

AoFrio® FY24 Results Presentation

February 2025

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AoFrio®

Greg:


Hello everyone. Thank you for making time today to join AoFrio's FY24 results presentation.

My name is Greg Balla, I am the CEO of AoFrio, and I am looking forward to presenting today.

Slide 1

Safe harbour

We will be making some forward-looking statements today and as these are predictive in nature, they are subject to a number of risks and uncertainties relating to the company, its operations and the markets in which it competes. Some things are beyond the control of the company and actual results and conditions may differ materially from those expressed or implied by such forward-looking statements.




Greg Balla
CEO AoFrio

John Scott
Chairman AoFrio

Howard Milliner
CFO AoFrio

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Greg:

Presenting with me today are, Howard Milliner, CFO of AoFrio and John Scott, our Board Chairman.

Please note the safe harbour statement on the screen. I will give you a minute to read the statement.

The slide is titled "Agenda" and is labeled "Slide 2" in the top right corner. It features four numbered items, each with an icon and a title:

- 01** Year in review (Icon: a document with a location pin)
- 02** Business update (Icon: a pie chart)
- 03** FY25 outlook (Icon: a line graph with an upward arrow)
- 04** Q&A (Icon: a question mark)

At the bottom left, it says "AoFrio® Company Confidential ©2025". At the bottom right, there is a logo consisting of a stylized letter 'A' inside a square.

Greg:

The agenda for today is on the screen. Firstly, we are going to provide context for the FY24 year. Then we will provide a business update highlighting the progress we've made against our business strategy, and finally, we will discuss our FY25 outlook.

At the end of the presentation, we will have time for questions. If you have any questions, please select the Q&A tab at the top of your screen and then enter your question. You can do this at any time. We will answer questions at the end of the presentation.

Now I'll hand you over to Howard to provide some context to the FY24 results.

Year in Review – Financials

Revenue	Gross margin	EBITDA	Operating Cash
Revenue up 19.7%	Gross margin down 0.9pp	EBITDA up \$1.5m	Operating Cash up \$1.8m
\$79.7 million	29.1 %	2.5 million	\$5.8 million

Howard:

We are pleased with the result for the 2024 financial year. Revenue for the year at \$79.7m was 19.7% above FY23 and at the top end of guidance.

All major business segments reporting strong growth. Our IoT business delivered revenue of \$43.3 million, up 23.4% on FY23 and the Motors business delivered revenue of \$36.4 million, up 15.6% in FY23.

We made significant progress across key strategic initiatives that translated into solid revenue growth. In particular, we launched our connected IoT solution in the USA, won a market share for IoT in the Cold Drinks Equipment market in Brazil, and won a significant new motor volume in the USA for a water heater application.

Gross margin was slightly lower at 29.1% compared to 30.0% last year caused by higher product costs and strategic pricing. IoT margins were 40.7% and motor margins 15.4%.

Earnings before interest, tax, depreciation and amortization (EBITDA) was a surplus of \$2.5 million, consistent with guidance given at the start of the year, and up \$1.5 million compared to FY23.

Operating cash was \$1.8 million above FY23. For many years we have funded our growth initiatives out of operating cash flows. This year was no different - \$5.8 million operating cash inflows matched by \$5.9 million outflow for investing activities. We will continue to invest to support our growth strategy.

We did see working capital increases this year, largely due to customer mix changes - more volume to customers with longer payment terms and to customers taking products from our in-market warehouses rather than direct from Vietnam. Longer shipping times from Vietnam to the Americas and Europe were also a factor. This increase in working capital was funded by extended payment terms made available by our manufacturing supplier partner East West.

Year in review- IoT and Motors



Howard:

Our Annual Report has always segmented our financial results by traditional product segments (IoT and Motors). You will see later when Greg talks about strategy that we are increasingly talking about market segmentation. Today that is Cold Drinks Equipment, Food Retail and Motors & Fans.

We consider that we are a hardware-enabled SaaS business and targeting SaaS to be a much more significant contributor to the Company's performance. Accordingly, we have for the first time presented SaaS metrics that are relevant to our business. Our reporting will continue to evolve in alignment with our strategy.

Just to give you a quick overview of some of the metrics that you are seeing on the table:

Rule of 40- is a financial metric used in the software industry to assess a company's performance. It states that the sum of a company's annual revenue growth rate and EBITDA margin should equal or exceed 40%. Looking at all our segments, revenue growth in 2024 was 19.7% and EBITDA was 3.2% of revenue, so a 22.9% metric. These metrics include the results for our Motors segment that is not SaaS and cannot be expected to perform as one. If Motor performance is excluded, the Rule of 40 metric is 35.5%. We are making progress towards achieving this metric. The usual trend for this metric is that revenue growth rates reduce over time and EBITDA returns improve.

Recurring Revenue: Associated with the supply of IoT hardware, AoFrio supplies a range of data, action management and reporting services, AoFrio's software solution. In FY24 we invoiced \$5.3 million and recognised in the P&L \$2.7 million. There is \$16.5 million on the balance sheet to recognise in the P&L over future periods. Recurring revenue is only 3.2% of total revenue in 2024 but our aspirational target is to achieve a 50% metric.

App Utilisation indicates the number of times AoFrio's customers interacted with its software. An increase of 66% compared to FY23 is a very good result and is a good foundation for the sale of value-added services to customers in the future.

Over to you Greg to provide a business update.

Slide 5

Business update: Our strategy

- 1.**
Protect and Grow our Core
- 2.**
Diversifying our Market Segments
- 3.**
Transforming our Foundations

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Greg:

In FY24, we made good progress on our three strategies: protecting and growing the core business, diversifying into new market segments, and transforming our foundations.

I will now take some time to discuss progress on each of these three strategies.

Protect and grow the core

IoT for Cold Drink Equipment (CDE) market:

(Revenue FY24 - \$43.3m)

We are committed to growing our IoT CDE business by 20% year-on-year (FY24 23.4%)

Entering new geographies

- Many proof-of-concept trials across the US, Europe and APAC in FY24
- Every geography required a different market entry approach
- Strategic pricing has been important in these geographies to succeed
- Increased sales and services capacity in these geographies.

New products and solutions

- Launch of AoFrio® INSIDE™
- Launch of AoFrio® Gateway™
- Integration of third-party hardware to our IoT platform

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Greg:

Protect and grow our core business has two segments, the first is IoT for cold drink equipment (CDE) and I will explain the progress for this segment.

We have stated we are targeting 20% growth year-on-year, and in FY24 we achieved 23.4% growth in the cold drink equipment segment.

For this segment our solutions allow our customers like Coca-Cola, Pepsi and ABI to manage their remote fleets of coolers (refrigerators). As an example, think about your corner store (dairy) where you see rows of branded coolers. These coolers are not owned by the store but by the brand and it is their primary sales tool.

We can help our customers manage the performance of their coolers in many cases without visiting the store. We have over 3 million coolers connected to our cloud platform and can provide performance information and smart notifications to take action.

In South and Central America, we have a high market share, approximately 75%, and our primary strategy is to protect this share by bringing new solutions to the market, adding new value for our customers. You can see some examples of these new solutions at the bottom of the slide.

To grow in the CDE market segment our key strategy is to enter new geographies. In FY24 we commenced a multi-year entry plan for the US, Europe and APAC where we have a low market share. The approach for each geography is different due to the different business drivers, competition and readiness to adopt technology.

Across the three regions, we have added pre-sales and services capability and have successfully generated revenue in the US and APAC. (\$1.3m and \$2.7 m respectively). To be successful in Europe and to grow faster in the US we need to launch a new solution, a single-

box cellular-connected controller with software that allows easy remote fleet management. This product will be launched to the market this year with revenue expected in FY26.

2024 was a busy year of innovation and delivery of new products and solutions. Accelerating new product development is essential to support our growth strategy. I will now discuss 3 major new product releases from FY24 for the cold drink equipment segment.

The first is **AoFrio® INSIDE™**: AoFrio INSIDE is our comprehensive refrigeration solution that integrates advanced hardware and software. It delivers up to 68% energy savings per cooler, and it provides real-time, fleet-wide insights into energy usage and savings opportunities (Note 27% of this saving comes purely from using AoFrio technology, and the other 41% comes from optimising technology supplied by others controlled by AoFrio INSIDE). This solution is key in particular for entering the European market. We have several trials underway in Europe and Asia for this solution.

The second new product is **AoFrio® Gateway™**. AoFrio Gateway is the next iteration of our cellular solution, it was launched in the last quarter of FY24. It is supporting the shift towards always-on cloud-connected refrigerators and significantly improves real-time two-way data communication and action management. This communication hub enables the integration of IoT devices, and secure data transfer to and from the AoFrio® cloud platform. It is a key product for protecting our share in Latam and for entry into the new geographies.

The third new product launched was **Third-party device integration**

To enable our customers to have a complete view of their fleet in one platform we expanded our platform to connect third-party devices.

We provided this solution to one of our biggest customers in Brazil. The customer had a diverse fleet comprising both AoFrio and third-party controllers. Our unified solution now enables the customer to manage performance across their entire fleet of coolers in a single platform.

In FY25 we will continue to launch new products to both protect and grow this segment including:

- AoFrio®IQ™ which is a modernized, workflow-oriented solution, that improves the way our customers interact with our software but more importantly allows us to add new value more easily.
- A single-box solution with a controller and gateway combined that is essential to be successful in Europe and the US.
- An advanced software solution for remote asset management and energy management. These advanced solutions are our path to recurring revenue in this segment.

Protect and grow the core

Motors and Fans

Revenue FY24 was \$36.4 million

15.6% increase in motors & fans revenue in FY24. Highlights from the year:

- Launch of the Wellington ECR® 2 26W
 - Delivers up to 74% energy efficiency
 - First order from China; several customer trials are being conducted
- Integration of ECR2 into AoFrio INSIDE
 - An integral part of the energy saving ensured by AoFrio INSIDE
- Fanpack for Hot Water Heat Pumps
 - Growing new segment with an estimated SAM of \$180 million



Greg:

The second part of our Protect and Grow strategy is in the Motors and Fans segment. Our focus for this segment in 2024 was on expanding our range of motors and fans, integrating our motors into the broader AoFrio ecosystem and developing new configurations for different applications.

We launched our **ECR® 2 26W-** motor. This motor is specifically engineered for large bottle coolers, supermarket display cases, and other applications that demand high power, moisture resistance, and tolerance to high humidity, all while reducing energy consumption.

We have integrated ECR2 into the AoFrio INSIDE bundle, allowing it to work seamlessly with the SCS controller for real-time optimization. It contributes towards increasing efficiency and maximizing carbon reduction.

We have been successful in winning new business with our new application for hot water heat pumps. This is a growing new segment for us and we are focused on building a pipeline of opportunities.

In FY25 we will continue to release new variants (fan sizes) leveraging the ECR2 and ECR2-26 W motors. These variants increase the range of applications that these two motors can support protecting our market position.



Diversifying our market segments

Food Retail

- In FY24 we made focused progress on the development of [AoFrio's SaaS platform for Food Retail](#)
- 3 proof-of-concept trials have now been completed across different geographies and retail store layout types
- Initial orders from the proof-of-concept trials are expected in early 2025
- We have introduced real-time alerting and action management via a range of communication platforms
- Revenue from this solution to include a recurring component



Greg:

The second strategy element is Diversifying our market segment and the first new segment we have chosen is food retail.

The food retail market segment is potentially a very large opportunity for AoFrio. The total addressable market for temperature management solutions in this segment is estimated to be \$17B.

In the first half of FY24, we completed three proofs of concept. The proof of concepts intended to ensure we had a detailed understanding of the customer requirements, that the technology we used for the cold drink equipment market would work in these applications and that we could provide significant value for the customer.

The three proof of concepts were in different sub-segments, convenience stores, supermarkets and micro markets and different locations, NZ, Argentina and the US to ensure we covered a range of applications.

As we expected we needed different hardware in some applications, and we needed to extend our software solution.

After the completion of the proofs of concept, we addressed the hardware gaps and commenced releasing new functionality for food retail in our software as part of our ongoing software development cycles.

We are pleased that we were able to demonstrate value and each of the three proof of concepts progressed to commercial proposals. One of these proposals has converted to a signed contract and we have commenced implementation of the solution. We remain positive about the other two proposals and expect to hear about these over the coming months. The structure of these proposals is different from our cold drink equipment business with a focus on a solution offer rather than hardware supply with recurring revenue.

We had planned for a more general release of our food retail solution in FY24; however, we needed to prioritise our investments across the business and focused our food retail investment on the three proof of concepts.

We have commenced planning for a more general go-to-market strategy for food retail and expect to launch in accordance with that strategy in the later part of FY25. We are continuing to assess and build a pipeline of potential opportunities and are positive about this segment.

Slide 9

Transform our foundations

Environmental, Social and Governance (ESG)


- *Team:* Diversity Score- 88% (FY23- 80%) and Engagement Score- 79% (FY23 – 72%)
- *Operations:* [EcoVadis](#) Bronze Medal- [EcoVadis](#) Rating places us amongst the top 35% of rated companies
- *Product:* Employees introduced to circular economy

People


- Communication to connect our teams on our strategy, and [organisational](#) performance and nurture an innovation mindset
- Detailed remuneration reviews
- Organisation-wide training on diversity and inclusion on unconscious bias

SaaS Platform

- [Modernisation](#) of our SaaS platform to ensure data structures and processes can leverage machine learning and AI



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Greg:

Transforming our foundations is the third pillar of our strategy.

On this slide, you see highlights from three main initiatives that fall under our Transform our Foundations strategy.

ESG: Sustainability is an important focus for us at AoFrio. We are happy to report progress across the three pillars and focus areas of ESG: Team, Operations and Product.

We achieved a diversity score of 88% up from 80% in 2023 and an engagement score of 79%, up from 72% in 2023.

We have our sustainability systems and process audited by EcoVadis, an independent global auditing organisation, and we received a Bronze Medal. This places us amongst the top 35% of rated companies. Holding a rating from EcoVadis enables us to provide evidence of our system maturity as requested by our customers. It also informs our sustainability improvement plan.

In FY24 we collected baseline data for reporting our scope 1 emissions. This data will also be used for target setting. We also commenced integrating product circularity into our product development and manufacturing processes.

People

AoFrio continued to prioritize its people as a key pillar. Our aim is to foster a diverse, strong and healthy workplace culture across all levels of the business where individuals and teams are able to do their best work everyday. Key focus was on building alignment to strategy, global collaboration and innovation capability.

SaaS Platform

We continue to invest in the modernisation of our SaaS platform so that we can get to a position where we can offer advanced solutions to our CDE customers, provide a base for our food retail offering and continue to leverage the rapid advancement in the use of data that machine learning and AI present.


In summary we made good progress on our three core strategies in FY24. Protect and grow our core, diversify our market segments and transform our foundations.

I will now hand over to John Scott, Chairman of AoFrio to share our FY25 outlook and a summary of today's presentation.


Slide 10

Summary

FY24	FY25 outlook
Revenue Revenue up 19% \$79.7 million	Revenue range \$85 million to \$95 million
EBITDA EBITDA up 1.5 m \$2.5 million	EBITDA range \$3.5 million to \$4.0 million



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John:

2025 was a good year by any metric, \$ & % growth but also the non-financial indicators

We have had six consecutive quarters of achieving market guidance giving us confidence that the market is now “normal” & we know what we are doing.

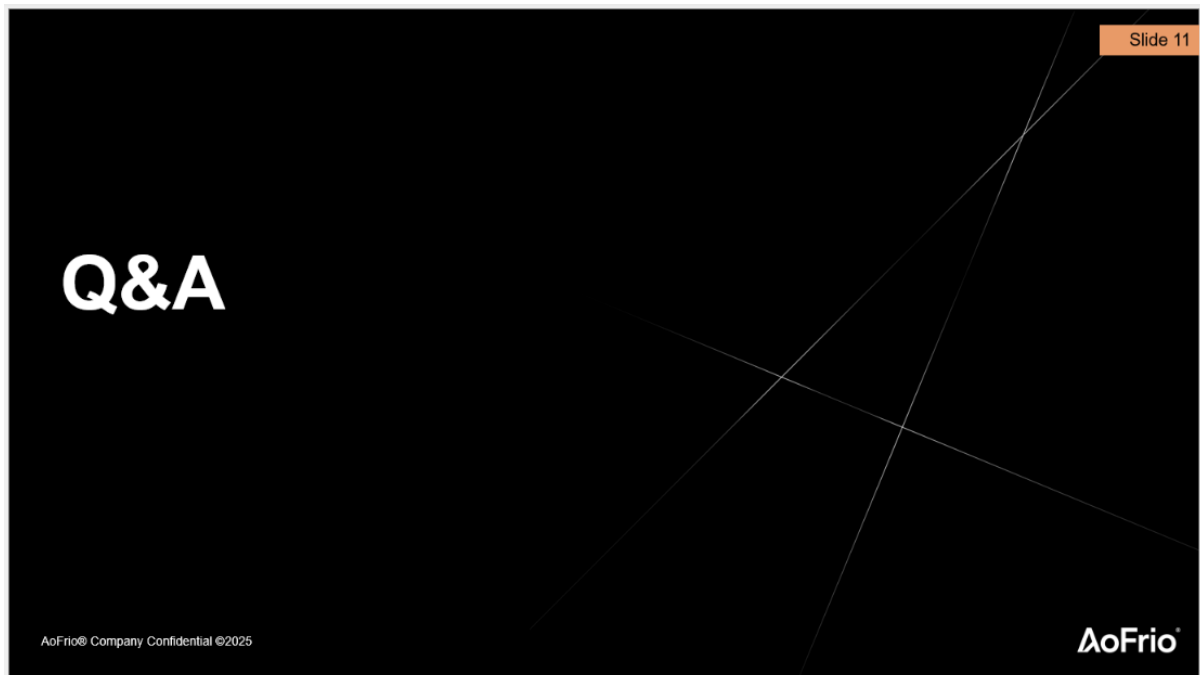
There are macro-economic factors out of control & commentary on them is a fool's errand, but we are tracking & acutely aware & have mitigation tactics ready.

My definition of strategy is decisions that you make on a 2-year horizon, the do & do not do's. With that definition, we are stable in our strategy & the execution of it. 2024 results allow us the

ability to stretch. For example, ARR has not been a key metric due to its size/significance but will be a key metric the same was as Gross Margin or EBITDA today.

I have the privilege to see many companies & I am comfortable that we have a highly engaged team that cares about the customer, this point alone is more important than strategy. Everyone knows & accepts the Culture eats strategy for breakfast, but it is so often forgotten. In IT companies the value is the Intellectual Property (IP) & the IP is the people.

Just want to finish with a big thank you to our customers for their ongoing trust & support & the whole team for delivering the result.



Greg:

We will now address the questions. Just as a reminder. If you would like to ask a question, please click on the Q&A tab at the top of your screen and type your question.

Thank you