

20 June 2024

ASX ANNOUNCEMENT

Business Update

Asset Vision Co Ltd (ASX: ASV) (ASV or the Group) is pleased to provide a business update.

FY24 has been a transformational year for our company, marked by significant improvements in profitability and performance. Our products have seen considerable growth in capability and innovation, particularly with the early release of AutoPilot+AI. We have significantly grown our sales pipeline, unlocked new target verticals, and recently secured our first client win in Utilities. We renewed all of our major contracts for the next 2-4 years, and grew our revenue through new client wins and existing client expansions.

We thank our entire team for their outstanding efforts in FY24.

Financial Update:

- **Positive Operating EBITDA:** We expect FY24 operating EBITDA to be in the range of \$700K to \$900K, representing a significant improvement from FY23's EBITDA of -\$1.6M. Excluding corporate costs, the underlying Asset Vision business is expected to deliver an operating EBITDA in the range of \$1.3M to \$1.5M.
- **Revenue:** We anticipate FY24 revenue to be in the range of \$4.7M to \$4.9M, showing considerable growth from FY23. ARR is projected to conclude the year between \$3.3M and \$3.5M.
- **Cash:** We expect to end the year with approximately \$600K in cash at bank and we are forecasting positive cash flow for FY25.
- **Deferred Consideration:** Outstanding deferred consideration has been reduced from \$1M to \$500K, paid from operating cash flows in FY24. The payment terms for the remaining \$500K have been renegotiated and will be paid out of operating cash flows in FY25.

Sales and Pipeline Update:

- All major contracts with existing customers have been renewed during FY24, securing the majority of our ARR for the next 2 to 4 years and we start FY25 with a vastly improved pipeline compared to FY24.
- The platform is currently shortlisted for multiple government tenders, with potential ARR growth ranging from \$500K to \$1M and services revenue of up to \$1M.
- The release of Autopilot and Autopilot AI has led to multiple government and enterprise customers undertaking trials with revenue realisation expected in Q1 of FY25
- We have secured our first client win with the integrated Microsoft Dynamics + Asset Vision solution for Utilities, indicating a significant new market opportunity with our solution partner.
- A proof of concept with a government partner in Southeast Asia has commenced, with potential market entry in FY25.
- Discussions are ongoing with a global software leader looking to integrate Asset Vision into their go-to-market offering opening new local opportunities as well as significant new verticals and geographies.
- Our internal sales team has been strengthened with a key hire from a major competitor, set to start on 1 July 2024.

This announcement has been authorised for release by the Board of Directors.

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