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Market Announcement

For immediate release

Strategy delivery in a shifting landscape

Strong first half trading for AoFrio ("AOF") produced H1-25 revenue growth of 12.2% over the same period last year. EBITDA for H1-25 was above plan at \$0.7m compared to a \$1.1m last year, with the reduction attributable to one-off costs and costs associated with AOF's expansion into new products and markets.

The Company's Interim Report has been released today.

The year started strongly with Q1-25 revenue 43.9% higher. Q2-25 revenue was 11.9% lower with volumes impacted by global trade issues resulting from the uncertainty of imposition of tariffs by the USA. Some customers took early delivery of orders in Q1-25 in anticipation of the imposition of tariffs.

- Revenue for H1-25 was \$43.0m, a 12.2% increase compared to \$38.4m for H1-24.
- IoT revenue was flat at \$21.7m, a decrease of 0.1%. The number of hardware units supplied was 3.7% lower at 314,000.
- Revenue from the sale of motor products increased 28.4% to \$21.3m, from \$16.6m in 2024. The number of motors supplied increased 26.9%.
- Gross Margin was 29.6% (30.0% in H1-24). IoT was 40.9% (40.1% in H1-24) and motors 18.0% (16.9% in H1-24).
- Operating Costs for H1-25 were \$11.9m compared to \$10.5m in 2024.
- EBITDA was a surplus of \$0.7m, \$0.4m lower than over the comparable period in 2024 but above plan.
- Cash at 30 June 2025 was \$2.0m (\$2.1m at 31 December 2024) and the Company had borrowed \$8.9m under its \$10m trade finance facility (\$4.2m at 31 December 2024).

In H1-25, AOF secured its first significant food retail order in March following completion of a proof-of-concept trial. This solution is for a New Zealand convenience store chain with 115 stores, significantly improving the automation of temperature monitoring and alerting. AOF is seeing inbound customer enquiry for food retail solutions.

Significant progress has been made on strategy implementation. AOF launched AoFrio IQ, AoFrio's new AI enabled SaaS platform, and AoFrio's SCS800 cellular controller. In H2-25, AOF will launch new motor fan sizes to support sales of the 13w and 25w ECR2 motors.

2025 Outlook

AOF's guidance in May 2025 was for FY25 revenue to be in the range of \$85 million to \$95 million with EBITDA guidance between \$3.5 million and \$4.0 million. The Company did previously highlight that macroeconomic conditions and NZ\$ / US\$ currency fluctuations may influence guidance.

Due to the impact of changes in US Government tariff policy, AoFrio now expects revenue and EBITDA at the lower end of the FY25 guidance range.



While full year revenue and EBITDA is forecast to be above 2024, the performance in H1-25 highlights the challenge of funding growth out of operating cash flows. Product and market development investments are now being delayed, impacting the ability to move at the pace needed to take advantage of the significant opportunities to accelerate revenue growth and earnings.

The Board and management are exploring initiatives that will allow accelerated investment to:

- Rapidly launch advanced AI driven solutions via AoFrio iQ and continuing to launch new connected hardware within the cold drink equipment segment.
- Entering adjacent segments like food retail and ice-cream.

AOF's Chair John Scott said "While the broader trading environment remains complex — shaped by tariffs, geopolitical tensions, and inflationary pressures — we're pleased to report that AoFrio continues to perform strongly. Our operations remain solid, with key metrics across the sales funnel, SLAs, delivery, quality, and uptime all well understood and firmly in control. Customer support remains high, reflected in strong Net Promoter Scores and healthy share of wallet across key accounts. A clear highlight of the first half was the successful launch of AoFrio iQ, which has been very well received, and we're confident this will contribute positively to future performance. We are reaffirming our guidance, albeit at the lower end, and, given the backdrop, are encouraged by the strength of our H1-25 result and optimistic about the long term outlook".

**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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