



Asset Vision®

26 July 2024

## ASX ANNOUNCEMENT

### Quarterly Activity Report and Appendix 4C

#### Q4 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 30 June 2024 (Q4 FY24).

#### Key Financial Highlights

- ▲ **13%** increase on FY23 Q4 Annual Recurring License Revenue (ARR): \$3.4m
- ▲ **11%** increase on FY23 Q4 Licensing Revenue: \$816k
- ▲ **55%** increase on FY23 Q4 Total Revenue: \$1,274k
- ▼ **49%** decrease on FY23 Q4 Operating Expenses: \$569k
- FY24 Q4 Closing Cash Balance: \$657k
- FY24 Q4 Positive Operating Cash flows: \$95k

Commenting on the Q4 results, Asset Vision's Co-CEO, Lucas Murtagh said:

*"This quarter has been marked by an exciting stage of growth and innovation. We've scored wins with new solutions, locked in contract extensions, and successfully delivered critical customer projects. And to top it all off, we unveiled AutoPilot + AI at the IPWEA International Public Works Conference, making some serious waves in the industry."*

#### **Customer Delivery:**

*We went live with successful implementations across two Victorian Metropolitan Road Maintenance Contracts, each kicking off a multi-year journey. In South Australia, Phase 1 of Asset Vision went live within the Department of Infrastructure and Transport, marking another milestone becoming the third State Government utilising the platform. At Transport for New South Wales (TfNSW), both the Forward Works and Sydney Harbour Bridge Precinct Stage 2 projects progressed through build and user acceptance testing.*

#### **Product Development:**

*The quarter's highlight was undoubtedly the major updates to AutoPilot, now featuring automated road defect detection powered by AI—delivered five months ahead of schedule! One existing client is already using this exciting feature in their day-to-day operations with more clients expected to take it up in the coming months. We also showcased AutoPilot + AI at the Institute of Public Works Engineering Australasia's International Public Works Conference in Melbourne, where we gathered a number of promising leads and received an overwhelmingly positive response from attendees.*

## Revenue and Pipeline

We celebrated several key customer wins, including our first client for the integrated Microsoft Dynamics + Asset Vision solution for Utilities, to be delivered in partnership with Melbourne-based Microsoft Partner Exco Partners. This win is a real game-changer, opening a significant opportunity in the utilities market. We also welcomed our first Tasmanian customer, meaning by the end of H1 FY25, Asset Vision will be operational in every Australian state.

We were delighted to also secure a two-year extension with Ventia, extending our partnership to five years.

The platform is currently shortlisted for multiple government tenders, across multiple asset verticals with potential ARR growth ranging from \$500k to \$1m and additional services revenue up to \$1m.

### Financial Highlights:

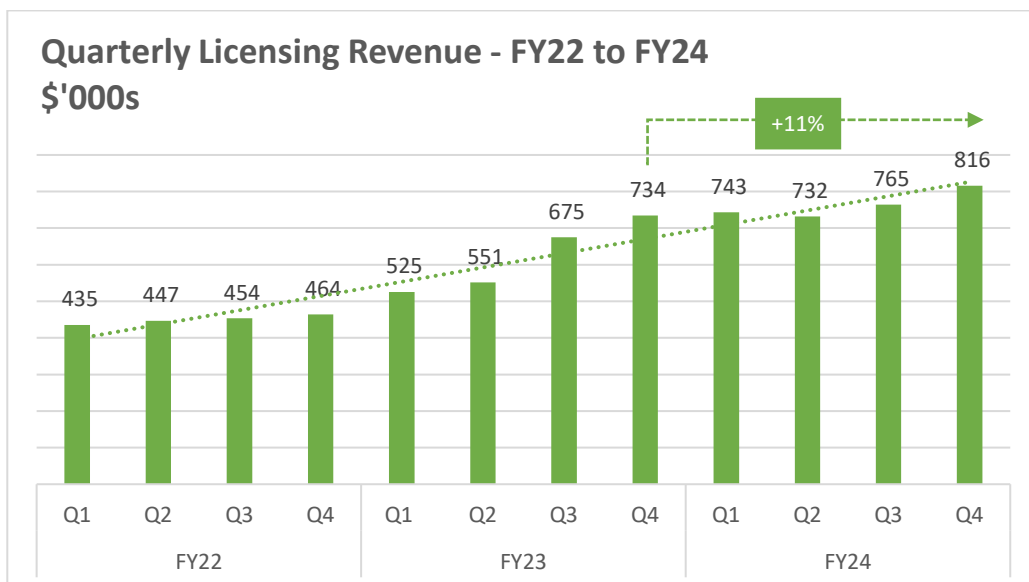
We had positive operating cash flow of \$95k for the quarter. As we step into the new financial year, our focus remains firmly on maintaining positive cash flow, reinforcing our financial health and operational sustainability. With a focused strategy and disciplined financial management, we're confident that we'll continue to drive growth and value for our stakeholders in the coming quarters.

## Financial Overview

### Revenue Performance and ARR

Asset Vision's licensing revenue was \$816k for Q4 FY24, an **11% increase from the prior corresponding period (pcp) (Q4 FY23: \$734k)**.

Growth in FY24 has been generated through our contract win with the South Australian Government, price increases on two key contract renewals and additional users across major customers.



Total turnover for Q4 FY24 of \$1,274k represents an increase of 55% against pcp (Q4 FY23: \$825k) driven by higher project implementation revenue with recent contract wins.

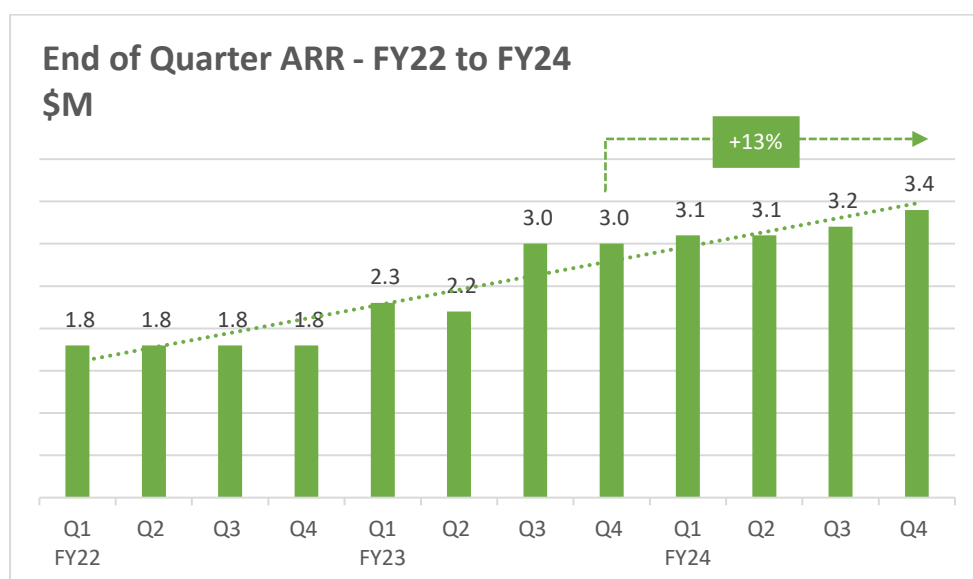
## Customer Activity and Sales Pipeline

Throughout the quarter, we maintained our momentum rolling out the core Asset Vision Platform within the Department of Infrastructure and Transport in South Australia. Phase one successfully went live this quarter, with phase two scheduled to commence in the first half of FY25. Meanwhile, our two projects within Transport for New South Wales (TfNSW), including Forward Works and Sydney Harbour Bridge Precinct Stage 2, progressed through build and user acceptance testing in June. Additionally, Asset Vision went live at the Port of Brisbane during the quarter.

All major contracts with existing customers have been renewed during FY24, securing the majority of our annual recurring revenue (ARR) for the next two to four years.

The release of AutoPilot and AutoPilot + AI has garnered interest, leading to multiple government and enterprise customers undertaking trials, with one trial already converted to revenue. We have also secured our first client win with the integrated Microsoft Dynamics + Asset Vision solution for Utilities with our Microsoft Solution Partner Exco Partners, indicating a significant new market opportunity.

As we begin FY25, we do so with a significantly improved pipeline compared to FY24. The platform is currently shortlisted for multiple government tenders, across multiple asset verticals with potential ARR growth ranging from \$500k to \$1m and additional services revenue up to \$1m.



Asset Vision's contracted ARR is \$3.4m which has seen modest double-digit growth throughout FY24. This represents a **net annual increase of 13% since the end of Q4 FY23**.

## Operating Expenses

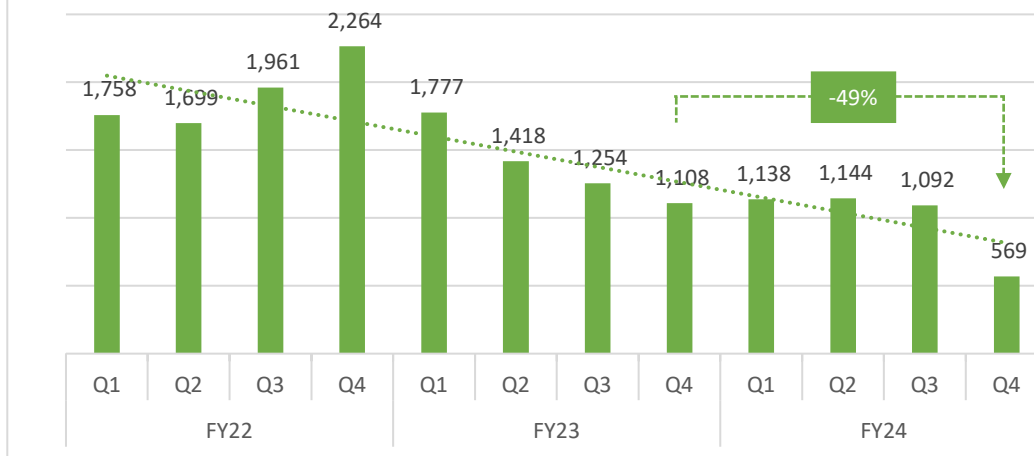
Operating expenses have reduced by 41% YoY since the completion of the cost management program at the end of FY23, demonstrating that the business can grow on a fundamentally altered cost base.

Total operating costs for the Company were \$569k for Q4 FY24, a **49% reduction from pcp** (Q4 FY23: \$1,108k). The large reduction was aided by the release of YTD bonus accruals which are no longer eligible to be paid.

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.

## Quarterly Operating Expenses - FY22 to FY24

\$'000s



### Cash Flow

The Company recorded net cash inflows from operating activities of \$95k for the quarter driven by additional customer receipts with the uptick in revenue during the quarter.

Cash at bank is \$657k as at 30 June 2024.

### General Administration

EagleSoft Deferred Consideration: During the quarter, we paid \$125k to the vendors of EagleSoft Pty Ltd. In FY24, the outstanding deferred consideration has been reduced from \$1m to \$500k, with payments made from operating cash flows. The payment terms for the remaining \$500k have been renegotiated and will be settled from operating cash flows in FY25. As of today, \$437.5k remains outstanding.

Post the end of the quarter, on 1 July 2024, we announced the appointment of Mr. Peter Borden as a Non-Executive Director of the Company. Peter's extensive industry experience, strategic insights and leadership will be instrumental as we continue to address the complex needs of our clients in the critical infrastructure sector. His appointment is a testament to our commitment to enhancing our Board's capabilities and driving the company's growth and innovation.

### Outlook

The introduction of AutoPilot + AI has generated significant interest, and a strong pipeline of work is set to generate new ARR and services revenue growth in H1 FY25. Financially, we're entering the new year with positive operating cash flow and a focus on maintaining financial health, ensuring sustained growth and value for our stakeholders.

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")**

30 June 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,176	4,341
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(289)	(1,121)
(c) advertising and marketing	(19)	(53)
(d) leased assets	-	-
(e) staff costs	(732)	(2,925)
(f) administration and corporate costs	(41)	(383)
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	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>95</b>	<b>429</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	(125)	(500)
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

For personal use only

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(125)</b>	<b>(500)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	681	715
4.2	Net cash from / (used in) operating activities (item 1.9 above)	95	429
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(125)	(500)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	13
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>657</b>	<b>657</b>

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	657	681
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>657</b>	<b>681</b>

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	-
<p><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></p>		
6.1 comprises director's fees for the quarter		

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (Credit card facility)	75	6
7.4 <b>Total financing facilities</b>	75	6
7.5 <b>Unused financing facilities available at quarter end</b>		69
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. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	95
8.2 Cash and cash equivalents at quarter end (item 4.6)	657
8.3 Unused finance facilities available at quarter end (item 7.5)	69
8.4 Total available funding (item 8.2 + item 8.3)	726
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
<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: 26 July 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.