

ASX Announcement 26 February 2024

Visionflex Group Limited (ASX: VFX)

Results Presentation for 1H FY24

Visionflex Group Limited (“Visionflex” or the “Company”), a leader in virtual healthcare solutions, is pleased to provide a results presentation for the half-year ended 31 December 2023.

This results presentation is provided in conjunction with the Audited Interim Report and the Appendix 4D Half-year report, both of which were released to the market earlier today.

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This announcement was approved for release by the Board of Directors.

Visionflex Group

ASX:VFX

Results Presentation 1H FY24

FEBRUARY 2024



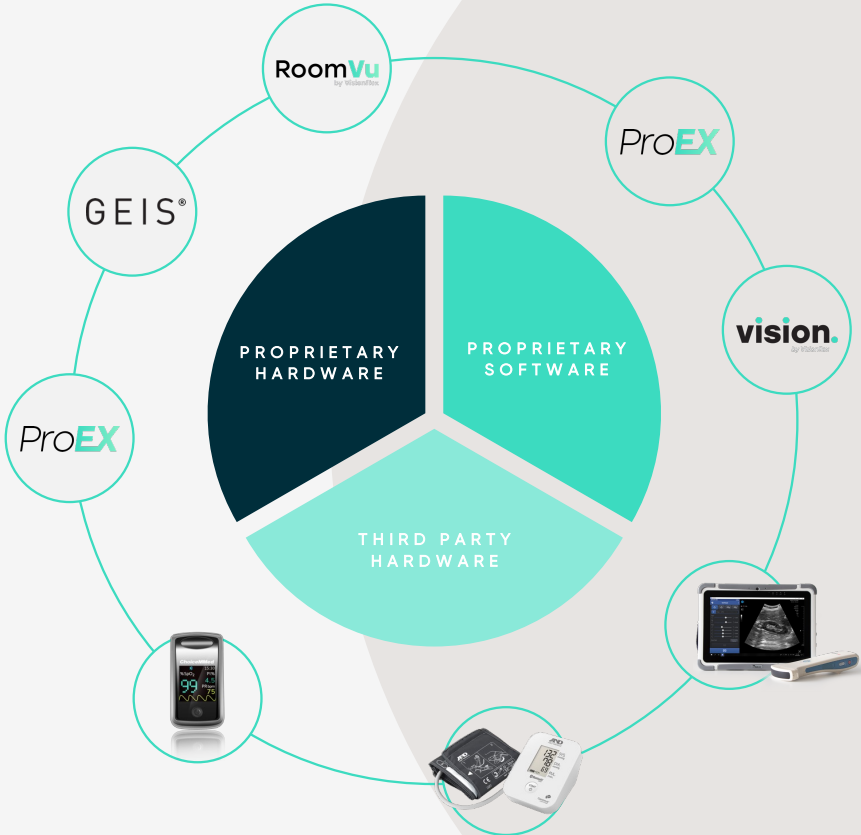
The Visionflex mission

Empowering health practitioners globally with cutting edge technologies to elevate patient outcomes



Product ecosystem

Visionflex proprietary hardware and software connect a range of third-party medical devices to empower practitioners deliver world class virtual care.



Financial highlights



100% Revenue growth

Consolidated revenue from continuing operations of \$4.0M for 1H FY24 which reflects growth of 100% from \$2.0M in 1H FY23 period.



76% Increase in Recurring Revenue

76% in 1H FY24 compared to 2H FY23, as new clients purchase the **Visionflex** solution and existing clients transition into their second year of licensing.



94% Reduction in Cash Operating Outflows

Cash inflows of \$0.3M for 1H FY24 compared to cash outflows of \$1.9M in 1H FY23. Operating cash outflows in 1H FY24 of \$0.2M compared to operating cash outflows in 1H FY23 of \$3.0M down 94%.



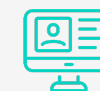
34% Reduction in Operating Costs

34% reduction in operating costs with operating ratio improving from 197% in 1H FY23 to 112% in 1H FY24.



95% Improvement to Bottom Line

Normalised EBITDA improved from a \$3.0M loss in 1H FY23 to \$0.2M loss in 1H FY24. Improved after-tax loss from continuing operations for 1H FY24 of \$0.7M compared with \$3.0M in 1H FY23.

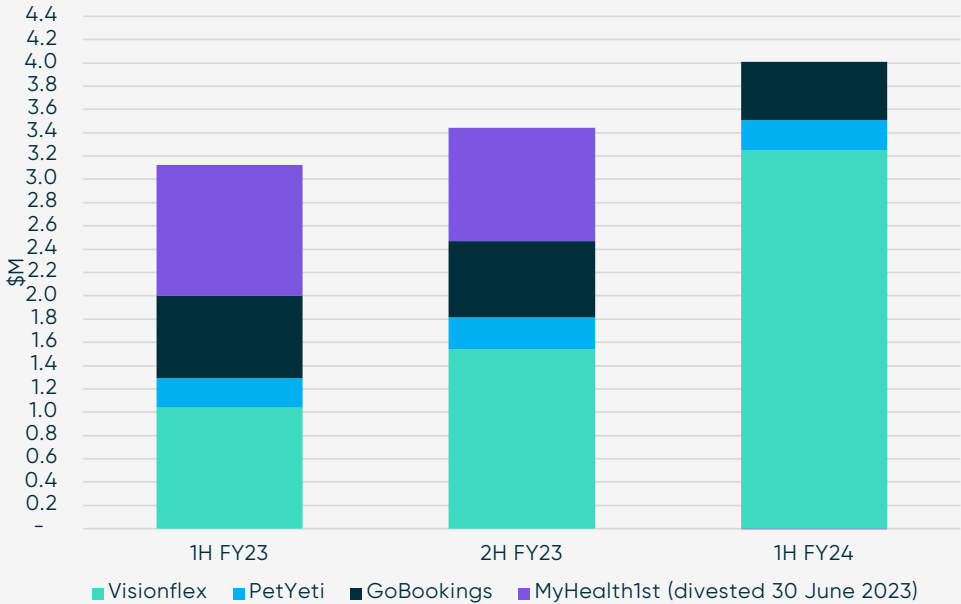


\$2.1M in Future Revenue

Contract liabilities which reflect future revenue once performance obligations are met, increased from \$1.0M as at 30 June 2023 to \$2.1M as at 31 December 2023, providing the opportunity for a strong start to 2H FY24.

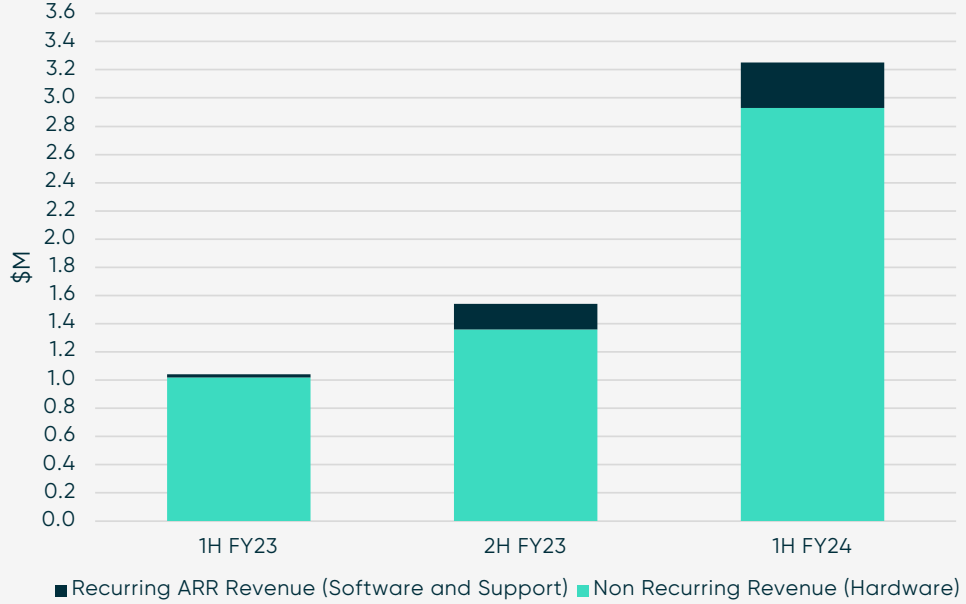
Driving revenue momentum

REVENUE BY BUSINESS DIVISION



Since acquiring Visionflex in June 2022, the revenue growth from Visionflex has swiftly offset and significantly exceeded the revenue loss incurred as a result of the sale of the MyHealth1st division. The recent contribution of and future prospects for the PetiYeti and Gobookings products are inadequate and we taking action to exit from these two businesses.

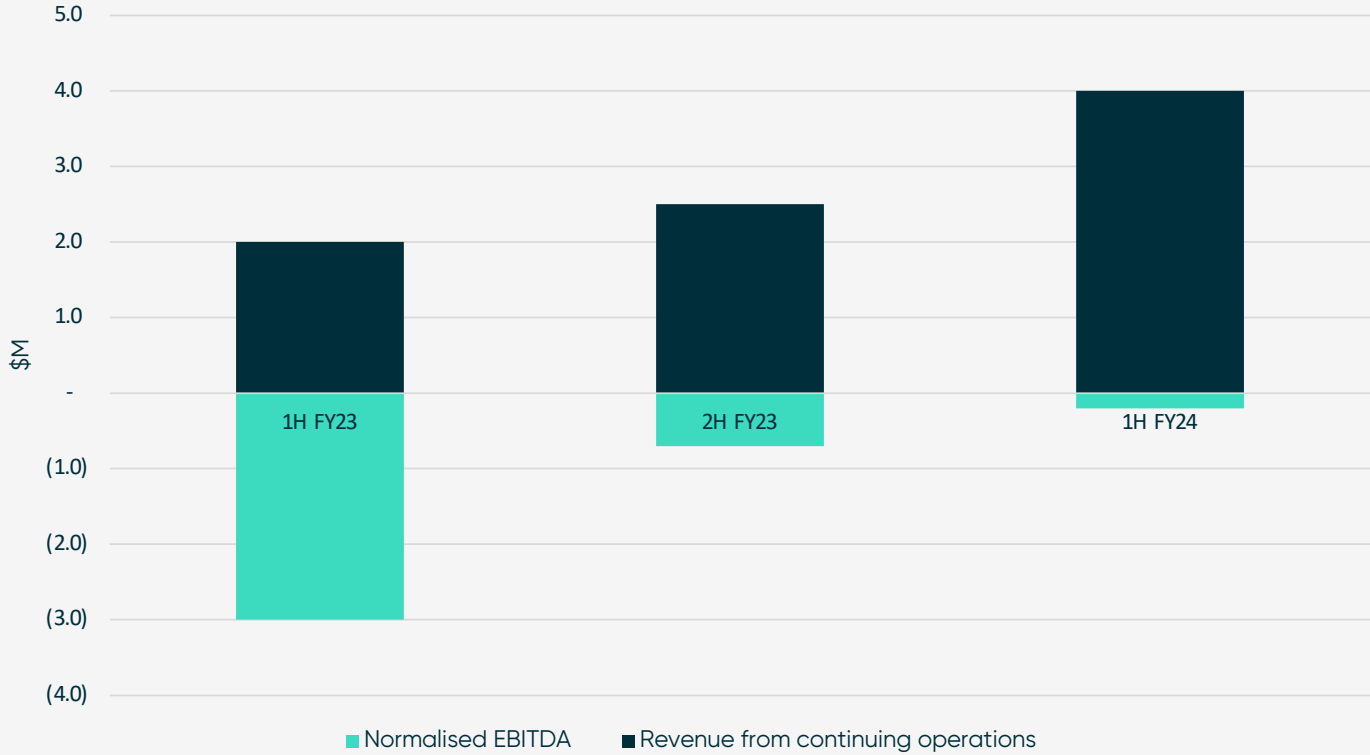
VISIONFLEX REVENUE BY STREAM



The transition to SAAS pricing since 3Q FY23 has resulted in a steady rise in Annual Recurring Revenue (ARR), facilitated by an annual licensing and support fee structure for our ProEX and the Vision virtual consultation solutions. The long term objective is to build a strong Annual Recurring Revenue (ARR) business that will continue to grow revenue, increase gross margin and deliver operating leverage.

The journey to profitability

REVENUE & NORMALISED EBITDA



We are steadfast in our commitment to driving profitable growth for the Company, as evidenced by our strong performance in the first half of fiscal year 2024. Achieving revenue growth of 100% from continuing operations, alongside a significant 34% reduction in operating costs, this result underscores our strategic effectiveness and operational efficiency.

This positions us for a promising second half of fiscal year 2024 and underscores our transition towards prioritising SAAS income. It signifies that we have established a solid foundation for a sustained period of positive outcomes for the Company.

1H FY24 results summary

	1H FY24 (\$M)(*)	1H FY23 (\$M)(*)	CHANGE (%)
Revenue from continuing operations	4.0	2.0	100%
Cost of goods sold	(1.3)	(0.5)	160%
Gross profit	2.7	1.5	79%
Operating expenses	(3.0)	(4.6)	(34%)**
Non-cash income/(expenses)	(0.7)	(0.1)	850%
Statutory Loss before income tax benefit from continuing operations	(1.1)	(3.1)	(65%)**
Normalisation adjustments			
Share based payment expense/(write back)	0.3	(0.1)	362%
Depreciation/amortisation expense	-	-	-
Finance costs	0.4	0.2	126%
Business restructuring costs	0.2	-	100%
Normalised underlying EBITDA loss for the half year period (***)	(0.2)	(3.0)	(95%)**

(*) Information extracted from the audited interim 31 December 2023 financial statements

(**) Improvement on comparative period (1H FY23) results.

(***) Normalised underlying EBITDA is a financial measure which is not prescribed by the Australian Accounting Standards (AAS) and represents profit/loss under AAS adjusted for specific items. The table above summarises key items between the statutory loss after tax and normalised underlying EBITDA with the results and normalisation adjustments extracted from the audited 31 December 2023 interim financial report.

In the first half of fiscal year 2024, **Visionflex** achieved 100% top-line revenue growth from continuing operations, while reducing operating costs by 34%, resulting in a normalised EBITDA loss of \$0.2M.

We remain steadfast in our commitment to focus on products with high gross margins, continuously optimising our revenue mix and pricing strategy to meet this objective.

During the same period, 81% of revenue from continuing operations stemmed from **Visionflex**, a significant increase from 51% in the first half of fiscal year 2023.

It's important to note that the financial results reported for both the first half of fiscal year 2024 and the first half of fiscal year 2023 exclusively represent the outcomes of our continuing operations, excluding any impacts from the divestment of MyHealth1st in June 2023.

The costs associated with business restructuring reflect the expenses incurred in migrating the GoBookings and PetYeti businesses from MyHealth1st.

Finance costs consist of the interest payable on converting notes, while research and development expenses are expensed as incurred and are included within operating expenses.

1H FY24 financial position summary

	31 DEC 2023 (\$M)(*)	30 JUN 2023 (\$M)(*)	CHANGE (%)
Cash and cash equivalents	1.8	1.4	22%
Inventories	0.7	0.6	15%
Other current assets	0.8	1.3	(35%)
Total current assets	3.3	3.3	(1%)
Non-current assets	-	-	-
Total assets	3.3	3.4	(1%)
Trade and other payables	1.7	2.9	(40%)
Contract liabilities	2.1	1.0	112%
Other current liabilities	0.2	0.1	37%
Total current liabilities	4.0	4.0	0%
Borrowings (converting notes)	6.3	6.1	3%
Other non-current liabilities	-	-	-
Total liabilities	10.3	10.2	2%
Net liabilities	7.0	6.7	4%

(*) Information extracted from the audited interim 31 December 2023 financial statements

The cash balance increased by \$0.3M in 1H FY24. The increase was driven by inflows of \$0.3M from investing activities, and \$0.2M from financing activities more than offsetting the improved \$0.3M of operating cash outflows.

The Company's net liability position, grew by \$0.3M in 1H FY24, reaching \$7.0M as at 31 December 2023. Notably, within this net liability balance:

- \$6.3M comprises convertible notes (borrowings) from two major shareholders, recorded as a non-current liability. The Company has the ability to convert these notes into shares at a 15% discount to the 30-day VWAP of Shares or to repay the amount.
- Additionally, \$2.1M of contract liabilities (deferred revenue) represents future revenue from past sales, which will be recognised as revenue once performance obligations are met as required by the accounting standards.

As at 31 December 2023, the Company has access to cash of \$3.9M encompassing both cash at bank (\$1.8M) and undrawn finance facilities (\$2.15M).

The Company also carries forward significant unutilised tax losses (which have not been booked as a deferred tax asset) and has accrued the anticipated refundable R&D tax offset in both periods. In November 2023, the Company received a \$0.6M refund related to its FY23 R&D tax return.

Important notices

This results presentation (Presentation) has been prepared by Visionflex Group Limited ACN 138 897 533 (ASX:VFX) (Company) and is dated 26 February 2024.

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This Presentation should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged on the Australian Securities Exchange (ASX) which are available at www.asx.com.au or www.visionflex.com.au.

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Financial information

The historical financial information in this Presentation is, or is based upon, information that has been lodged with the Australian Securities Exchange (ASX). This Presentation should be read in conjunction with the Company's 1H FY23 interim report and its accompanying notes.

In this Presentation, all dollar values are in Australian dollars (A\$), unless otherwise stated.

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