



24 August 2023

Market Announcement

For immediate release

H1 FY23 market update and guidance update

AoFrio today has released its Interim Report for the six months ended 30 June 2023. The report includes financial statements for the period and a comprehensive commentary on the financial performance, strategy update, governance changes and outlook.

Financial performance for H1 FY23 was broadly consistent with H1 FY22. It reflected the global economic uncertainty impacting customers, including the residual effects from global supply chain issues that have lasted longer than expected. Meaningful improvement in trading conditions now seems unlikely until Q4 FY23 and it is therefore appropriate to update our FY23 guidance.

Metric (NZ\$m)	H1 FY23	H1 FY22	Variance
Revenue	30.1	31.9	(1.8)
IoT Revenue	17.1	16.3	0.8
Motors & Fans Revenue	13.0	15.6	(2.6)
Gross Margin %	30.3%	26.6%	3.7pp
EBITDA	(0.7)	(0.6)	(0.1)
Profit / (Loss)	(2.6)	(1.9)	(0.7)

We now expect FY23 revenue to be similar to FY22 and for EBITDA to be around \$2.5 million, which is 50% ahead of FY22, although down from prior guidance of around \$3.5 million. Some risk remains that the improvement in market conditions may be delayed until FY24 and the Company will update its projections and guidance as it progresses further through FY23.

We will continue to exercise tight cost control and be measured in our approach to managing the investment required for new product development and adjacent market growth.

These investments are nevertheless setting the groundwork for FY24, which we expect to produce improved results.

Thank you to the AoFrio team and our shareholders as we continue our commitment to delivering the AoFrio strategy.

**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*

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