



1 May 2025

Market Announcement

For immediate release

Strong revenue growth continues in Q1

AoFrio Limited (AOF), is providing an update on trading performance for the three months ended 31 March 2025 (Q1-2025).

- Revenue for Q1-2025 was \$23.9m, a 43.9% increase compared to \$16.6m for Q1-2024.
- IoT revenue increased 19.1% to \$11.8m from \$9.9m in 2024. This increase was the result of a 3.7% increase in the number of hardware units supplied and an increase in average unit prices.
- Revenue from the sale of motor products increased 80.4% to \$12.1m, from \$6.7m in 2024. The number of motors supplied increased 76.2% compared to Q1-2024.
- Gross Margin was 31.1% (31.3% in Q1-2024). IoT was 45.0% (40.5% in Q1-2024) and motors 17.6% (17.8% in Q1-2024).
- Operating Costs for Q1-2025 were \$5.9m compared to \$5.1m in 2024.
- EBITDA was a surplus of \$1.5m, a \$1.3m improvement over the comparable period in 2024.
- Cash at 31 March 2025 was \$4.6m (\$2.1m last year at 31 March) and the Company had borrowed \$3.9m under its then \$5m trade finance facility (\$3.9m last year at 31 March). The trade finance facility has since been increased to \$10m.

AoFrio secured its first significant food retail order in March following completion of a proof-of-concept trial. The order includes recurring SaaS revenue under a multi-year contract. We are working on other significant opportunities in this segment.

The threat of imposition of tariffs in the USA gives rise to uncertainty for the rest of the year. AOF manufactures its products in Vietnam and product entering the USA is subject to an additional 46% tariff, effective 90 days after 5th April 2025. Tariff rates may change before that date. In the year to 31 December 2024, AOF sales to customers located in the USA amounted to US\$6.3 million of which US\$0.5 million was sales of product imported by AOF. Most product supplied into the USA is supplied ex-works Vietnam and imported by AOF's customers, so the cost is not AOF's. What tariff rate is eventually applied and the impact that the increased importation costs will have on customer demand is not clear at this time. We continue to monitor the situation and examine options to reduce the tariff impact on US customers.

2025 Outlook

AOF is maintaining its revenue guidance for FY25 in the range \$85m to \$95m and EBITDA guidance between \$3.5m and \$4.0m. The imposition of tariffs in the USA may lead to reduced customer demand globally and a stronger NZ\$ relative to the US\$ also negatively impacts reported revenues and earnings. Guidance will be updated as the position becomes clearer.



AOF's Chair John Scott said "The year has certainly started strongly. Q1-2025 is especially pleasing on several fronts. It shows that operating at a world class level delivers results. This performance is driven by our core business and the 43.9% revenue increase this quarter is even more impressive when you consider that Q1-2024 revenue was 13% higher than Q1-2023. Notwithstanding the great start to the year, we have maintained guidance. While there are risks to global trade, there is as much potential upside to revenue as downside and we just don't know yet which side of it AoFrio will land".

**EBITDA (i.e., Earnings before interest, taxation, depreciation, amortisation, and impairment) is a non-GAAP earnings figure that equity analysts tend to focus on for comparable company performance analysis. AoFrio considers it a valuable financial indicator because it avoids the distortions caused by differences in amortisation and impairment policies. Contact*

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