

visionflex group

ASX Announcement – 25 July 2024
Visionflex Group Limited (ASX: VFX)

Visionflex announces Q4 revenue up 98% on Prior Corresponding Period
and FY24 (unaudited) revenue up 170% on FY23

Highlights:

- Q4 FY24 Visionflex division (unaudited) revenue of \$1.7m, up 98% on prior corresponding period (pcp)
- FY24 Visionflex division (unaudited) revenue of \$7.0m, up 170% on FY23
- FY24 group (unaudited) revenue of \$8.2m, up 24% on FY23
- Q4 FY24 cash receipts of \$2.4m (\$2.1m from customers and \$0.3m from a customer grant) and negative operating cash outflow of \$0.2m
- Awarded \$0.4m Game Changer Grant from the Hunter New England Primary Health Network (PHN)
- Completed \$7.5m capital raise (\$0.4m Placement and \$7.1m Entitlement Offer) to substantially reduce debt (from \$7.3m to ~\$1.3m), strengthen balance sheet and accelerate sales momentum
- Cash balance of \$1.2m as of 30 June 2024, with further ~\$1.0m cash received in July following completion of the capital raise (net of debt repayment and costs of the offer)
- Targeting to be EBITDA positive in FY25, focusing on accelerating larger enterprise new sales with increasing ARR

Visionflex Group Limited (“VFX” or the “Company”), a leader in virtual healthcare technology solutions, is pleased to issue its Appendix 4C and quarterly market update for the 3 months ending 30 June 2024.

Visionflex CEO Joshua Munday said: “FY24 has been a transformational year for the business. We have successfully achieved several key milestones that have positioned the Company to achieve EBITDA profitability in FY25. During Q4 we exited all non-core, loss making, businesses, allowing the Company to solely focus on its core Visionflex business, where we see a significant market need validated by recent strong growth in revenue.”

As we announced on 24 July 2024, we recently completed a \$7.5m capital raising which will see a significant strengthening of our balance sheet, notably reducing our outstanding debt exposure to \$1.3m whilst delivering a proforma 30 June cash balance of \$2.2m (net of debt repayment and costs of the offer). We are focused on converting our growing pipeline of sales opportunities off the back of increasing referenceability from large enterprise contracts, including North Qld PHN, South East Melbourne PHN and WA Primary Health Alliance.”

Financial Performance

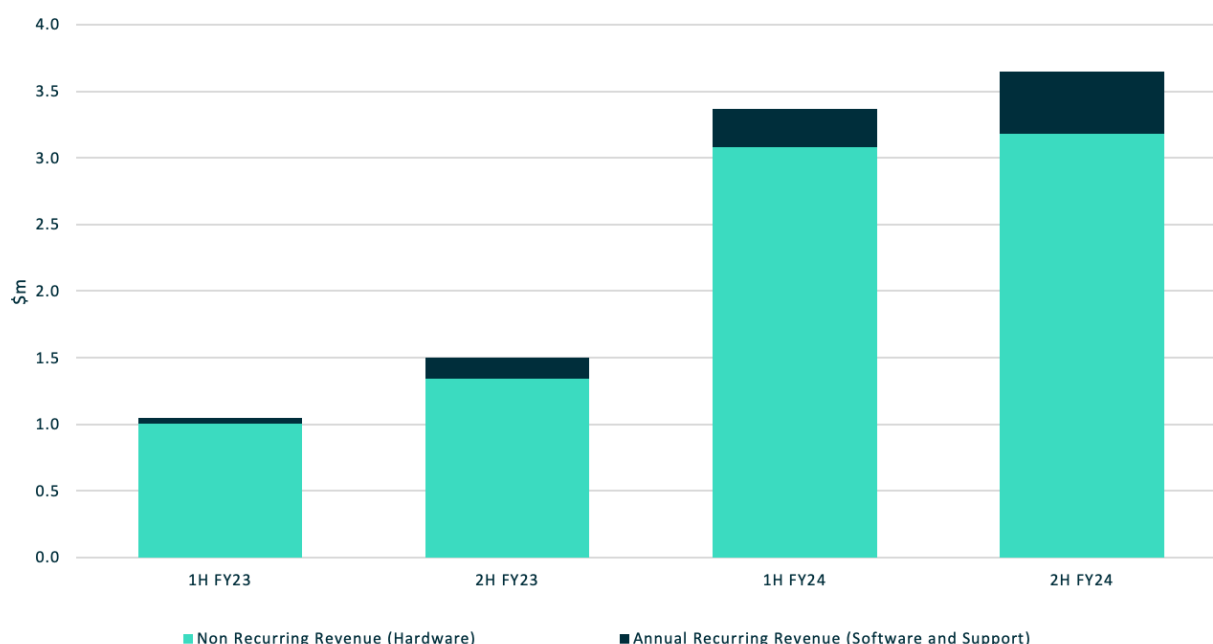
In Q4 FY24, the Company generated \$1.7m of Visionflex division revenue, up 98% on pcp. Recurring revenue from software license subscriptions and support (ARR) continues to increase quarter on quarter as each new hardware solution is typically sold with software license subscriptions. The Company expects that the ARR revenue stream will accelerate in upcoming quarters.

Visionflex has contracted ARR of \$1.3m, with \$0.2m of new contracted ARR sold in 4Q FY24, up 15% from the Q3 FY24.

The Visionflex division generated FY24 (unaudited) revenue of \$7.0m, up 170% on FY23 and 2H FY24 (unaudited) revenue of \$3.7m, up 142% on 2H FY23.

visionflex group

REVENUE MIX BY STREAM FOR THE VISIONFLEX BUSINESS DIVISION



The Company generated Q4 FY24 customer cash receipts of \$2.1m and an operating cash outflow of \$0.2m. Approximately \$0.2m of operating expenses related to the payment of interest and other financing costs which will be materially removed following the material reduction in outstanding debt from \$7.3m to ~\$1.3m.

As at 30 June 2024, the Company had a cash balance of \$1.2m with a further ~\$1.0m cash expected to be received from the capital raise (net of debt repayment and offer costs) post the end of the quarter. During 4Q FY24, \$54k in payments were made to related parties and their associates being Director fees. Refer to the Appendix 4C for further details on the cash flows for Q4 FY24 and FY24 and payments to related parties.

Operating Performance

In June 2024, Visionflex was awarded a \$0.4m Game Changer Grant from the Hunter New England PHN, to develop innovative telehealth tools for chronic wound management in the region (\$0.24m paid in FY24). This funding will enable Visionflex to create advanced tools that empower local carers and nurses to make informed decisions about wound care and treatment. The project will conduct trials in selected aged care facilities and Aboriginal clinics in the Hunter New England region, aiming to provide comprehensive care and enhance the quality of life for affected individuals.

In April 2024, Visionflex announced that it had secured a contract with Northern Queensland PHN for 33 aged care sites worth \$0.35m in upfront hardware revenue and \$0.16m in contracted ARR. In 4Q FY24 Visionflex has secured contracts for a further 3 aged care sites within the PHN as well as collecting the payment for a second year of licensing for the original 33 aged care sites.

In June 2024, Visionflex secured \$0.24m in upfront hardware revenue and \$0.06m in contracted ARR for aged care sites in the Eastern Melbourne PHN. Visionflex expects to secure additional upfront hardware revenue and contracted ARR from aged care sites across Eastern Melbourne PHN in Q1 FY25.

visionflex group

Outlook

The Company enters FY25 with an increasing pipeline of sales opportunities across several key market areas including PHNs, hospitals, aged care and resource companies. The referenceability of several core enterprise clients, such as Woodside Energy, Northern Queensland PHN and WA Primary Health Alliance, has resulted in greater inbound interest for Visionflex's solutions which is driving confidence in the outlook ahead.

As ARR continues to grow in response to ongoing hardware implementations, Visionflex is targeting to deliver a maiden EBITDA positive result in FY25. This goal is supported by a significant revenue uplift, driven by the successful deployment of hardware and strong customer renewals, which will positively impact our financial performance.

-- END --

For more information, please contact:

Joshua Munday – CEO

E: jmunday@visionflex.com

W: <https://www.vfx-group.com/>

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

Visionflex Overview

Visionflex is a global virtual healthcare platform that enables medical professionals to diagnose, monitor and treat patients over a secure, private network. To date, Visionflex has advanced the care of patients in segments including the primary healthcare networks, aged care, aboriginal health organisations, hospitals, corrective services, and the resource sectors.