

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Visionflex Group Limited

ABN

25 138 897 533

Quarter ended ("current quarter")

31 Dec 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,021	5,931
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(790)	(2,161)
(c) advertising and marketing	(62)	(113)
(d) leased assets	(36)	(72)
(e) staff costs – Redundancy costs	-	-
(e) staff costs – Wages	(1,352)	(2,466)
(f) administration and corporate costs	(778)	(1,552)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid	(221)	(383)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	635	635
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(581)	(177)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	(2)	(5)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	100	300
	(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)	-	-
2.6	Net cash from / (used in) investing activities	98	295

3.	Cash flows from financing activities		
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	(6)	(6)
3.5	Proceeds from borrowings	200	200
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	194	194

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,044	1,443
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(581)	(177)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	98	295

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	194	194
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,755	1,755

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	1,754	1,444
5.2	Call deposits	1	600
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,755	2,044

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount for payments to related parties and their associates included in item 1 (*)	92
6.2	Aggregate amount for payments to related parties and their associates included in item 2	-

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.

() During the quarter ending 31 December 2023, \$92,000 in payments were made to related parties and their associates being Director fees (including superannuation) for non-executive directors and interest paid on the Converting Note Facility provided by Adcock Private Equity Pty Ltd. It is noted that from 1 October 2023, the CEO wages is not classified as a payment to a related party under section 6.1.*

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	8,400	6,250
7.3 Other (please specify)	-	-
7.4 Total financing facilities	8,400	6,250
7.5 Unused financing facilities available at quarter end		2,150
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.		
<p><u>Key terms of the Standby Convertible note facility</u></p> <p>The credit standby arrangements relate to an original \$4 million facility with a cornerstone shareholder investor Mr John Plummer.</p> <p>The key terms of the facility are:</p> <p>Line fee 1% pa.</p> <p>Interest rate of RBA Cash Rate plus 7.5% pa, after renegotiation effective 1 October 2023, therefore currently 11.85% per annum, payable quarterly in arrears.</p> <p>Agreement to renegotiate interest rate further downwards following the Company achieving a cash flow breakeven quarter (achieved and renegotiated effective 1 October 2023) and an additional rate reduction on delivering three consecutive cash flow positive quarters.</p> <p>Usual covenants for a facility of this nature and scope including unsecured obligation, no debt subordination without consent, anti-dilution provisions etc.; and</p> <p>Facility can be repaid in full or reduced at any time at the election of the Company.</p> <p>Repayments fall due from 31 October 2024 or after.</p> <p>John Plummer and Adcock Private Equity have agreed to an additional \$4.4m in facilities to the business under similar terms to the original agreement.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(581)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,755
8.3 Unused finance facilities available at quarter end (item 7.5)	2,150
8.4 Total available funding (item 8.2 + item 8.3)	3,324
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	5.72
<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

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.

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.

30 January 2024

Date:

By the Board

Authorised by:
(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.