply to EP&T and its Directors, officers, senior management, and certain other employees and contractors and their connected persons (including those persons having authority and responsibility for planning, directing and controlling the activities of EP&T, whether directly or indirectly).

The policy is intended to explain the types of conduct in dealings in securities that are prohibited under the Corporations Act and establish procedures in relation to Directors, officers, senior management, and certain other employees and contractors dealing in securities.

Subject to certain exceptions, including exceptional financial circumstances, the policy defines certain "prohibited periods" during which trading in securities by Directors, officers, senior management, and certain other employees and contractors and their connected persons is prohibited. Those prohibited periods are currently defined as the following periods:

- EP&T's year end until the day after the release of EP&T's full year results;
- EP&T's half year end until the day after the release of EP&T's half yearly results; and
- any additional periods imposed by the Board from time to time (e.g. when EP&T is considering matters which are subject to ASX Listing Rule 3.1A).

Outside these periods, Directors, officers, senior management, and certain other employees and contractors and their connected persons must receive clearance for any proposed dealing in securities and, in all instances, buying or selling Shares is not permitted at any time by any person who possesses price-sensitive information.

06. Key People, Interests and Benefits

6.6.4.5 Code of Conduct

EP&T is committed to providing an ethical and legal framework within which its employees conduct EP&T's business. Accordingly, EP&T has adopted a Code of Conduct to take effect from Completion, which sets out the values, commitments, ethical standards and policies of EP&T and outlines the standards of conduct expected of the business and EP&T's employees, taking into account EP&T's legal and other obligations to its stakeholders.

6.6.4.6 Whistleblower policy

The Company has adopted a whistleblower policy, which encourages the reporting of suspected unethical, illegal, fraudulent, corrupt or dishonest conduct and that those who promptly report may do so with confidence and without fear of intimidation, ramifications or adverse consequences, complementing its Code of Conduct. Examples of reportable conduct under the whistleblower policy includes (but is not limited to):

- Dishonest, corrupt, fraudulent or unlawful conduct or practices, including bribery;
- Financial irregularities;
- Unfair, dishonest or unethical dealings with a client or third party; and
- Unethical or serious improper conduct including breaches of any legal or regulatory obligations.

The whistleblower policy ensures protection over whistleblowers by allowing for anonymous reports to be made, protecting confidentiality of the whistleblowers and not tolerating any detriment caused or threatened to be caused against any person who has made or who is believed to have made a report regarding the reportable conduct.

6.6.4.7 Communications policy

The Board aims to provide Shareholders with sufficient information to assess the performance of EP&T and that they are informed of all major developments affecting the state of affairs of EP&T relevant to Shareholders in accordance with all applicable laws. Information will be communicated to Shareholders through the lodgement of all relevant financial and other information with ASX and publishing information on EP&T's website, http://www.eptglobal.com. In particular, EP&T's website will contain information about EP&T, including media releases, key policies and the terms of reference of its Board committees. All relevant announcements made to the market and any other relevant information will be posted on EP&T's website as soon as they have been released to ASX.

07.

Details of the Offer

07. Details of the Offer

7.1 The Offer

The Offer comprises an offer of the issue of 47,500,000 New Shares by the Company, and the sale of 7,500,000 Existing Shares by the Seller through the Retail Offer and the Institutional Offer.

The proceeds from the issue of New Shares by EP&T will be used by EP&T as described in Section 7.1.2. On Completion, the total number of Shares on issue will be 185,799,500 and all Shares on issue will rank equally with each other. A summary of the rights attaching to the Shares is set out in Section 7.12.

On Completion, 121.5 million Shares (representing approximately 65.3% of the Shares on issue) and 7.9 million Existing Options will be subject to escrow arrangements described in Section 6.4.

The minimum subscription amount under the Offer is $11 million (before costs). If this amount is not raised then the Offer will not proceed and all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

7.1.1 Structure of the Offer

The Offer comprises:

- The Retail Offer, which comprises:
  - The Broker Firm Offer, which is open to Australian and New Zealand resident retail clients of Brokers who have received a firm allocation of Shares from their Broker; and
  - The Priority Offer, which is open only to persons who have received a priority offer invitation; and
- The Institutional Offer, which consisted of an offer to Institutional Investors in Australia and certain other eligible jurisdictions made with disclosure under this Prospectus.

No general public offer of Shares will be made under the Offer.

For further details of the:

- Broker Firm Offer and allocation policy under it, see Section 7.3;
- Priority Offer and allocation policy under it, see Section 7.4; and
- Institutional Offer and allocation policy under it, see Section 7.7.

The allocation of Shares between the Broker Firm Offer, the Priority Offer and the Institutional Offer was determined by the Lead Manager, with the agreement of EP&T, having regard to the allocation policy outlined in Sections 7.3 to 7.7.

7.1.2 Purpose of the Offer and use of proceeds

The Offer is being conducted to provide:

- EP&T with access to the capital markets to improve capital management flexibility and assist with investing in future growth strategies;
- EP&T with a stronger balance sheet by increasing the cash and cash equivalents, as well as the ability to repay debt;
- EP&T with the benefits of an increased profile that comes with the Company being a publicly listed company;
- a liquid market for the Shares and an opportunity for other persons to invest in the Company; and
- an opportunity for the Founder to realise, in part, his investment in EP&T (subject to the escrow arrangements outlined in Section 6.4).

The proceeds of the Offer receivable by EP&T are expected to be applied as outlined in Table 1, below.

The Seller will receive the proceeds of the Offer in respect of the sale of Shares by it.

Table 1 Sources and uses of funds[1]

Source	Amounts ($000)	%	Use of funds	Amounts ($000)	%
Cash proceeds from the issue of New Shares by EP&T	9,500	86.4%	Sales and Marketing	2,610	23.7%
			SaaS project material and installation costs	2,340	21.3%
			Operating expenditure (inc. R&D and working capital)	1,160	10.6%
			Repayment of shareholder loans and purchase of assets from Founder	1,190	10.8%
			Repayment of debt	1,140	10.4%
			Costs of the Offer	1,060	9.6%
			Total from proceeds of issue of New Shares	**9,500**	**86.4%**
Cash proceeds received by the Seller from transfer of Existing Shares	1,500	13.6%	Cash proceeds to the Seller as consideration for the sale of Existing Shares	1,500	13.6%
Total	**11,000**	**100.0%**		**11,000**	**100.0%**

Note:

1. This table should be considered an indication of current proposed use of funds as at the Prospectus Date. Investors should note that, as with any projection, the allocation of funds set out in the above may change depending on a number of factors, intervening events and new circumstances, including the growth rate of the business, the sources of funding utilised and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

In accordance with ASX Listing Rule 1.3.2(b), EP&T confirms that its business objectives are those clearly disclosed at Section 3 of the Prospectus, and that the directors currently propose that funds raised be used by EP&T as set out in the table above, in accordance with the growth strategy and opportunities disclosed. This expenditure is in addition to the payment of offer costs of approximately $1.1 million.

This planned expenditure is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied. The use of further equity funding or share placements will be considered by the Board where it is appropriate to accelerate growth or fund a specific project, transaction or expansion.

07. Details of the Offer

7.1.3 Pro forma statement of financial position

EP&T's pro forma statement of financial position following Completion, including details of the pro forma adjustments, is set out in Sections 4.10 and 4.11. The indebtedness of EP&T, both before and following Completion, is set out in Section 4.11.

7.1.4 Corporate structure and background to the Offer

7.1.4.1 Corporate Restructure

On 12 March 2021, EP&T Global Limited completed the acquisition of the EP&T trading entities in Australia, the United Kingdom, Hong Kong and Dubai previously held by the Founder (through his investment vehicle Magnetar Capital Limited) (**Corporate Restructure**). As consideration under the Corporate Restructure, the Founder (through Magnetar Capital Limited), was issued with 64.8 million Shares in EP&T Global Limited. An overview of the corporate structure of EP&T at Completion is set out in Section 9.3.

7.1.4.2 Issue of Shares to holders of Convertible Notes

On the Prospectus Date, EP&T had on issue Convertible Notes representing $9.2 million (including outstanding interest). The Convertible Notes will convert into Shares as part of Completion, and 71.6 million Shares will be issued to the holders with disclosure under this Prospectus (see Table 2 below). The issue of Shares to the holders of Convertible Notes will be in full an final satisfaction of EP&T's obligations under the terms of the Convertible Notes.

7.1.4.3 Completion and the sale of Shares by the Seller

The Seller, a special purpose vehicle, has been established to facilitate the sale of certain Existing Shares by the Founder through his investment vehicle, Magnetar Capital Limited. Magnetar Capital Limited has executed a sale deed with the Seller under which it has agreed to sell at the Offer Price some of its Existing Shares free from encumbrances and third party rights, and conditional on Completion.

The Existing Shares which the Seller acquires from Magnetar Capital Limited will be transferred by the Seller to successful applicants at the Offer Price on Completion at the same time as the New Shares are issued to successful applicants under the Offer.

On Completion, successful applicants may be provided with a combination of New Shares and Existing Shares at the discretion of the Company and the Seller.

The Seller has no material assets, liabilities or operations other than its interests in and obligations under the sale deed it has entered into with Magnetar Capital Limited. The shareholder of the Seller is Magnetar Capital. The Directors of the Seller are Keith Gunaratne, Jonathan Sweeney and John Balassis, and the secretary is Richard Pillinger.

EP&T Global Limited agreed to provide such resources and support as necessary to enable the Seller to discharge its functions in relation to the Offer and has indemnified the Seller in respect of costs associated with the Offer. EP&T Global Limited has also indemnified the Seller and its shareholder, directors and company secretary for any loss which the Seller, its shareholder, directors or company secretary may incur in relation to certain documents related to the Offer (including this Prospectus) or the Offer.

Up to 7,500,000 Existing Shares are being offered to investors by the Seller as part of the Offer, and it is expected that up to $1.5 million will be paid to Magnetar Capital Limited following the sale of its Existing Shares by the Seller.

Details of the number of Existing Shares that Magnetar Capital Limited will sell to the Seller is provided in column 3 of Table 2 below.

All Shares held by Magnetar Capital Limited at Completion will be subject to escrow as described in Section 6.4.

7.1.5 Ownership structure of EP&T

The ownership structure of EP&T at the Prospectus Date and on Completion is set out below:

Table 2 Ownership structure

Shareholders	Shareholding as at the Prospectus Date (n)	Shareholding as at the Prospectus Date (%)	Shares acquired[6]/ (sold)	Shareholding on Completion (n)[7,8,9]	Shareholding on Completion (%)
Magnetar Capital Limited[1]	64,811,972	100.00%	(6,547,661)[10]	58,264,311	31.36%
Convertible Note holders (other Directors/Senior Executives/related parties (and their associates))[2]	Nil	Nil	2,366,571	2,366,571	1.27%
Convertible Note holders (unrelated parties)[3]	Nil	Nil	69,060,623	69,060,623	37.17%
Lead Manager[4]	Nil	Nil	1,857,995	1,857,995	1.00%
New Shareholders[5]	Nil	Nil	54,250,000	54,250,000	29.20%
Total	**64,811,972**	**100.00%**	**120,987,528**	**185,799,500**	**100.00%**

Notes:

1. Magnetar Capital Limited is controlled by Keith Gunaratne, the Founder. This includes Shares which will be issued to a related party of the Founder on Conversion of Convertible Notes and Shares that related parties of the Founder intend to subscribe for under the Offer.
2. This includes Shares which will be issued on conversion of Convertible Notes held by John Balassis and Victor van Bommel either directly or by their related parties investment vehicles. See Section 6.3.1.6 for further detail on holdings of Directors.
3. This excludes Shares issued in relation to Convertible Notes held by other Directors/Senior Executives/related parties (and their associates).
4. Shares issued to the Lead Manager in lieu of fees payable for advisory services rendered prior to the Offer.
5. At a subscription of $11 million and issue price of $0.20 per share, excluding 750,000 Shares that related parties to the Founder have informed EP&T they intend to subscribe for under the Offer.
6. 'Acquired' includes Shares issued on conversion of Convertible Notes.
7. This includes Shares that the Directors, advisors or management and executives have informed EP&T they intend to subscribe for under the Offer (See Section 6.3.1.6).
8. At Completion, 65.3% of the Shares will be subject to escrow arrangements. See Section 6.4 for further information.
9. Shareholding numbers and percentages have been calculated on an undiluted basis. For details of Existing Options on issue and the terms of those Existing Options, see Sections 6.3.1.6, 6.3.2.3, 6.3.2.4 and 6.3.2.5.
10. Existing Shares of 7,500,000 to be sold by Magnetar Capital Limited under the Offer net of 750,000 Shares that related parties of the Founder intend to subscribe for under the Offer and 202,339 Shares issued to a related party of the Founder on conversion of Convertible Notes.

Except as set out in this Prospectus, the Company has not granted, or proposed to grant any rights to any person, or to any class of person, to participate in an issue of the Company's Shares.

The "free float" (for the purposes of Listing Rule 1.1 Condition 7) will be approximately 34.7% of the Shares on issue on Completion.

7.1.6 Control implications of the Offer

Following Completion, the Directors do not expect any Shareholder will control (as defined by section 50AA of the Corporations Act) the Company. However the Founder (through his investment vehicle Magnetar Capital Limited) is expected to hold a significant shareholding of 31.4% on Completion.

7.1.7 Potential effect of the fundraising on the future of EP&T

The Directors believe that on Completion, EP&T will have sufficient funds available from the cash proceeds of the Offer and its operations to fulfil the purposes of the Offer and meet its stated business objectives.

7.1.8 Costs of the Offer

The costs of the Offer are expected to be $1.2 million (pre GST), of which $0.5 million (pre GST) will be expensed in FY21. These costs will be borne by EP&T from the proceeds of the Offer.

07. Details of the Offer

7.2 Terms and conditions of the Offer

Table 3 Terms and conditions of the Offer

Topic	Summary
What is the type of security being offered?	Shares (being fully paid ordinary shares in the Company).
What are the rights and liabilities attached to the security being offered?	A description of the Shares, including the rights and liabilities attaching to these, is set out in Section 7.12 below.
What is the consideration payable for each security being offered?	The Offer Price is $0.20 per Share.
What are the key dates of the Offer?	The key dates, including details of the Offer Period, are set out in the Key Offer Information on pages 06 and 07. The timetable is indicative only and may change. No Shares will be issued or transferred on the basis of this Prospectus later than the Expiry Date of 13 months after the Prospectus Date. The Company and the Seller reserve the right to vary the times and dates of the Offer without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer period relating to any component of the Offer, to accept late applications, either generally or in particular cases, or to cancel or withdraw the Offer before Completion, in each case without notifying any recipient of this Prospectus or any applicant). Offers may be made and may be open for acceptance under this Prospectus either generally or in particular cases up to Completion or, subject to the Corporations Act, thereafter, at the discretion of the Company. If the Offer is cancelled or withdrawn before Completion, or the minimum subscription amount under the Offer is not raised, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.
What are the cash proceeds to be raised?	$9.5 million is expected to be raised by the Company if the Offer proceeds. $1.5 million is expected to be raised by the Seller if the Offer proceeds.
What is the minimum subscription amount?	The minimum subscription amount under the Offer is $11 million (before costs). If this amount is not raised then the Offer will not proceed and all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.

Topic	Summary
What is the minimum and maximum application size under the Broker Firm Offer?	The minimum application under the Broker Firm Offer is as determined by the applicant's Broker. The Company, the Seller and the Lead Manager, reserve the right to treat any applications in the Broker Firm Offer that are from persons who they believe may be Institutional Investors, as bids in the Institutional Offer or to reject the application(s). EP&T and the Lead Manager reserve the right to reject any application or to allocate a lesser number of Shares than that applied for, in their absolute discretion. There is no maximum value of Shares that may be applied for under the Broker Firm Offer.
What is the minimum and maximum application size under the Priority Offer?	Applications under the Priority Offer must be for a minimum of $2,000 worth of Shares and in multiples of $500 worth of Shares thereafter. EP&T and the Lead Manager reserve the right to reject any application or to allocate a lesser number of Shares than that applied for, in their absolute discretion.
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer, the Priority Offer and the Institutional Offer was determined by the Company and the Lead Manager, having regard to the allocation policies outlined in Sections 7.3.4, 7.4.3 and 7.7.2. With respect to the Broker Firm Offer, the relevant Broker will decide how it allocates Shares among its retail clients, and it (and not the Company, the Seller nor the Lead Manager) will be responsible for ensuring that retail clients who have received an allocation from it, receive the relevant Shares. The allocation of Shares under the Priority Offer is at the absolute discretion of the Company and the Seller. The allocation of Shares under the Institutional Offer was determined by agreement between the Lead Manager and the Company. The Lead Manager and the Company have absolute discretion regarding the allocation of Shares to applicants under the Offer and may reject an application, or allocate fewer Shares than the number or equivalent dollar amount applied for, in their absolute discretion.
When will I receive confirmation that my application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about 29 April 2021.
Will the Shares be quoted on ASX?	The Company will apply within seven days of the Prospectus Date for listing on ASX under the code 'EPX'. Completion is conditional on EP&T raising the minimum subscription of $11 million (before costs) and ASX approving the application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all application monies received will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time. ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the official list of ASX is not to be taken as an indication of the merits of EP&T or the Shares offered for subscription.

07. Details of the Offer

Topic	Summary
When are the securities expected to commence trading?	It is expected that trading of the Shares on ASX on a normal settlement basis will commence on or about 5 May 2021. It is the responsibility of each applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk. EP&T, the Lead Manager and the Share Registry disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial statement of holding, whether on the basis of a confirmation of allocation provided by any of them, by the EP&T Offer Information Line, by a Broker or otherwise.
What are some key conditions of the Offer?	The Offer is conditional on listing on ASX and raising the minimum subscription of $[x] million (before costs).
Is the Offer underwritten?	No. The Offer is not underwritten.
Who is the Lead Manager to the Offer	The Lead Manager is Bell Potter Securities Limited.
Are there any escrow arrangements?	Yes. Details are provided in Section 6.4.
Has any ASIC relief or ASX waiver been sought, obtained or been relied on?	No. As at the date of this Prospectus, the Company has not sought any exemptions or relief from the Corporations Act from ASIC, nor has it obtained any specific ASX confirmations or waivers for the purposes of the ASX Listing Rules other than in principle advice from ASX in relation to application of mandatory escrow (see Section 6.4.1).
Are there any tax considerations for Australian investors?	Yes. Refer to Section 9.6.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by applicants on acquisition of Shares under the Offer. See Section 6.5 for details of various fees payable by EP&T to the Lead Manager.
What should you do with any enquiries?	Please call the EP&T Offer Information Line on 1300 737 760 (toll free within Australia) or +61 2 9290 9600 (outside Australia) from 8.15am until 5.30pm (Sydney time) Monday to Friday. If you are unclear in relation to any matter or are uncertain as to whether EP&T is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

7.3 Broker Firm Offer

7.3.1 Who can apply

The Broker Firm Offer is open to Australian and New Zealand resident retail clients of Brokers who have received a firm allocation of Shares from their Broker and who have a registered address in Australia or New Zealand and are not located in the United States.

You should contact your Broker to determine whether you can receive an allocation of Shares under the Broker Firm Offer.

7.3.2 How to apply

If you have received an allocation of Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker for information about how to submit your Application Form and for payment instructions. Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry.

Applicants under the Broker Firm Offer should contact their Broker to request a Prospectus and Application Form, or download a copy at http://www.eptglobaloffer.com.au. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and application monies are received before 5.00pm (Sydney Time) on 26 April 2021 or any earlier date as determined by your Broker.

Applicants under the Broker Firm Offer should contact their Broker about the minimum and maximum application size. EP&T and the Lead Manager reserve the right to aggregate any applications that they believe may be multiple applications from the same person. EP&T may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer application procedures or requirements, in its discretion in compliance with applicable laws.

The Broker Firm Offer opens at 9.00am (Sydney time) on 29 March 2021 and is expected to close at 5.00pm (Sydney time) on 26 April 2021. EP&T and the Seller reserve the right to vary the times and dates of the Offer without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer period relating to any component of the Offer, to accept late applications, either generally or in particular cases, or to cancel or withdraw the Offer before Completion, in each case without notifying any recipient of this Prospectus or any applicant). Your Broker may also impose an earlier date for returning your application. Applicants are therefore encouraged to submit their applications as early as possible. Please contact your Broker for instructions.

7.3.3 How to pay

Applicants under the Broker Firm Offer must pay their application monies in accordance with instructions from their Broker.

7.3.4 Allocation policy under the Broker Firm Offer

The allocation of firm stock to Brokers has been determined by the Lead Manager and EP&T. Shares which are allocated to Brokers for allocation to their Australian or New Zealand resident retail clients will be issued or transferred to the applicants nominated by those Brokers (subject to the right of the Company, the Seller and the Lead Manager to reject, aggregate or scale back applications). It will be a matter for the Brokers to determine how they allocate Shares among their eligible retail clients, and they (and not the Company, the Seller or the Lead Manager) will be responsible for ensuring that eligible retail clients who have received an allocation from them receive the relevant Shares.

Applicants in the Broker Firm Offer will be able to call the EP&T Offer Information Line on 1300 737 760 (toll free within Australia) or +61 2 9290 9600 (outside Australia) from 8.15am until 5.30pm (Sydney time) Monday to Friday from 28 April 2021 to confirm allocations. Applicants under the Broker Firm Offer will also be able to confirm their firm allocation through the Broker from whom they received their allocation.

However, if you sell Shares before receiving a holding statement, you do so at your own risk, even if you confirmed your holding from the EP&T Offer Information Line or confirmed your allocation through a Broker.

07. Details of the Offer

7.4 Priority Offer

7.4.1 Who can apply

The Priority Offer is open to selected investors in eligible jurisdictions who have received a priority offer invitation. If you have been invited by the Company to participate in the Priority Offer, you will be treated as an applicant under the Priority Offer in respect of those Shares that are allocated to you and you will receive a personalised invitation to apply for Shares in the Priority Offer.

Your personalised invitation will indicate an amount of Shares that you may apply for.

7.4.2 How to apply and pay

The Priority Offer opens at 9.00am (Sydney time) on 29 March 2021 and is expected to close at 5.00pm (Sydney time) on 26 April 2021. Application monies must be received by the Share Registry by 5.00pm (Sydney time) on 26 April 2021.

If you have received a personalised invitation to apply for Shares under the Priority Offer and you wish to apply for all or some of those Shares, you should follow the instructions on your personalised invitation to apply.

By making an application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

7.4.3 Allocation policy under the Priority Offer

Offers and allocations under the Priority Offer will be at the absolute discretion of the Company, in consultation with the Lead Manager.

The minimum application under the Priority Offer is $2,000 of Shares and in multiples of $500 thereafter. There is no maximum value of Shares which may be applied for under the Priority Offer.

The Company, the Seller and the Lead Manager reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late applications either generally or in particular cases, reject any application, or (subject to the terms of any guaranteed allocations referred to in this Prospectus) allocate to any applicant fewer Shares than applied for.

7.5 Acceptance of applications under the Retail Offer

An application in the Broker Firm Offer or the Priority Offer is an offer by you to the Company and the Seller to apply for Shares in the dollar amount specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Application Form. To the extent permitted by law, an application by an applicant may not be varied and is irrevocable.

An application may be accepted by the Company or the Seller in respect of the full number of Shares specified in the Application Form without further notice to the applicant. The Company and the Seller reserve the right to decline any application if it believes any provisions or procedures in this Prospectus, the Application Form or laws or regulations may not be complied with in relation to the application.

The Company, the Seller and the Lead Manager also reserve the right to reject any application which is not correctly completed or which is submitted by a person whom they believe is ineligible to participate in the Retail Offer, or to waive or correct any errors made by the applicant in completing their application.

The final allocation of Shares to applicants in the Retail Offer will be at the Company's absolute discretion, and the Company and the Seller may reject an application, or allocate fewer Shares than the number or equivalent dollar amount applied for.

Successful applicants in the Retail Offer will be issued or transferred Shares at the Offer Price. Acceptance of an application will give rise to a binding contract, conditional on settlement and quotation of Shares on ASX.

7.6 Application monies

The Company and the Seller reserve the right to decline any application in whole or in part, without giving any reason. Applicants under the Broker Firm Offer and Priority Offer whose applications are not accepted, or who are allocated a lesser number of Shares or equivalent dollar amount applied for, will receive a refund of all or part of their application monies, as applicable. Interest will not be paid on any monies refunded.

Applicants whose applications are accepted in full will receive the whole number of Shares calculated by dividing the application monies by the Offer Price. Where the Offer Price does not divide evenly into the application monies, the number of Shares to be allocated will be rounded down.

No refunds pursuant solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on application monies pending the allocation or refund will be retained by the Company and the Seller.

You should ensure that sufficient funds are held in the relevant account to cover the amount of your electronic funds transfer payment. You may also pay by cheque or bank draft also ensuring that sufficient funds are held in the relevant account to cover the amount of your cheque or bank draft payment.

If payment for application monies (or the amount for which those cheque or bank draft clear in time for allocation) is less than the amount specified on the Application Form, you may be taken to have applied for such lower dollar amount of Shares or your application may be rejected. All payments must be made in Australian dollars.

7.7 Institutional Offer

7.7.1 Invitations to bid

Under the Institutional Offer, Institutional Investors in Australia and certain other eligible jurisdictions outside the United States were invited to bid for an allocation of Shares under this Prospectus. The Lead Manager has separately advised Institutional Investors of the application procedures for the Institutional Offer. Offers and acceptances of the Institutional Offer are made with disclosure under this Prospectus and are at the Offer Price.

7.7.2 Allocation policy under the Institutional Offer

The allocation of Shares under the Institutional Offer was determined in agreement between the Lead Manager and EP&T. The Lead Manager and EP&T have absolute discretion regarding the basis of allocation of Shares among Institutional Investors.

Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the Lead Manager. The allocation policy was influenced but not constrained, by the following factors:

- number of Shares bid for by particular applicants;
- the likelihood that particular applicants will be long-term Shareholders;
- EP&T's desire for an informed and active trading market following listing on ASX;
- the size and type of funds under management of particular applicants;
- the investment style of particular applicants;
- the timeliness of the bid by particular applicants;
- EP&T's desire to establish a wider spread of institutional Shareholders;
- the anticipated level of demand under the Broker Firm Offer, Institutional Offer and Priority Offer; and
- any other factors that EP&T and the Lead Manager considered appropriate.

07. Details of the Offer

7.8 Restrictions on distribution

This Prospectus does not constitute an offer in any place outside Australia where, or to any person to whom, it would not be lawful to make such offer. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offer of the Shares, in any jurisdiction outside Australia.

The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any such restrictions, including those in the following section. Any failure to comply with such restrictions could constitute a violation of applicable securities laws. Each applicant in the Offer, and each person in Australia to whom the Institutional Offer is made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- it understands that the Offer and sale of the Shares has not been, and will not be, registered under the U.S. Securities Act or the securities laws of any State or other jurisdiction of the United States and may not be offered, sold or resold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws;
- it is not in the United States;
- it has not sent and will not send the Prospectus or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia or New Zealand except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

7.9 Discretion regarding the Offer

EP&T and the Seller may withdraw the Offer at any time before the issue and transfer of Shares to successful applicants under the Offer. Pending the issue and transfer of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. If the Offer, or any part of it, does not proceed, all relevant application monies will be refunded in full (without interest).

EP&T and the Seller also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late applications either generally or in particular cases, reject any application, or (subject to the terms of any guaranteed allocations referred to in this Prospectus) allocate for a lesser number of Shares than that applied for.

Subject to the minimum subscription of $11 million (before costs) under the Offer being reached and ASX granting conditional approval for the Company to be admitted to the official list of ASX, the issue and transfer of Shares offered under this Prospectus are expected to take place on 28 April 2021, the Issue Date.

7.10 ASIC relief and ASX confirmations

As at the date of this Prospectus, the Company has not sought any exemptions or relief from the Corporations Act from ASIC, nor has it obtained any specific ASX confirmations or waivers for the purposes of the ASX Listing Rules.

7.11 ASX listing, registers and holding statements

7.11.1 Application to ASX for listing

The Company will apply to ASX within seven days of the Prospectus Date for admission of the Company to the official list of ASX and quotation of the Shares on ASX. The Company's ASX code is expected to be 'EPX'.

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the official list of ASX is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.

If within three months after such application is made (or any longer period permitted by law) permission is not granted for the official quotation of the Shares on ASX, the Offer will be withdrawn and all application monies received will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.

From the date of admission to the official list of ASX, the Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by EP&T from time to time.

7.11.2 CHESS and issuer sponsored holdings

The Company has applied to participate in the ASX's Clearing House Electronic Subregister System (**CHESS**) and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, being an electronic CHESS subregister or an issuer sponsored subregister.

For all successful applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Shares will be registered on the issuer sponsored subregister.

Following Completion, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister. EP&T and the Share Registry may charge a fee for these additional issuer sponsored statements.

7.12 Constitution and rights attaching to the Shares

7.12.1 Introduction

The rights and liabilities attaching to ownership of Shares arise from a combination of the Constitution, statute, the ASX Listing Rules and general law.

A summary of the significant rights attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the official list of ASX.

7.12.2 Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each share held. On a poll, every member (or his or her proxy, attorney or representative) is entitled to vote for each fully paid Share held and in respect of each partly paid Share, is entitled to a fraction of a vote equivalent to the proportion which the amount paid up (not credited) on that partly paid Share bears to the total amounts paid and payable (excluding amounts credited) on that Share. Amounts paid in advance of a call are ignored when calculating the proportion.

7.12.3 Meetings of members

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules. The Company must give at least 28 days' written notice of a general meeting.

7.12.4 Dividends

The Board may pay any interim, special or final dividends that, in its judgement, the financial position of the Company justifies. The Board may also pay any dividend required to be paid under the terms of issue of a Share, and fix a record date for a dividend and method of payment.

07. Details of the Offer

7.12.5 Transfer of Shares

Subject to the Constitution and to any restrictions attached to any Share or classes of Shares, Shares may be transferred by proper ASTC transfer (effected in accordance with the ASX Settlement Operating Rules, the Corporations Regulations and the ASX Listing Rules) or by a written transfer in any usual form or in any other form approved by the Board and permitted by the relevant laws and ASX requirements. The Board may, in accordance with the Corporations Act or the ASX Listing Rules, decline to register, or prevent registration of, a transfer of Shares or apply a holding lock to prevent a transfer.

7.12.6 Issue of Shares

The Board may, subject to the Constitution, the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules issue or grant options for, or otherwise dispose of, Shares in the Company on such terms as the Board decides.

7.12.7 Winding up

If the Company is wound up, then subject to the Constitution, the Corporations Act and any rights or restrictions attached to any Shares or classes of Shares, any surplus property must be divided among Shareholders in proportion to the Shares held by them (irrespective of the amounts paid or credited as paid on the Shares), less any amounts which remain unpaid on these Shares at the date of distribution.

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or part of EP&T's property and decide how the division is to be carried out as between Shareholders or different classes of Shareholders

7.12.8 Unmarketable parcels

In accordance with the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Board may sell the Shares of a Shareholder who holds less than a marketable parcel of those Shares by following the procedures set out in the Constitution. A marketable parcel of Shares is defined in the ASX Listing Rules and is generally a holding of Shares with a market value of at least A$500.

7.12.9 Proportional takeover provisions

The Constitution contains provisions for shareholder approval to be required in relation to any proportional takeover bid.

These provisions will cease to apply unless renewed by special resolution of the Shareholders in general meeting by the third anniversary of the date of the Constitution's adoption.

7.12.10 Variation of class rights

The procedure set out in the Constitution must be followed for any variation of rights attached to the Shares. Under the Constitution, and subject to the Corporations Act and the terms of issue of a class of shares, the rights attached to any class of shares may be varied:

- with the written consent of the holders of 75% of the shares of the class; or
- by a special resolution passed at a separate meeting of the holders of shares of the class.

7.12.11 Conversion or reduction of share capital

Subject to the Corporations Act, the Company may convert all or any of its shares into a larger or smaller number of shares by resolution passed at a general meeting or with the written consent of all members entitled to vote on the matter. The Company may reduce its share capital in any way permitted by the Corporations Act.

7.12.12 Preference shares

The Company may issue preference shares including preference shares which are, or at the option of the Company or holder are, liable to be redeemed or convertible to Shares. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company.

7.12.13 Dividend reinvestment plans

Subject to the ASX Listing Rules, the Constitution authorises the Directors, on any terms and conditions they think fit, to establish a dividend reinvestment plan (under which any shareholder or any class of shareholders may elect that the dividends payable by the Company be reinvested by a subscription for shares in the Company).

7.12.14 Directors – appointment and removal

Under the Constitution, the number of Directors shall be a minimum of three Directors and a maximum of 12 Directors or such lower number as the Directors determine, provided the Company resolves to authorise such determination at a general meeting. Directors are elected or reelected at general meetings of the Company.

No Director (other than the Managing Director) may hold office without reelection after three years or beyond the third annual general meeting following the meeting at which the Director was last elected or reelected (whichever is later). The Board may also appoint any eligible person to be a Director (but not the CEO), either to fill a casual vacancy on the Board or as an addition to the existing Directors, who will hold office until the conclusion of the next annual general meeting of the Company following their appointment.

A person is eligible for election to the office of a Director at a general meeting if they are nominated by the Board or by another Shareholder in accordance with procedures in the Constitution (subject to timing requirements).

7.12.15 Directors – voting

Questions arising at a meeting of the Board must be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution, the Chair of the meeting has a casting vote in addition to his or her deliberative vote, unless there are only two Directors present or entitled to vote, in which case the Chair of the meeting does not have a second or casting vote and the proposed resolution is taken as lost.

A written resolution of the Board may be passed without holding a meeting of the Board, if all of the Directors sign or assent to the resolution (other than Directors permitted not to vote on the resolution in accordance with the terms of the Constitution).

7.12.16 Directors – remuneration

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for his or her services as a Director. The total aggregate amount provided to all Non-Executive Directors for their services as Directors must not exceed in any financial year the amount fixed by the Company in general meeting for that purpose. The remuneration of a Director must not include a commission on, or a percentage of operating revenue. The current maximum aggregate sum of Non-Executive Director remuneration is set out in Section 6.3.1.3. Any change to that maximum aggregate amount needs to be approved by Shareholders.

Directors may be reimbursed for travel and other expenses properly incurred in attending to EP&T's affairs, including attending and returning from general meetings of the Company, Board meetings or meetings of committees of the Board. If a Director renders or is called on to perform extra services, or make any special exertions in connection with the affairs of the Company, the Directors may arrange for special remuneration to be paid to that Director either in addition to or in substitution for that Director's remuneration. Directors' remuneration is discussed in Section 6.3.1.

7.12.17 Powers and duties of Directors

The Directors are responsible for managing the business of the Company and may exercise to the exclusion of the Company in general meeting all the powers of the Company which are not required by law or by the Constitution to be exercised by the Company in general meeting.

7.12.18 Indemnities

The Company may indemnify, to the extent permitted by law, each Director, alternative director or executive officer of the Company (and, if the Directors so determine, any current or former officer or auditor of the Company or its related bodies corporate) against any losses or liability incurred by that person as an officer or auditor (as applicable) of the Company or of a related body corporate of the Company including, but not limited to, a liability for negligence or for reasonable legal costs on a full indemnity basis. The Company may, to the extent permitted by law, purchase and maintain insurance or pay, or agree to pay, a premium for insurance for each Director, alternative director or executive officer of the Company (and, if the Directors so determine, any current or former officer or auditor of the Company or its related bodies corporate) against any liability incurred by that person as an officer or auditor (as applicable) of the Company or of a related body corporate, including but not limited to a liability for negligence or for legal costs.

7.12.19 Amendment

The Constitution may be only amended in accordance with the Corporations Act, which requires a special resolution passed by at least 75% of Shareholders present (in person or by proxy, attorney or representative) and entitled to vote on the resolution at a general meeting of the Company.

08.

Investigating Accountant’s Report

08. Investigating Accountant's Report

Grant Thornton
An instinct for growth™

The Directors
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19 March 2021

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT AND FINANCIAL SERVICES GUIDE

Introduction

Grant Thornton Corporate Finance Pty Limited ("Grant Thornton Corporate Finance") has been engaged by EP&T Global Limited ("EP&T" or the "Company") to prepare this report for inclusion in the prospectus (the "Prospectus") to be issued by the Company on or about 19 March 2021 in respect of the initial public offering of fully paid ordinary shares in the Company (the "Offer") and admission to the Australian Securities Exchange.

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") holds an Australian Financial Services Licence (AFS LIcence Number 247140). This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Capitalised terms used in this report have the same meaning as defined in the glossary of the Prospectus.

Scope

Grant Thornton Corporate Finance has been engaged by the Directors to perform a limited assurance engagement in relation to the following financial information of the Company:

08. Investigating Accountant's Report

Statutory Historical Financial Information

- The statutory historical aggregated statement of profit or loss and other comprehensive income for the years ended 30 June 2018 ("FY2018"), 30 June 2019 ("FY2019"), 30 June 2020 ("FY2020") and six months ended 31 December 2020 ("1HFY2021") with the six months ended 31 December 2019 comparative information ("1HFY2020");
- The statutory historical aggregated statement of cash flows for FY2018, FY2019 , FY2020, 1HFY2021 and 1HFY2020 comparative information; and
- The statutory historical aggregated statement of financial position as at 31 December 2020;

as set out in Appendix B, Table 4.4 and Table 4.5 of the Prospectus (the "Statutory Historical Financial Information")

The Statutory Historical Financial Information has been prepared for inclusion in the Prospectus and has been derived from the audited aggregated financial statements of the Company for FY2018, FY2019 and FY2020 and reviewed aggregated financial statements for 1HFY2021 (including the 1HFY2020 comparative information). The financial statements for FY2018, FY2019 and FY2020 were audited and 1HFY2021 reviewed by Grant Thornton Audit Pty Ltd in accordance with Australian Auditing Standards. The audit opinion issued to the Directors of the Company in respect of FY2018 included a qualification due to the auditors being appointed to a subsidiary company post year end and being unable to count physical inventories in addition to an emphasis of matter in relation to going concern. The audit opinion issued to the Directors of the Company in respect of FY2019 and FY2020 were unqualified but also included an emphasis of matter in relation to going concern. The review conclusion issued to the Directors of the Company in respect of 1HFY2021 was unqualified but also included an emphasis of matter in relation to going concern.

As described in Section 4.2 of the Prospectus the basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies included in Appendix A of the Prospectus.

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001 (Cth).

Pro Forma Historical Financial Information

- The pro forma historical aggregated statement of profit or loss and other comprehensive income for FY2018, FY2019, FY2020 and 1HFY2021 (with 1HFY2020 comparative information);and
- The pro forma historical aggregated statement of financial position as at 31 December 2020;

as set out in Table 4.1 and Table 4.5 of the Prospectus (the "Pro Forma Historical Financial Information")

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information after adjusting for the effects of pro forma adjustments described in Section 4.6 and Section 4.11 of the Prospectus (the “Pro Forma Adjustments”).

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and the Company’s adopted accounting policies applied to the Pro Forma Adjustments as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s actual or prospective financial position, financial performance, or cash flows.

We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Directors’ Responsibility

The Directors are responsible for:

- the preparation and presentation of the Statutory Historical Financial Information and the Pro Forma Historical Financial Information, including the selection and determination of the Pro Forma Adjustments made to the Statutory Historical Information and included in the Pro Forma Historical Financial Information; and

- the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Statutory Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information, and Pro Forma Historical Financial Information, based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450: “*Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information”.*

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

Our engagement did not involve updating or reissuing any previously issued audit or review reports on any financial information used as a source of the financial information.

08. Investigating Accountant's Report

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances.

Statutory Historical Financial Information

- consideration of work papers, accounting records and other documents, including those dealing with the extraction of the Statutory Historical Financial Information from the audited and reviewed financial statements of the Company covering the years ended 30 June 2018, 30 June 2019 and 30 June 2020 and six months ended 31 December 2020 (including the 6 months ended 31 December 2019 comparative information);
- analytical procedures applied to the Statutory Historical Financial Information;
- a review of the work papers, accounting records and other documents of the Company and its auditors; and
- a review of the consistency of the application of the stated basis of preparation and adopted accounting policies as described in the Prospectus used in the preparation of the Statutory Historical Financial Information;
- enquiry of the Directors, management and others in relation to the Statutory Historical Financial Information;

Pro Forma Historical Financial Information

- consideration of work papers, accounting records and other documents, including those dealing with the extraction of the Pro forma historical Financial Information from the Statutory Historical Financial Information covering the years ended 30 June 2018, 30 June 2019 and 30 June 2020 and six months ended 31 December 2020 (including the six months ended 31 December 2019 comparative information);
- consideration of the appropriateness of the Pro Forma Adjustments described in Section 4.6 and 4.11 of the Prospectus;
- analytical procedures applied to the Pro Forma Historical Financial Information;
- a review of the consistency of the application of the stated basis of preparation and adopted accounting policies as described in the Prospectus used in the preparation of the Pro Forma Historical Financial Information;
- enquiry of the Directors, management and others in relation to the Pro Forma Historical Financial Information;

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdiction outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Conclusion

Statutory Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention which causes us to believe that the Statutory Historical Financial Information is not presented fairly, in all material respects, in accordance with the stated basis of preparation as described in Section 4.2 of the Prospectus.

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information is not presented fairly, in all material aspects, in accordance with the stated basis of preparation as described in Section 4.2 and Section 4.11 of the Prospectus.

Restriction on Use

Without modifying our conclusion, we draw your attention to Section 4.2 of the Prospectus which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, this Independent Limited Assurance Report may not be suitable for use for another purpose.

Consent

Grant Thornton Corporate Finance consents to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is included.

Liability

The liability of Grant Thornton Corporate Finance is limited to the inclusion of this report in the Prospectus. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Prospectus.

Independence or Disclosure of Interest

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Corporate Finance will receive a professional fee for the preparation of this Independent Limited Assurance Report.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD

Neil Cooke

Partner

08. Investigating Accountant's Report

GrantThornton

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Appendix A (Financial Services Guide)

This Financial Services Guide is dated 19 March 2021.

1 About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987, Australian Financial Services Licence no 247140) (Grant Thornton Corporate Finance) has been engaged by EP&T Global Limited and its controlled entities ("EP&T" or "the Company") to provide a report in the form of an Independent Limited Assurance Report (the "Report") for inclusion in a Prospectus dated on or about 19 March 2021 (the "Prospectus") relating to the offer of fully paid ordinary shares in the Company (the "Offer"). You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2 This Financial Services Guide

This Financial Services Guide (FSG) is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3 Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

4 General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

5 Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the Report. These fees are negotiated and agreed with the entity which engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report, Grant Thornton Corporate Finance will receive from the Company a fee of $220,000 (excluding GST) which is based on commercial rates plus reimbursement of out-of-pocket expenses.

Partners, Directors, employees or associates of Grant Thornton Corporate Finance, or its related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd.

None of those persons or entities receive non-monetary benefits in respect of, or that is attributable to, the provision of the services described in this FSG.

6 Referrals

Grant Thornton Corporate Finance - including its Partners, Directors, employees, associates and related bodies corporate - does not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

7 Associations with issuers of financial products

Grant Thornton Corporate Finance and its Partners, Directors, employees or associates and related bodies corporate may from time to time have associations or relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business.

In the context of the Report, Grant Thornton Corporate Finance considers that there are no such associations or relationships which influence in any way the services described in this FSG.

8 Independence

Grant Thornton Corporate Finance is required to be independent of EP&T in order to provide this Report. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

08. Investigating Accountant's Report

"Grant Thornton Corporate Finance and its related entities do not have at the date of this Report, and have not had within the previous two years, any shareholding in or other relationship with EP&T Global Limited (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Offer.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Offer, other than the preparation of this Report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this Report. This fee is not contingent on the outcome of the Offer. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the Report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this Report.

9 Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Complaints Authority (AFCA) (membership no. 11800). All complaints must be in writing and addressed to the Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to AFCA who can be contacted at:

Australian Financial Complaints Authority

GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 931 678 (free call)

Email: info@afca.org.au

Grant Thornton Corporate Finance is only responsible for the Report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

10 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

11 Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

Head of Corporate Finance

Grant Thornton Corporate Finance Pty Ltd

Level 17, 383 Kent Street

Sydney, NSW, 2000

09.

Additional Information

09. Additional Information

9.1 Registration

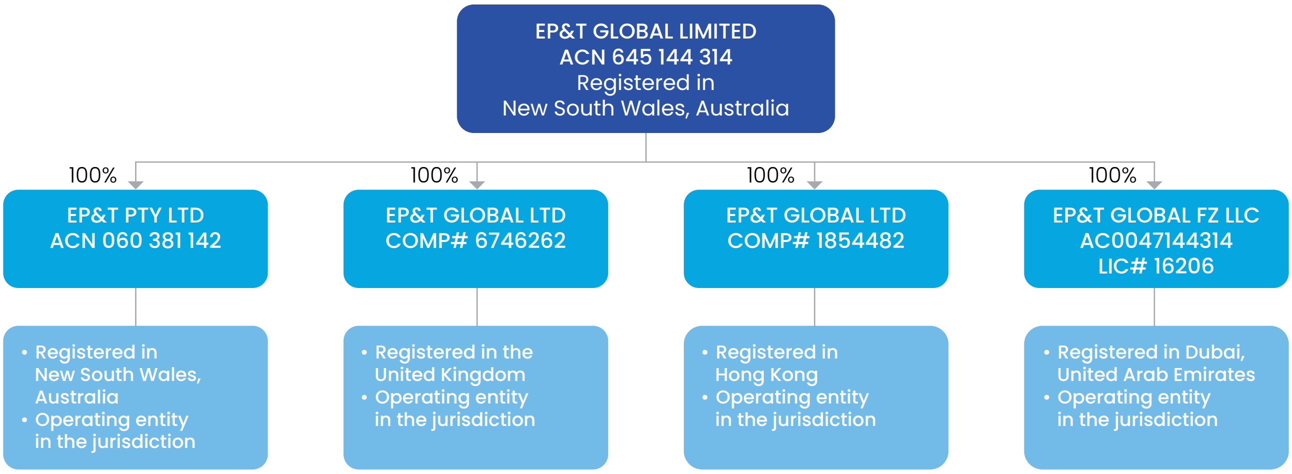
The Company was incorporated and registered in New South Wales on 15 October 2020 as a public company.

9.2 Company tax status and financial year

The Company will be taxed in Australia as a public company. The financial year of the Company ends on 30 June annually.

9.3 Corporate structure

The following diagram shows the entities in the corporate structure of the EP&T group at Completion.



9.4 Lead Manager Agreement

The Company entered into an agreement with Bell Potter Securities Limited (**Lead Manager**) dated 15 March 2021 under which the Lead Manager agreed to act as the exclusive lead manager and bookrunner to the Offer (**Lead Manager Agreement**).

In return for the services provided, the Company must pay to the Lead Manager the following fees (exclusive of GST):

- a "Management Fee" of 2.0% of the gross amount raised under the Offer;
- a "Selling Fee" of 3.0% of the gross amount raised under the Offer; and
- an "Options Fee" of Existing Options equalling 1.5% of the Shares at Completion. Refer to Section 6.3.2.4.

The Lead Manager Agreement also includes an agreement to issue Shares equalling 1% of the Shares at Completion in consideration for general advisory services rendered prior to the Offer.

The Lead Manager Agreement will expire on the earlier of Completion and 12 months after the date of the Lead Manager Agreement.

The Lead Manager may terminate the Lead Manager Agreement at any time by giving 14 days' notice prior to the commencement of the deal roadshow for the Offer in connection with the Offer.

The Company agrees to offer the Lead Manager the right of first refusal to act as lead manager in any equity capital raisings undertaken by the Company within 12 months following expiry or termination of the Lead Manager Agreement.

The Company agrees to reimburse the Lead Manager for all reasonable out-of-pocket expenses (including GST) incurred by the Lead Manager in connection with the Offer, including legal fees up to a maximum of $20,000.

The Company has provided certain representations and warranties to the Lead Manager in relation to the Company, the Offer and the Lead Manager Agreement. These are typical of commercial agreements of this nature.

In addition, the Company has indemnified the Lead Manager and its related bodies corporate and respective directors, officers, employees, advisers and representatives (**Indemnified Party**) against any claim, loss, liability and expense incurred or suffered by them in connection with the Offer or the Engagement Letter. The indemnity does not apply to the extent that any claim, loss, liability or expense arises from wilful misconduct, gross negligence or fraud by the Indemnified Party.

9.5 Legal proceedings

EP&T is, from time to time, party to various disputes and legal proceedings incidental to the conduct of its business. As at the Prospectus Date, so far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or government prosecutions of a material nature in which EP&T is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of EP&T.

9.6 Summary of tax issues for Australian and New Zealand tax resident investors

9.6.1 Taxation considerations

The comments in Section 9.6.2 provide a general outline of Australian tax issues for Australian tax resident Shareholders who acquire Shares under this Prospectus and that hold Shares on capital account for Australian income tax purposes. The categories of Shareholders considered in this summary are limited to individuals, companies (other than life insurance companies), trusts, partnerships and complying superannuation entities that hold their Shares on capital account.

This summary does not consider the consequences for foreign resident Shareholders, insurance companies, banks, Shareholders that hold their Shares on revenue account or carry on a business of trading in shares, or Shareholders who are exempt from Australian tax. This summary also does not cover the consequences for Shareholders who are subject to the Taxation of Financial Arrangements rules contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth).

The comments in Section 9.6.3 provide a general outline of New Zealand tax issues for New Zealand tax resident Shareholders who acquire Shares under this Prospectus and that hold Shares in their own name on capital account for New Zealand income tax purposes, but do not include managed funds. Whether the Shares are ultimately held on capital account (as opposed to revenue account or as trading stock) may depend on the type of Shareholders involved and their specific circumstances.

This summary does not consider the consequences for non-New Zealand resident Shareholders, Shareholders that hold their Shares on revenue account or carry on a business of trading in shares or Shareholders who are exempt from New Zealand tax.

The summaries in Sections 9.6.2 and 9.6.3 are general in nature and are not exhaustive of all income tax consequences that could apply in all circumstances of any given Shareholder. The individual circumstances of each Shareholder may affect the taxation implications of the investment of the Shareholder.

It is recommended that all Shareholders consult their own independent tax advisers regarding the income tax (including capital gains tax), stamp duty and GST consequences of acquiring, owning and disposing of Shares, having regard to their specific circumstances.

The summaries in Sections 9.6.2 and 9.6.3 are based on the relevant Australian and New Zealand tax law in force, established interpretations of that law and understanding of the practice of the relevant tax authority at the time of issue of this Prospectus. The summaries do not take into account the tax law of countries other than Australia and New Zealand.

09. Additional Information

Tax laws are complex and subject to ongoing change. The tax consequences discussed in these summaries do not take into account or anticipate any changes in law (by legislation or judicial decision) or any changes in the administrative practice or interpretation by the relevant authorities. If there is a change, including a change having retrospective effect, the tax, stamp duty and GST consequences should be reconsidered by Shareholders in light of the changes. The precise implications of ownership or disposal of the Shares will depend upon each Shareholder's specific circumstances.

This summary in Section 9.9 does not constitute financial product advice as defined in the Corporations Act. This summary is confined to taxation issues and is only one of the matters which need to be considered by Shareholders before making a decision about their investments. Shareholders should consider taking advice from a licenced adviser, before making a decision about their investments.

9.6.2 Australian tax resident Shareholders

Australian tax resident individuals and complying superannuation entities

Where dividends on a Share are paid by the Company, those dividends will constitute assessable income of an Australian tax resident Shareholder. Australian tax resident Shareholders who are individuals or complying superannuation entities should include the dividend in their assessable income in the year the dividend is paid, together with any franking credit attached to that dividend.

The rate of tax payable by each Australian Shareholder that is an individual will depend on the individual circumstances of the Shareholder and his/her prevailing marginal rate of income tax.

Shareholders who are individuals or complying superannuation entities should be entitled to a tax offset equal to the franking credit attached to the dividend subject to being a 'qualified person'. The tax offset can be applied to reduce the tax payable on the Shareholder's taxable income. Where the tax offset exceeds the tax payable on the Shareholder's taxable income, such Shareholders should be entitled to a tax refund.

Where a dividend paid by the Company is unfranked, the Shareholder will generally be taxed at his or her prevailing marginal rate on the dividend received with no tax offset.

Corporate Shareholders

Corporate Shareholders are also required to include both the dividend and associated franking credit in their assessable income. A tax offset is then allowed up to the amount of the franking credit on the dividend.

An Australian tax resident corporate Shareholder should be entitled to a credit in its own franking account to the extent of the franking credit attached to the dividend received. Such corporate Shareholders can then pass on the benefit of the franking credits to their own shareholder(s) on the payment of franked dividends.

Excess franking credits received by a corporate Shareholder cannot give rise to a refund, but may in certain circumstances be converted into carry-forward tax losses.

Trusts and partnerships

Australian tax resident Shareholders who are trustees (other than trustees of complying superannuation entities) or partnerships should include the dividend and franking credit in determining the net income of the trust or partnership. A beneficiary, trustee or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the net income of the trust or partnership as the case may be.

Shares held 'at risk'

To be eligible for the benefit of franking credits and tax offset, a Shareholder must satisfy the 'holding period' rule and 'related payment' rule. This requires that a Shareholder hold the Shares 'at risk' for more than 45 days continuously (not including the date of acquisition and disposal).

Any day on which a Shareholder has a materially diminished risk of loss or opportunity for gain in respect of the Shares (for example, through transactions such as granting Options or warrants over Shares or entering into a contract to sell the Shares) will not be counted as a day on which the Shareholder held the Shares 'at risk'. In addition, a Shareholder must not be obliged to make a 'related payment' in respect of any dividend, unless they hold the Shares at risk for the required holding period around the dividend dates.

Where these rules are not satisfied, the Shareholder will not be able to include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed $5,000. Special rules apply to trusts and beneficiaries.

Shareholders should obtain their own professional tax advice to determine if these requirements, as they apply to them, have been satisfied.

Following legislative changes in 2013, special rules apply to deny tax offsets to certain "dividend-washing" arrangements. Amendments were made through the 45 day "holding period" rule to ensure that shareholders that seek to claim multiple franking credits in respect of a single economic interest are denied tax offsets. Shareholders should consider the impact of these rules together with the broader integrity provisions that apply to the claiming of tax offsets given their own personal circumstances.

Capital gains tax (CGT) implications for Australian tax resident Shareholders on a disposal of Shares

The disposal of a Share by a Shareholder will be a CGT event. A capital gain will arise where the 'capital proceeds' on disposal exceed the 'cost base' of the Share (broadly, the amount paid to acquire the Share plus any transaction costs incurred in relation to the acquisition or disposal of the Shares). In the case of an 'arm's length' on-market sale, the capital proceeds will generally be the cash proceeds received from the sale of the Shares.

A CGT discount may be applied against the net capital gain where the Shareholder is an individual, complying superannuation entity or trustee, and the Shares have been held for more than 12 months prior to the CGT event. Where the CGT discount applies, any capital gain arising to individuals and entities acting as Trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses.

Where the Shareholder is the trustee of a trust that has held the Shares for more than 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss will be realised where the reduced cost base of the Share exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

Tax file numbers

Shareholders are not required to quote their tax file number (**TFN**), or where relevant Australian Business Number (**ABN**), to the Company. However, if a valid TFN, ABN or exemption details are not provided, Australian tax may be required to be deducted by the Company from distributions and/or unfranked dividends at the maximum marginal tax rate plus the Medicare levy. Australian tax should not be required to be deducted by the Company in respect of fully franked dividends.

GST

No GST should be payable by Shareholders in respect of the acquisition or disposal of their Shares, regardless of whether or not the Shareholder is registered for GST.

Shareholders may not be entitled to claim full input tax credits in respect of any GST included in the costs they have incurred in connection with their acquisition of the Shares. Separate GST advice should be sought by Shareholders in this respect relevant to their particular circumstances.

No GST should be payable by Shareholders on receiving dividends distributed by the Company.

Stamp duty

Shareholders should not be liable for stamp duty in respect of the acquisition of their Shares, unless they acquire, either alone or with an associated/related person, an interest of 90% or more in the Company. Under current stamp duty legislation, no stamp duty would ordinarily be payable by Shareholders on any subsequent transfer of their Shares whilst the Company remains listed. Shareholders should seek their own advice as to the impact of stamp duty in their own particular circumstances.

09. Additional Information

9.6.3 New Zealand tax resident Shareholders

New Zealand income tax treatment of dividends received by New Zealand tax resident Shareholders

New Zealand tax resident Shareholders that are individuals, trustees of a trust or portfolio corporate shareholders (those holding less than 10% shareholding interests in the Company) will generally be required to include in their assessable income the dividend actually received (before the deduction of any applicable withholding taxes), together with any New Zealand imputation credits and withholding taxes attached to that dividend. New Zealand tax resident Shareholders would then be subject to tax at their applicable tax rate on the gross dividend amount (which includes the imputation credit and any applicable withholding taxes amount).

New Zealand tax resident Shareholders should be entitled to a tax offset equal to the New Zealand imputation credits attached to the dividend. The tax offset can be applied to reduce the tax payable on the New Zealand tax resident Shareholder's taxable income. Where the offset exceeds the tax payable on the New Zealand tax resident Shareholder's taxable income, excess imputation credits can be carried forward by the Shareholder as tax credits for utilisation in future income years (in the form of tax credits for individuals or losses for companies and trustees other than a Maori trustee).

Non-portfolio New Zealand corporate Shareholders (holding 10% or greater shareholding interests in the Company) should not be subject to income tax on any dividends received from the Company.

Franking credits/withholding tax

Australian withholding tax will apply for any unfranked dividends (but not for fully franked dividends). Should the Company be required to deduct withholding tax on any dividend it pays, New Zealand tax legislation allows a foreign tax credit to be claimed by the Shareholder in respect of that amount of overseas tax paid. However, the amount of the credit for the foreign tax is restricted to the amount of the New Zealand tax payable calculated under certain rules.

Foreign tax credits are non-refundable credits and, if not utilised in the income year to which they relate, will be forfeited.

New Zealand tax resident Shareholders are not entitled to a New Zealand tax credit for any Australian franking credits attached to dividends; but likewise are not taxed on the amount of any franking credits attached to dividends.

New Zealand income tax treatment of Shareholding

New Zealand tax resident Shareholders may be taxed in respect of foreign Shareholdings, including their Shares, under either:

- Ordinary tax rules applying to share investments; or
- New Zealand's Foreign Investment Fund (**FIF**) regime.

The FIF regime should not apply to the Shares on the basis that the Company meets the exemption criteria that it is:

- Listed on the All Ordinaries in Australia, or another ASX approved index; and
- Required by Australian tax law to maintain a franking account.

If for any reason the Company does not meet its listing requirements in any income year, a New Zealand tax resident Shareholder may be subject to the FIF regime in respect of their holding of the Shares. In the event that the FIF regime applies, then Shareholders should obtain professional tax advice.

It is therefore anticipated that New Zealand's ordinary tax rules will apply in which case only dividends received may be taxable (see above) or gains on disposal of the Shares, in limited circumstances (see below).

Disposal of Shares

Amounts derived by New Zealand tax resident Shareholders from the sale or disposal of the Shares should not be included in assessable income if the Shares are held on capital account. For completeness, Shareholders will be subject to tax on gains realised on the sale or disposal of Shares where:

- The Shareholder is in the business of dealing in shares; or
- The Shares were purchased or acquired under this Prospectus for the purpose of resale; or
- The Shares were purchased or acquired under this Prospectus as part of a profit-making undertaking or scheme; or
- The Shares are otherwise held on revenue account.

New Zealand tax resident Shareholders should seek their own tax advice about whether the proceeds from sale will be taxable.

Goods and services tax

Under current New Zealand law, no New Zealand goods and services tax liability should arise on either the issue of the Shares or the transfer of the Existing Shares pursuant to the Offer or on the subsequent transfer of the Shares.

Stamp duty

As there is no stamp duty in New Zealand, neither the acquisition nor disposal of Shares will attract stamp duty in New Zealand.

9.7 Consents

9.7.1 Consenting Parties

Each of the parties referred to below (each a **Consenting Party**), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the Consenting Parties has given and has not, at the time of lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named. None of the Consenting Parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, other than as specified below:

- Bell Potter Securities Limited;
- Boardroom Pty Ltd;
- Frost & Sullivan (Australia) Pty Limited;
- Grant Thornton Corporate Finance Pty Ltd as Investigating Accountant;
- Grant Thornton Australia Limited as the Tax Advisor;
- Grant Thornton Audit Pty Ltd as the Company's Auditor; and
- Hamilton Locke;

Frost & Sullivan has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in the form and context in which it is named and the inclusion of the Frost & Sullivan Industry Report set out in Section 2 including all references to the report and to statements from the report contained in this Prospectus.

Grant Thornton Corporate Finance Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named as the Investigating Accountant in the form and context in which it is named and to the inclusion in this Prospectus of its Independent Limited Assurance Report set out in Section 8.

None of the Consenting Parties has authorised or caused the issue of this Prospectus, nor do any of the Consenting Parties make any offer of Shares.

9.7.2 Non-consenting parties

The Company has included statements in this Prospectus (as outlined in footnotes in relevant sections of this Prospectus, in particular in the Frost & Sullivan Industry Report in Section 2), which have been made by or attributed to, or information or data from statements made by or attributed to, the following third parties or reports:

- International Energy Agency (IEA) Building Envelopes Tracking Report June 2020, 2019 Global Status Report for Buildings and Construction, Global Alliance for Buildings and Construction, International Energy Agency and the United Nations Environment Programme, 2019.
- Tracking Buildings 2020, IEA, June 2020, https://www.iea.org/reports/tracking-buildings-2020, accessed 25 Sep 2020.
- The City of Copenhagen, https://international.kk.dk/artikel/carbon-neutral-capital, accessed 29 Sep 2020.
- Healthy environment, healthy lives: how the environment influences health and well-being in Europe, European Environment Agency, 2020.
- CNCA, https://carbonneutralcities.org/, accessed 29 Sep 2020.

09. Additional Information

- Global Home Energy Management Systems (HEMS) and Building Energy Management Systems (BEMS) Market, Forecast to 2025, Frost & Sullivan, Aug 2019.
- World Green Building Council, https://www.worldgbc.org/thecommitment, accessed 25 Sep 2020.
- Global Mega Trends to 2030, Frost & Sullivan, Sep 2019.
- A Review of the Impact of Green Building Certification on the Cash Flows and Values of Commercial Properties, Department of Built Environment, School of Engineering, Aalto University, Finland, March 2020 (analysis of 70 peer-reviewed studies across the globe over the period 2008 to 2019).
- Global Solar PV Power Market, Forecast to 2025, Frost & Sullivan, Aug 2019.
- GSM Association, https://www.gsma.com/futurenetworks/ip_services/understanding-5g/5g-innovation/, accessed 01 Oct 2020.
- Artificial Intelligence in the Global Homes & Buildings Industry, Forecast to 2030, Frost & Sullivan, May 2020.

The inclusion of statements made by, attributed to or based on statements made by these parties has not been consented to by the relevant party for the purpose of section 729 of the Corporations Act and are included in this Prospectus by us on the basis of ASIC Corporations (Consents to Statements) Instrument 2016/72 relief from the Corporations Act for statements used from books, journals or comparable publications.

9.8 Governing law

This Prospectus and the contracts that arise from the acceptance of Applications and bids under this Prospectus are governed by the laws applicable in New South Wales, Australia and each Applicant and bidder under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

9.9 Expiry Date

No Shares will be offered on the basis of this Prospectus after the Expiry Date.

9.10 Statement of Directors of EP&T the Seller

This Prospectus is authorised by each Director of the Company and each Director of the Seller who consent to its lodgement with ASIC and its issue and has not withdrawn that consent.

Appendix A: Significant Accounting Policies

Appendix A: Significant Accounting Policies

Basis of preparation

The Historical Financial Information has been prepared on an accruals basis and is based on historical costs unless otherwise stated in the Significant Accounting Policies.

Basis of aggregation

The Historical Financial Information incorporates the financial information of each of the following entities:

- EP & T Pty Limited (ABN 87 060 381 142).
- EP & T Global Limited (UK).
- EP & T Global Limited (HK).
- EP & T Global FZ LLC (Dubai).

Consistent accounting policies are employed by each entity in the presentation and preparation of their financial information. All inter-company balances and transactions between entities in the Aggregated Group, including any unrealised profits or losses, have been eliminated on aggregation.

Functional and presentation currency

The EP&T aggregated group Historical Financial Information is presented in Australian Dollars ($AUD), which is also the functional currency of the EP & T Pty Limited.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective EP&T group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss. Non-monetary items are retranslated at year-end using the spot rate.

Foreign operations

In the Historical Financial Information, all assets, liabilities and transactions of EP&T group entities with a functional currency other than $AUD are translated into $AUD upon aggregation. The functional currency of the entities in the EP&T group has remained unchanged across the reporting periods.

On consolidation, assets, liabilities and equity have been translated into $AUD at the closing rate at the reporting date. Income and expenses have been translated into $AUD at the average rate over the reporting period. Exchange differences are charged and/or credited to other comprehensive income and recognised in the currency translation reserve in equity.

Revenue

Revenue arises mainly from the sale of energy saving equipment and services and contracts for the installation of such systems (Projects Revenue), after-sales monitoring (Contracted Service Revenue) and maintenance services (Service and Maintenance Revenue). To determine whether to recognise revenue, EP&T follows a 5-step process.

- Identifying the contract with a client
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied

EP&T usually enters into transactions involving a package of EP&T's products and services, for example, for the construction of the energy saving system and related after-sales service, monitoring and maintenance. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) EP&T satisfies performance obligations by transferring the promised goods or services to its clients. EP&T recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if EP&T satisfies a performance obligation before it receives the consideration, EP&T recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Projects Revenue – revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods. Revenue from the installation of the system is recognised over time based on percentage of completion assessed on costs incurred as a percentage of total installation costs.

Contracted Service Revenue is recognised over time as the services are provided to the client.

Service and Maintenance Revenue is recognised at a point in time when the service or maintenance has been provided.

All revenue is stated net of the amount of Goods and Services Tax (GST) or Value Added Tax (VAT).

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin. Expenditure for warranties is recognised and charged against the associated provision when the related revenue is recognised.

Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured at cost less depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to EP&T and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to EP&T commencing from the time the asset is held ready for use. Leased assets and leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the assets.

Appendix A: Significant Accounting Policies

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Estimated useful life
Leasehold improvements:	5 years
Plant and equipment:	4 years
Buildings (right of use asset):	Lease term

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income.

Impairment of non-financial assets

At each reporting date, EP&T reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset, EP&T estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Leases

As described previously, the EP&T group has applied AASB 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under AASB 117 and Interpretation 4.

Accounting policy applicable from 1 July 2019

The Group as a lessee

For any new contracts entered into on or after 1 July 2019, the EP&T group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the EP&T group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the EP&T group;
- the EP&T group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the EP&T group has the right to direct the use of the identified asset throughout the period of use.

The EP&T group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the EP&T group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the EP&T group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The EP&T group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The EP&T group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the EP&T group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the EP&T group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The EP&T group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

Accounting policy applicable before 1 July 2019

Operating leases

Where the EP&T group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the EP&T group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value.

Subsequent measurement of financial assets and financial liabilities are described below. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into amortised costs.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- the entities business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial assets.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Appendix A: Significant Accounting Policies

Subsequent measurement financial assets

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Impairment of financial assets

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The EP&T group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The EP&T group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, EP&T uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. EP&T assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Classification and measurement of financial liabilities

The EP&T group's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless EP&T designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Derivative financial instruments

Derivative financial instruments are accounted for at FVPL.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Income tax

The income tax expense for the year comprises current income tax expense and deferred tax expense. Current and deferred income tax expense is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

Current tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Deferred tax

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets are recognised to the extent of existing taxable temporary differences that are likely to negate the effects of any deductible temporary differences, unused tax losses or unused tax credits.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Equity, reserves and dividend payments

Issued capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Appendix A: Significant Accounting Policies

Foreign currency translation reserve

Comprises foreign currency translation differences arising on the translation of financial statements of the EP&T group's foreign entities into $AUD.

Accumulated losses include all current and prior period accumulated losses.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

All transactions with owners of the parent are recorded separately within equity.

Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The EP&T group's liabilities for annual leave, long service leave and end of service gratuity are included in other long term benefits as they are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The EP&T group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period, irrespective of when the actual settlement is expected to take place.

Post-employment benefit plans

The EP&T group provides post-employment benefits through various defined contribution plans.

Provisions, contingent liabilities and contingent assets

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the EP&T group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the EP&T group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST or VAT, except where the amount of GST or VAT incurred is not recoverable from the Tax Office. In these circumstances the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST or VAT.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST or VAT components of investing and financing activities, which are disclosed as operating cash flows.

Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the Historical Financial Information, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the EP&T group that have the most significant effect on the Historical Financial Information.

Revenue recognition on projects

Revenue relating to the projects is determined with reference to the stage of completion of the transaction at reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date for performance obligations satisfied over time as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Contract liabilities (deferred revenue)/contract assets (unbilled receivables) is therefore held in the statement of financial position depending on the stage of satisfaction of the performance obligation completed over time.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the EP&T group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions. Deferred tax assets have only been recognised for timing differences.

Estimation uncertainty

When preparing the Historical Financial Information management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Appendix A: Significant Accounting Policies

Revenue recognition on projects

Revenue relating to the projects is determined with reference to the stage of completion of the transaction at reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date for performance obligations satisfied over time as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Provisions – Warranties

The amount recognised for warranties for which clients are covered for the cost of repairs is estimated based on management's past experience and the future expectations of defects.

Provisions – Long Service Leave

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

Guaranteed Energy Savings

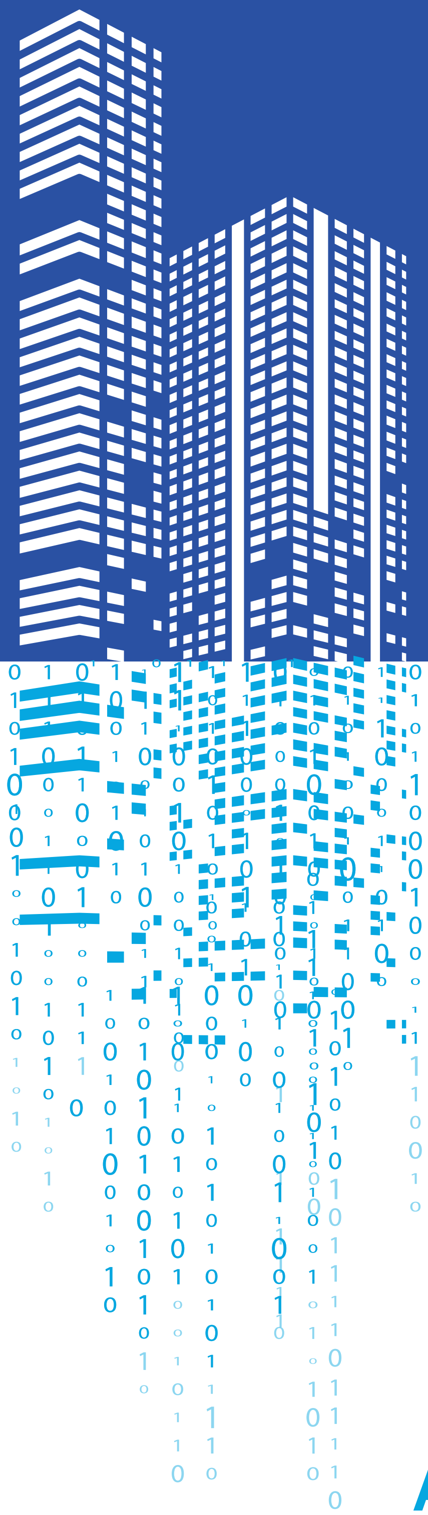
In accordance with certain contracts signed with clients, the EP&T group guarantees a pre-determined value of energy savings following the substantial completion of the contract. The savings are stipulated in the contracts based on the company's engineering reports. The savings are guaranteed annually and generally for a period of five years. To date there have been no instances of energy savings guaranteed to clients not being met. Accordingly in the view of the directors, the possibility of any such amounts becoming a liability is remote and as such no liability or contingent liability has been reflected in the Historical Financial Information.

Fair value of financial instruments

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Provisions – stock obsolescence

The amount recognised for inventory obsolescence is estimated based on the nature of stock, primarily the provision is for slow moving items, which have become obsolete as newer stock is available.



Appendix B: Financial Information Reconciliation Tables

Appendix B: Financial Information Reconciliation Tables

Statutory Historical Aggregated Statement of Profit or Loss and Other Comprehensive Income

$'000	FY2018 Restated	FY2019 Audited	FY2020 Audited	1HFY2021 Reviewed	1HFY2020 Reviewed
Revenue	9,807	11,507	6,733	3,223	3,503
Cost of goods sold	(1,830)	(1,801)	(765)	(162)	(485)
Gross profit	**7,977**	**9,706**	**5,968**	**3,061**	**3.018**
Operating expenses	(9,174)	(11,710)	(9,718)	(6,390)	(4,502)
Other gains/(losses)	1,150	569	807	860	246
EBITDA	**(47)**	**(1,435)**	**(2,943)**	**(2,470)**	**(1,238)**
Depreciation and amortisation expense	(118)	(123)	(528)	(253)	(270)
EBIT	**(165)**	**(1,558)**	**(3,471)**	**(2,723)**	**(1,508)**
Interest income	3	96	228	134	131
Interest expense	(145)	(319)	(772)	(448)	(389)
Change in fair value of derivative liability	–	(954)	(214)	(3)	–
Loss before income tax	**(307)**	**(2,735)**	**(4,229)**	**(3,041)**	**(1,766)**
Income tax (expense)/benefit	(71)	217	122	155	44
Loss after income tax	**(378)**	**(2,518)**	**(4,107)**	**(2,886)**	**(1,722)**
Other comprehensive income	27	23	(216)	(352)	21
Total comprehensive loss	**(351)**	**(2,495)**	**(4,323)**	**(3,238)**	**(1,702)**

Appendix C: Glossary

Appendix C: Glossary

AASB	Australian Accounting Standards Board
AASB 9	AASB 9 Financial Instruments
ABN	Australian Business Number
Annual Contract Value (ACV)	represents the gross annualised revenue from current client contracts
Application Form	the application form attached to or accompanying this Prospectus (including the electronic form)
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited or the securities exchange that it operates, as the context requires
ASX Listing Rules	the listing rules of ASX as amended from time to time
ASX Recommendations	the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th Edition
ASX Settlement Operating Rules	the settlement operating rules of ASX Settlement Pty Limited (ABN 49 008 504 532)
ATO	Australian Taxation Office
Australian Accounting Standards or **AAS**	Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board
BEMS	Building Energy Management System
BMS	Building Management System
Board or **Board of Directors**	the board of directors of the Company

Broker	any ASX participating organisation selected by the Lead Manager and the Company to act as a Broker to the Offer
Broker Firm Offer	the offer of Shares under this Prospectus to Australian and New Zealand resident retail clients of Brokers who have received a firm allocation from their Broker
CAGR	compound annual growth rate
CEO	Chief Executive Officer, being Trent Knox as at the Prospectus Date
CFO	Chief Financial Officer, being Richard Pillinger as at the Prospectus Date
CGT	capital gains tax
Chairman	Jonathan Sweeney as at the Prospectus Date
CHESS	Clearing House Electronic Subregister System, operated in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules
Closing Date	the date on which the Offer is expected to close, indicatively being [x] in respect of the Broker Firm Offer and the Priority Offer in accordance with the timetable on page [11]. These dates may be varied without prior notice
Company or **EP&T Global Limited**	EP&T Global Limited (ACN 645 144 314)
Completion	completion of the Offer, being the date upon which Shares are issued or transferred to successful applicants in accordance with the terms of the Offer
Consolidated Statement of Financial Position	consolidated statement of financial position for EP&T Global Limited (including all subsidiaries)
Constitution	the constitution of the Company
Convertible Notes	convertible notes issued by EP&T Pty Ltd which will convert into Shares on Completion
Corporate operating cash flows	Operating cash flows ultimately attributable to shareholders
Corporate Restructure	the corporate restructure undertaken by EP&T Global Limited that completed on 12 March 2021, as described in Section 7.1.4.1
Corporations Act	*Corporations Act 2001* (Cth)
Corporations Regulations	regulations made pursuant to the Corporations Act

Appendix C: Glossary

COVID-19	the novel coronavirus disease (known as 'severe acute respiratory syndrome coronavirus 2'), classified by the World Health Organisation on 11 March 2020 as a pandemic
Depreciation and amortisation expense	depreciation and amortisation in relation to plant and equipment used in the business and the depreciation of right-of-use assets recognised under AASB 16, as well as in relation to the capitalised website costs and purchased software
Director	a director of the Company
EDGE platform	EP&T's proprietary software platform
Enterprise Value	the sum of market capitalisation of $37.2 million at the Offer Price less pro forma net Cash as at 31 December 2020
EP&T Global Limited, **EP&T** or **the Company**	EP&T Global Limited (ACN 645 144 314)
EP&T Offer Information Line	within Australia: 1300 737 760; or outside Australia: +61 2 9290 9600, and in each case, open from 8.15am to 5.30pm (Sydney time) Monday to Friday during the Offer Period
Existing Option	an option over a Share in the Company that has been granted prior to the Prospectus Date
Existing Share	a Share on issue in the Company as at the Prospectus Date
Expiry Date	13 months after the Prospectus Date
Exposure Period	the seven-day period after the Prospectus Date, which may be extended by ASIC for up to an additional seven days, during which an application must not be accepted
Financial Information	Historical Financial Information and Forecast Financial Information
Forecast Financial Information	Statutory Consolidated Forecast Financial Information and Pro Forma Consolidated Forecast Financial Information
Founder	Keith Gunaratne
Frost & Sullivan	Frost & Sullivan (Australia) Pty Ltd, the author of the Frost & Sullivan Industry Report
Frost & Sullivan Industry Report	the report set out in Section 2
FTE	full time equivalent employees
FY2018	financial year of EP&T Global Limited ended on 30 June 2018

FY2019	financial year of EP&T Global Limited ended on 30 June 2019
FY2020	financial year of EP&T Global Limited ended on 30 June 2020
General and administration expenses	salaries and other expenses of the management and administration teams, including costs for external legal, accounting, and other costs such as insurance and occupancy costs
GST	has the meaning given in *A New Tax System (Goods and Services Tax) Act 1999* (Cth)
Historical Period	FY2018, FY2019, FY2020
IFRS	International Financial Reporting Standards
Income Tax Assessment Act	means the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth) as appropriate
Independent Non-Executive Director	means each of Victor van Bommel, John Balassis and Jonathan Sweeney
Independent Limited Assurance Report	the report set out in Section 8
Institutional Investors	investors outside of the United States who are: • persons in Australia who are wholesale clients under section 761G of the Corporations Act and either 'professional investors' or 'sophisticated investors' under sections 708(11) and 708(8) of the Corporations Act; or • institutional investors in certain other jurisdictions, as agreed by the Company and the Lead Manager, to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any government agency (except one with which EP&T is willing in its discretion to comply)
Institutional Offer	the invitation to Institutional Investors under this Prospectus to acquire Shares as described in Section 7.7
Investigating Accountant	Grant Thornton Corporate Finance Pty Ltd in its role as investigating accountant in relation to the preparation of the Independent Limited Assurance Report
Investigating Accountant's Report	Independent Limited Assurance Report issued by the Investigating Accountant in connection with the Offer
IoT	Internet of Things
JobKeeper Payments	payments received under the JobKeeper Scheme
JobKeeper Scheme	the JobKeeper relief scheme provided by the Australian Federal Government in relation to COVID-19 to subsidise employee costs

Appendix C: Glossary

Lead Manager	the Lead Manager, being Bell Potter Securities Limited (ABN 25 006 390 772/Licence No. 243480) (**Bell Potter**)
Lead Manager Agreement	the lead manager agreement between the Company and the Lead Manager dated 15 March 2021, as summarised in Section 9.4
Lifetime Value (LTV)	estimated gross profit from the ACV generated by the client base, factoring a historical 3 year churn rate of ACV
Magnetar Capital Limited	Magnetar Capital Limited (EXTUID_132614), a registered private company incorporated in Jersey, controlled by the Founder
Minimum subscription amount	the minimum subscription amount under the Offer being $11 million (before costs)
NABERS	National Australian Built Environment Rating System
New Shares	the new Shares to be issued by the Company under the Offer
Non-Executive Director	a member of the Board of Directors who does not form part of EP&T's management
NPAT	net profit (or loss) after tax
Offer	the offer of Shares under this Prospectus
Offer Period	the period during which investors may apply for Shares under the Offer, opening on the date specified in the timetable on page 06 and ending on the Closing Date
Offer Price	$0.20 per Share
Optionholder	a holder of Existing Options
Other Income	other fees that are generated from EP&T's business activities and government rebates
Pro Forma Adjustments	adjustments to the Statutory Consolidated Historical Financial Information
Pro Forma Consolidated Historical Financial Information	the financial information described as Pro Forma Consolidated Historical Financial Information in Section 4.1
Pro Forma Historical Cash Flows	pro forma historical cash flows for FY2018, FY2019, FY2020

Pro Forma Historical Consolidated Statement of Profit and Loss and Other Comprehensive Income	pro forma consolidated historical statement of profit and loss and other comprehensive income for FY2018, FY2019 and FY2020
Pro Forma Historical Results	pro forma consolidated historical statements of profit and loss and other comprehensive income for FY2018, FY2019 and FY2020
Pro Forma Historical Statement of Financial Position	pro forma consolidated historical statement of financial position as at 30 June 2020
Profit Before Tax	profit (or loss) before tax
Prospectus	this document (including the electronic form of this Prospectus) and any supplementary or replacement prospectus in relation to this document
Prospectus Date	the date on which a copy of this Prospectus was lodged with ASIC, being 19 March 2021
R&D Incentive	Claims made by EP&T under the research and development tax incentives provided by the Australian and UK governments
Related Body Corporate	has the meaning given in the Corporations Act
SaaS	Software as a Service
Securities	means a security in the Company, and includes Shares and Existing Options
Securityholder	a Shareholder or Optionholder
Seller	EP&T SaleCo Limited ACN 648 600 864, the seller under the Offer
Share	a fully paid ordinary share in the capital of the Company
Share Registry	Boardroom Pty Ltd (ACN 003 209 836)
Shareholder	a holder of Shares
Shareholding	a holding of Shares
Significant Accounting Policies	the principal accounting policies adopted in the preparation of the Financial Information
Statutory Aggregated Historical Financial Information	the financial information described as Statutory Aggregated Historical Financial Information in Section 4.1

Appendix C: Glossary

Statutory Historical Results	statutory aggregated historical statements of profit and loss and other comprehensive income for FY2018, FY2019 and FY2020
Statutory Historical Statement of Financial Position	statutory aggregated historical statement of financial position as at 30 June 2020
TFN	tax file number
Total Contract Value (TCV)	the ACV multiplied by the contract term of new clients
Unbilled Contract Value (UCV)	future amounts not yet billed under current contracts (excluding expected renewals)
U.S. Securities Act	United States Securities Act of 1933

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Lead Manager
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Auditor
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