



30 April 2024

ASX ANNOUNCEMENT

Quarterly Activity Report and Appendix 4C

Q3 FY24

Asset Vision Co Limited (ASX: ASV) (**Asset Vision** or the **Company**), is pleased to provide its quarterly business update and Appendix 4C for the period ended 31 March 2024 (Q3 FY24).

Key Financial Highlights

- ▲ **7%** increase on FY23 Q3 Annual Recurring License Revenue (ARR): \$3.2m
- ▲ **13%** increase on FY23 Q3 Licensing Revenue: \$765k
- ▼ **15%** decrease on FY23 Q3 Operating Expenses: \$1,092k
- FY24 Q3 Closing Cash Balance: \$681k

Commenting on the Q3 results, Asset Vision's Co-CEO, Lucas Murtagh said:

"Q3 has seen significant progress in customer delivery and product development initiatives. Notably, the rollout of the core Asset Vision platform within the Department of Infrastructure and Transport South Australia is on track, with phase one set to go live in Q4 FY24. Additionally, projects across TfNSW, including Capital Works and Sydney Harbour Bridge Precinct Stage 2, are progressing well and slated for Q4 deployment. The commencement of Port of Brisbane project marks another milestone, expanding our platform's asset class coverage and enhancing our competitiveness in the Australian ports market. The implementation of these projects will see incremental growth to ARR in Q1 FY25.

On the product development front, our team has been hard at work delivering exciting new features. This week we are releasing significant updates to AutoPilot to bring automated road defect detection through AI, five months ahead of schedule. Asset Vision is uniquely positioned to offer a full end to end intelligent inspection and maintenance process, offering substantial financial and safety benefits to our customers. This release aligns perfectly with the upcoming Institute of Public Works Engineering Australasia's International Public Works Conference today in Melbourne.

While our revenue pipeline continues to grow, some anticipated Q3 deals experienced delays in closure, which we now expect to finalise in Q4. To accelerate growth, we are actively exploring several strategic channel partnerships to efficiently scale our sales and delivery capacity, with announcements expected before year-end.

Financially, we're pleased to report that the net cash outflow from operating activities was only \$32k for the quarter, despite larger payments for the half-year audit and income tax preparation. As we enter the new financial year, our focus remains on delivering positive operating cash flow.

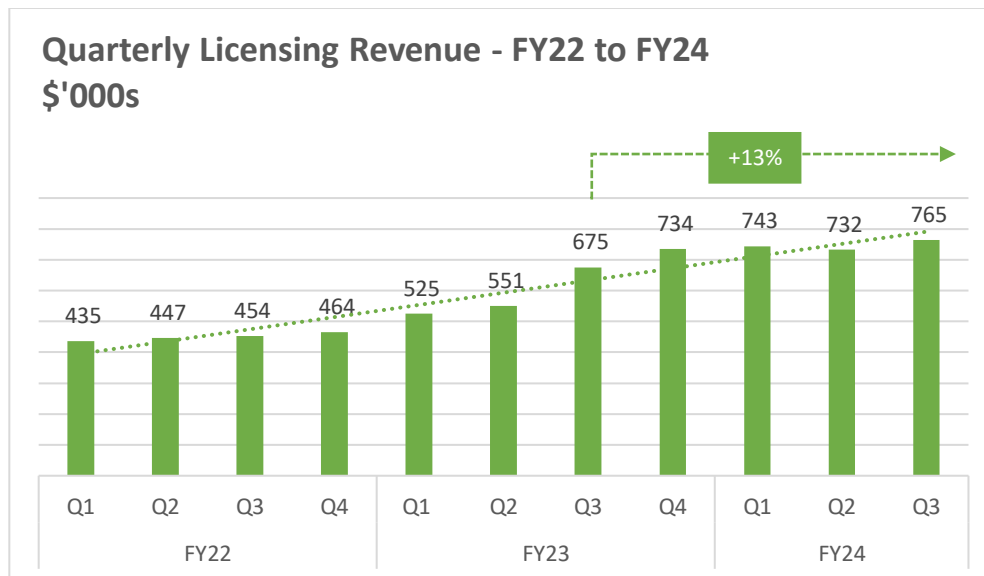
Looking ahead, we're poised for further growth and innovation, and committed to delivering value to our customers and stakeholders."

Financial Overview

Revenue Performance and ARR

Asset Vision's licensing revenue was \$765k for Q3 FY24, a **13% increase from the prior corresponding period (pcp) (Q3 FY23: \$675k)**.

Growth in FY24 has been generated through our contract win with the South Australian Government and price increases on two key contract renewals.



Asset Vision's contracted ARR is \$3.2m which has remained stable throughout FY24. This represents a **net annual increase of 7% since the end of Q3 FY23**.

Total turnover for Q3 FY24 of \$969k **represents a decline of 8% against pcp (Q3 FY23: \$1,053k)** as a result of lower project implementation revenue.

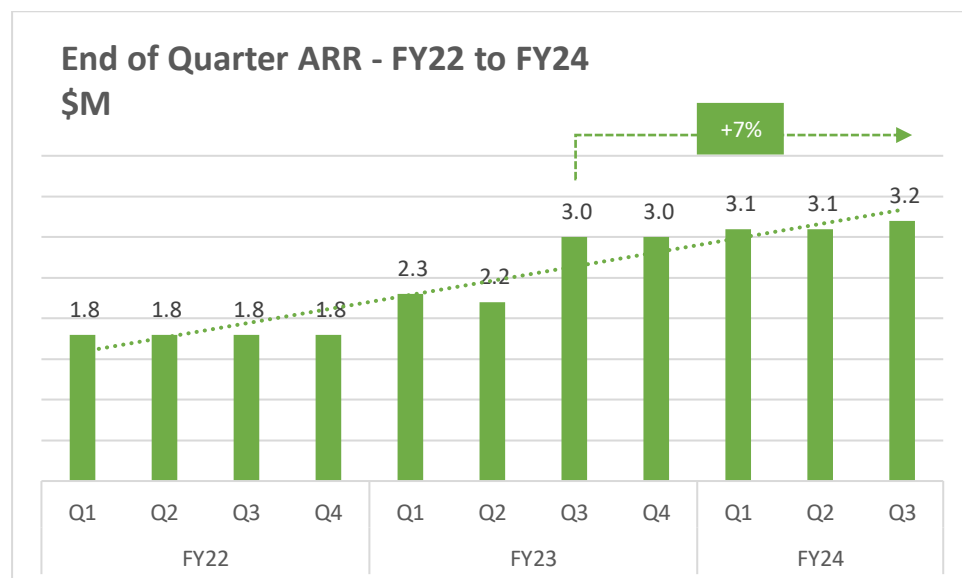
Customer Activity and Sales Pipeline

Throughout the quarter, we maintained our momentum in rolling out the core Asset Vision Platform within the Department of Infrastructure and Transport South Australia. Phase one is scheduled to go live in Q4 FY24. Furthermore, projects across TfNSW, such as Capital Works and Sydney Harbour Bridge Precinct Stage 2, are progressing well and are on track for deployment in Q4. Another significant milestone is the initiation of Port of Brisbane deployment, expanding our platform's asset class coverage and bolstering our competitiveness in the Australian ports market.

The primary focus for expanding our pipeline remains on AutoPilot. Customers from every state in Australia are currently trialling the product, and several of them are expected to commit to long-term usage within the next two quarters. Marketing efforts for AutoPilot continued this quarter, including participation in the Municipal Works Australia conference, where we observed substantial interest in AutoPilot for various applications, such as footpath inspections, disaster recovery funding, and reduction of carbon emissions through more efficient inspections. These marketing efforts will continue in Q4, exhibiting at the Institute of Public Works Engineering Australasia's International Public Works Conference, where our automated AutoPilot AI detection for road defects will be on show for the first time.

During the quarter, several Government Departments issued tenders for asset and maintenance solutions. Our team has been diligently responding to these opportunities, and we have been shortlisted as a vendor for several of them, proceeding to the next stage of the tender process.

Several of the deals outlined in our previous 4C report have encountered delays in closure, which we now anticipate finalising in Q4. As part of our ongoing sales strategy, we are actively exploring several strategic channel partnerships to efficiently scale our sales capacity, with announcements expected before year-end.

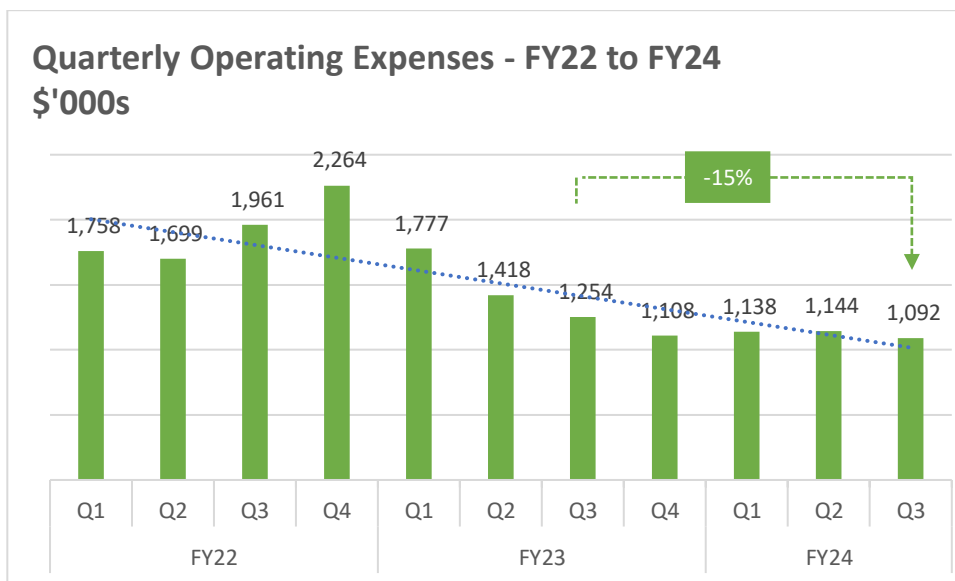


Operating Expenses

Operating expenses continue to track at a stable level since the completion of the cost management program at the end of FY23, demonstrating that the business can grow on a fundamentally altered cost base.

Total operating costs for the Company were \$1,092k for Q3 FY24, a **15% reduction from pcip** (Q3 FY23: \$1,254k).

All costs incurred on R&D activity continue to be expensed through the statement of profit and loss. Any R&D claim will be treated as income during the reporting period received.



Cash Flow

The Company recorded net cash outflows from operating activities of \$32k for the quarter which included larger payments in respect of the half-year audit and income tax preparation.

Cash at bank is \$681k as at 31 March 2024.

The Company continues to meet its scheduled quarterly deferred consideration payments of \$125k owing to the vendors of EagleSoft with the application of operating cash flows.

General Administration

No significant items to report

Outlook

Our pipeline is growing, and with the exciting launch of AutoPilot AI, we anticipate its growth to accelerate in Q4. Moreover, we are poised for significant progress as we near the completion of several pivotal deals and strategic partnership negotiations, alongside the timely delivery of crucial client projects. We anticipate a solid Q4 with both ARR growth and increased project revenue.

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

- ENDS -

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Asset Vision Co Limited

ABN

50 164 718 361

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,050	3,165
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(265)	(832)
(c) advertising and marketing	(3)	(34)
(d) leased assets	-	-
(e) staff costs	(723)	(2,193)
(f) administration and corporate costs	(91)	(342)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	570
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(32)	334
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	(125)	(375)
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(125)	(375)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	832	715
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(32)	334
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(125)	(375)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	6	7
4.6	Cash and cash equivalents at end of period	681	681

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	681	832
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	681	832

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	15
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
6.1 comprises director's fees for the quarter		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (Credit card facility)	75	5
7.4	Total financing facilities	75	5
7.5	Unused financing facilities available at quarter end		70
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	ANZ credit card facility - unsecured		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(32)
8.2	Cash and cash equivalents at quarter end (item 4.6)	681
8.3	Unused finance facilities available at quarter end (item 7.5)	70
8.4	Total available funding (item 8.2 + item 8.3)	751
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	23.5
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2024

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.