

25 April 2024

Vianet Group plc

("Vianet", the "Company" or the "Group")

Trading Update and Notice of Results

Vianet Group plc (AIM: VNET), the leader in delivering actionable data and business insights through an integrated ecosystem of hardware devices, software platforms, and smart insights portals, is pleased to provide a positive trading update for the fiscal year ending 31 March 2024 and confirms that the Company's full-year results for the year ended 31 March 2024 will be published on Tuesday, 11 June 2024.

Financial Highlights

- **Turnover** for FY24 increased by 7.6% to **£15.18m** (FY23: £14.11m).
- **Recurring revenue** increased further to £12.94m (FY23 £12.52m), accounting for **85% of total revenue** (FY23: 89%) with hardware sales up 40% to £2.24m (FY23: £1.60m).
- **Gross Margin** has improved by 3.5% to reach **68.7%** (FY23: 66.4%).
- **Adjusted EBITA** (pre-exceptional and share based payments) has risen by 11.6% to **£3.47m** (FY23: £3.11m), ahead of market expectations.
- **Net debt** has been significantly reduced by 54.9% to **£1.52m** (FY23: £3.37m).
- **Year-end cash** reserves have risen to **£1.82m** (FY23: £0.07m).

As outlined in our September interim results, our H1 financial position was strengthened by a £927,774 tax refund and a new refinancing agreement with HSBC, enhancing our liquidity and supporting our growth ambitions.

These strong trading results demonstrate Vianet's continued commitment to delivering value to our customers and driving growth in our sectors. We remain focussed on providing actionable information through our ecosystem of hardware devices, software platforms, payment systems, and insights portals.

Market Developments

Progress within the unattended retail and hospitality divisions has been particularly strong, marked by key initiatives that have not only brought in new customers but have also strengthened existing relationships and expanded our service offerings. As previously commented on, an initial slowdown due to the delay in customers adapting to the 3G network switch-off, was more than offset as the predicted demand rebounded in the fourth quarter. This sharp acceleration in upgrades to 4G LTE systems to prevent connectivity issues on payment devices resulted in numerous new contracts, enhancing our installation pipeline well into FY25. These developments demonstrate our ability and agility to adapt and capitalise on market dynamics.

Recent contract wins, including those reported this morning, illustrate the successful expansion of our business into new industry verticals and our ability to react swiftly to a changing dynamic. We are actively building on these opportunities, particularly with key players in the manufacturing and retail sectors of the forecourt industry.

Strategic Developments

The strategic acquisition and integration of Beverage Metrics Inc. in May 2023 has significantly accelerated our product roadmap in the hospitality sector, shortening development timelines by approximately 12-18 months. We have successfully launched an advanced beverage management and inventory offering, which, when coupled with integration with Fintech(www.fintech.com), creates an integrated procure and pay solution. Initial pilot testing with leading brands in both the US and UK markets has shown encouraging results, reinforcing the potential for an increase in our installation base. Additionally, we have renewed several contracts in the UK and secured new ones, setting a solid foundation for future revenue growth in FY25.

Customer engagement in the US hospitality market has been very encouraging, underscoring our commitment to Vianet Americas. This support is facilitating our expansion into a large addressable market, allowing us to leverage positive momentum to capitalise on emerging opportunities.

We look forward to sharing our full year results and remain confident in our ability to sustain our positive momentum and drive further success.

James Dickson, Chair & CEO of Vianet commented:

"The past twelve months have been both productive and rewarding. While the 3G upgrade deliberations initially held back new installations, we have made significant financial and operational progress and we saw a rebound in demand during Q4 and into the new financial year. The switch-off provided a unique opportunity to engage with our customers effectively. We've secured long-term contracts and have a good pipeline for H1 2025, which supports our optimism for the future. Our strategic investments in sales, technology, and new markets provide a strong platform for growth, and I am delighted with the momentum we are building as we move into FY2025.

The Group remains well-positioned to continue delivering growth, generating strong free cash flow that allows us to continue dividend distributions. I look forward to the future with optimism and confidence."

- Ends -

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About Vianet

Vianet Group is a leading provider of actionable management information and business insight created through combining data from our smart Internet of Things ('IoT') solutions and external information sources.

Since Admission to AIM in 2006, the Group has grown from its core beer monitoring business both organically and through strategic acquisitions to widen its offering and develop new businesses, especially in vending telemetry and contactless payment solutions particularly for the premium coffee sector.

Servicing over three hundred customers across the world and rendering live data to our IOT platform from over 250,000 connected machines daily, Vianet is one of the largest business to business (b2b) connected solutions providers in Europe with established long-term relationships with blue chip customers and growing recurring revenues which are over 85% of our total revenues.

In our **Smart Machines** division, we connect a single data gathering device with its own on-board communication capability to a customer's asset or system. The device then sends data back via our IOT platform to cloud based servers. The technology was originally developed for automated retailing machines; however, the flexibility and functionality of the device means the technology can be applied to any machine which has the capability to output data. The device is also used to connect our contactless payment solution and communicate payment terms to our cloud-based payment services providers where that application is also required.

The **Smart Zones** division is where we connect multiple data gathering devices into one or more systems or assets with the data from those devices being communicated back to our IOT platform and cloud-based servers via a single 3G communications hub. The technology was originally developed for flow monitoring devices, temperature sensors, and asset management in drinks retailing but any data gathering device with a digital output could be connected to the communications hub where required such as gaming machines, utilities management and EPOS.

For further information, please visit www.vianetplc.com

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