24th May 2023

Market Announcement

For immediate release

AoFrio FY23 Guidance Update

AoFrio Limited recent Q1 trading update gave full year FY23 guidance of EBITDA around $3.5 million and revenue trending toward $100 million.

AOF is maintaining EBITDA guidance of around $3.5million. AOF continues to conservatively manage its investment in growth (mainly additional staff) to align with trading conditions and looks to continue expanding through internal cash generation rather than raising capital.

AOF is now revising its revenue guidance for FY23 to a range of $80 to $90 million which is a growth rate of around 14% at the mid-point of the range. This revision is due to a reduction in predominantly lower margin motors sales, whereas our higher margin IoT business remains strong.

As previously communicated, some of the company's customers were holding excess inventory, as they had over-purchased to protect their businesses from supply chain disruptions in FY22.

AOF expected surplus inventory would be largely consumed through early FY23 and remained conscious that macro-economic conditions were impacting purchasing decisions, with major bottle cooler brands being later-than-usual to place orders on the refrigerator manufacturers. These factors appear to be taking somewhat longer to work through than previously expected, our markets remain more volatile than usual and difficult to forecast.

AOF is holding an analyst strategy briefing on Wednesday 24th May 2023 at 12.30pm, at which the company will set out the opportunities it is progressing as part of its strategic plan. This includes substantial adjacent market opportunities for IoT solutions in food service, food retail and ice cream. This presentation will be released to the NZX at the start of the meeting.

Ends

**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

Greg Balla
Chief Executive Officer
Phone + 64 21 938 601

Howard Milliner
Chief Financial Officer
+64 27 587 0455

WT9776

WT9765