2024
Annual Report

visionflex group

VISIONFLEX GROUP LIMITED
ABN 25 138 897 533

Contents

ACKNOWLEDGEMENT OF COUNTRY

Visionflex Group acknowledges the many Traditional Owners of the lands on which we operate. We recognise their continuous relationship to the land and pay our respects to Elders past, present and emerging.

Visionflex Group empowers health practitioners globally with cutting edge technologies.

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

Elevating patient outcomes.

Chairs' Report

Dear Shareholders, I am pleased to present the Chair's Report for FY24, highlighting a year marked by substantial growth and key transformations for Visionflex Group. FY24 saw a number of substantial achievements, and we are proud of the strides we have undertaken in positioning Visionflex for long-term sustainable success.

STRATEGIC GROWTH & TRANSFORMATION

In FY24, we have successfully executed on key strategic initiatives that have seen significant growth in Visionflex's revenue, gross margin and improved operational efficiencies. Key initiatives undertaken included:

- Rebranding the Group to Visionflex Group (from 1ST Group) in recognition of the focus of the business moving forward;
- Completing the divestment of the MyHealth1st Business;
- Shutting down the loss making PetYeti and GoBookings Businesses;
- Undertook a capital raise to recapitalise the Company and in the process reduce the majority of debt and provide working capital;
- Increased focus on the development and sale of our proprietary owned software solutions recognising the importance of recurring SAAS contracts for a profitable future.

FINANCIAL PERFORMANCE

Our financial results achieved in FY24, underscore the effectiveness of our strategic initiatives. The Visionflex division achieved a 169% increase in revenue for FY24, growing from $2.6 million to $6.95 million. The company also expanded its annual recurring revenue (ARR) contract portfolio from $0.3 million to $1.3 million and significantly reduced the underlying EBITDA loss from $3.2 million to $0.7 million for continuing operations.

In Q4 FY24, we undertook a capital raise with the primary objectives injecting new funds into the company while cleaning up the Company's Balance Sheet, which had $6.8 million of debt. Following the successful completion of a share placement and entitlement rights issue in June/July 2024, our strengthened Balance Sheet will reduce interest costs and offer greater flexibility to reinvest in growth opportunities, all while upholding a disciplined approach to financial management.

OUR PEOPLE & CULTURE

While the divestment of non-core businesses (PetYeti and GoBookings), has been well-documented for the positive impact it has had on Visionflex's growth trajectory, it is essential to recognise the even more important role that our people and culture have played in delivering the outstanding FY24 results. The transformation in management and organisational culture has been a driving force behind our success, with the leadership team, under the guidance of our CEO, Josh Mundey, steering the company through a period of significant change and growth.

This strategic realignment of leadership has brought renewed focus, agility, and innovation to our operations. The impact of these changes has been evident not only in our financial performance but also in the sense of ownership and accountability across our team.

With this transformation, we have assembled a world-class team poised to execute on our ambitious growth aspirations and expand Visionflex's global presence. As we continue to grow, our commitment to fostering an inclusive, customer centric, innovative, and high-performance culture will remain at the heart of everything we do.

A BRIGHT FUTURE

As we look to the future, we are excited about the opportunities that lie ahead. With now a strong foundation in place, we are well-positioned to capitalise on the emerging virtual care trends and deliver increasing value to our shareholders, customers, and partners.

I would like to express my gratitude to Josh and the entire team for their outstanding efforts and dedication throughout this year of change. Additionally, I extend my thanks to our shareholders, particularly Adcock Private Equity and John Plummer, whose unwavering support has been invaluable to our continued success and growth.

Sincerely,

Christopher Whitehead
Chair of the Board

CEOs' Report

Dear Shareholders, it is with great pride that I present Visionflex Group's FY24 Annual Report, highlighting a year defined by growth, transformation, and strategic advancement.

Despite the challenges of navigating a complex transition, we've emerged stronger and more focused, positioning Visionflex to capitalise on the expanding opportunities in the virtual care space.

Our ability to adapt with agility has not only strengthened our business foundations but also set the stage for continued success in this rapidly evolving sector.

FINANCIAL PERFORMANCE & OPERATIONAL ACHIEVEMENTS

FY24 was a transformative year for Visionflex, with our revenue from continuing operations reaching $6.95 million, representing a remarkable 169% growth over FY23.

Our consolidated group revenue, which includes discontinued operations, rose to $8.1 million. Importantly, recurring subscription revenue from software licenses and support increased by 199%, reflecting the success of our revised business model that integrates annual software licenses with hardware contracts.

We continued to improve our gross profit margins, which increased by 2% to 61%, and our contract portfolio now features an annual recurring revenue (ARR) of $1.3 million, up from $0.3 million last year. This sets a solid foundation for further growth as we continue to scale our recurring revenue base.

Operational efficiencies from the Visionflex Business Division have been a key focus for us. Despite our growth, we maintained strong cost control, with only a 4% increase in overall operating costs. Strategic investments in key areas such as sales, production, and customer success drove a 25% increase in staff costs, ensuring we are well-positioned to support future expansion. However, this was offset by a 24% reduction in other operational costs, from a combination of costs associated with divested and discontinued businesses namely IT and administration costs, allowing us to manage our resources prudently while driving growth.

We closed the year with an underlying EBITDA loss of $0.7 million, a significant 79% improvement over last year's $3.2 million loss. This progress underscores our relentless focus on operational efficiency and positions us on the path toward profitability.

STRATEGIC CONTRACTS & BUSINESS MOMENTUM

Throughout FY24, we secured several key contracts that will be pivotal to our growth trajectory:

- WA Primary Health Alliance: Contracts covering 180 residential aged care sites, with $2.3 million in hardware revenue and $0.4 million in ARR.
- Northern Queensland Primary Health Network: Contracts for 33 aged care sites, generating $0.4 million in hardware revenue and $0.2 million in ARR.
- Woodside Energy: Deployed our virtual care solutions across seven offshore platforms.
- Hunter New England PHN: Awarded a $0.4 million Game Changer Grant for chronic wound management tools.
- Eastern Melbourne PHN: Secured $0.24 million in hardware sales and $0.06 million in ARR for aged care sites, with further expansion expected in FY25.

These contracts have not only reinforced our position as a leader of virtual care solutions in the Australian healthcare market but also created a strong foundation for future growth, with significant new enterprise opportunities in our pipeline. Momentum has continued into FY25, with new contracts signed, including a key SaaS agreement with the Royal Flying Doctor Service Victoria and exciting international trial agreements in Vietnam.

R&D & INNOVATION

Our commitment to innovation remains at the core of our strategy. In FY24, we invested resources in the research and development of our ProEx virtual care platform, focusing on enhancing telehealth and diagnostic capabilities through key integrations with external software systems.

These advancements are crucial as we expand our service offerings and pursue larger enterprise contracts.

FINANCIAL POSITION & CAPITAL RAISE

As of 30 June 2024, Visionflex had cash reserves of $1.2 million, with a further $1.0 million received post-financial year following the successful completion of our capital raise.

This initiative significantly strengthened our balance sheet, reducing our outstanding debt to $1.3 million and improving our net liability position from $7.8 million to $1.1 million.

LOOKING AHEAD – FY25 OBJECTIVES

As we enter FY25, our focus remains clear, with key objectives designed to drive profitability and growth:

1. Achieve underlying EBITDA profitability.
2. Continue to grow overall revenue and expand recurring revenue.
3. Increase our Australian market share in the primary and aged care sector.
4. Expand into new Australian verticals via larger enterprise contracts.
5. Strengthen our presence in international markets with strategic partnerships.

Our strong pipeline and growing portfolio of referenceable customers will be key to unlocking further opportunities, particularly in the enterprise space. With a focus on innovation and customer success, we are well-positioned to capture market share and expand globally.

CONCLUSION

I would like to extend my sincere thanks to our incredible team for their hard work and dedication, to our customers for their trust, and to you, our shareholders, for your continued support. Visionflex is in a strong position to build on the progress of FY24, and we are excited about the opportunities that lie ahead.

Sincerely,

Joshua Mundey
Chief Executive Officer

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Visionflex Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

DIRECTORS & COMPANY SECRETARY

The following persons were Directors and the Company Secretary of Visionflex Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Christopher Whitehead Non-Executive Director and Chair

Geoff Neate Non-Executive Director

John Nantes Non-Executive Director

Brook Adcock Non-Executive Director

Elizabeth Spooner Company Secretary
(resigned 12 January 2024)

Chelsea Sheridan Company Secretary
(12 January 2024 until 1 May 2024)

Maria Clemente Company Secretary
(appointed 1 May 2024)

INFORMATION ON DIRECTORS

Names, qualifications, experience & special responsibilities

Chris Whitehead

NON-EXECUTIVE CHAIR

Qualifications: BSc(Hons), Chartered Banker, SF FIN, FAICD

Other current directorships: IMB Bank (unlisted)

Former directorships (last 3 years): WISR Ltd (ASX: WZR) (Resigned on 24 November 2021)

Special responsibilities: Member of the Audit and Risk Committee and member of the Nomination and Remuneration Committee

Interests in shares: 4,986,160 ordinary shares

Interests in options: 831,027 options

Interest in performance rights: 10,678,572 performance rights

Chris has over 20 years' experience as a Board Director across a wide range of business sectors and ranging from significant national corporates to start-ups.

His healthcare industry experience includes service as a Director of CUA Health Insurance and as a Director of the WA Cancer Support Agency.

He has held significant CEO roles including over 5 years at each of BankWest Retail Bank, CUA (now Great Southern Bank) and at FINSIA (Financial Services Institute of Australasia). He is currently a Non Executive Director of IMB Bank and Chair of the Board Risk Committee.

He was a member of the ASX Corporate Governance Council for five years. He commenced his career in information technology moving through a range of technical roles into executive roles in product management and major projects delivery.

Geoff Neate

NON-EXECUTIVE DIRECTOR

Qualifications: B.Bus (Monash). M.Mkt (Melb)

Other current directorships: Thinxtra (unlisted)

Former directorships (last 3 years): None

Special responsibilities: Chair of the Audit and Risk Committee

Interests in shares: 14,897,628 ordinary shares

Interests in options: 3,316,272 options

Interest in performance rights: 7,428,572 performance rights

Geoff co-founded Spirit Telecom (ASX: ST1) in 2005, and led the company through the listing process, completing his 15 year tenure as CEO in September 2019.

Under Geoff's leadership Spirit completed 8 acquisitions and received several awards, including Australia's fastest ISP in 2015. With over 30 years' in telecommunications he led Spirit as the industry transformed.

Geoff has been a senior executive with several established organisations including Primus telecom, RACV, Telstra, Lend Lease.

Directors' Report *(cont.)*

INFORMATION ON DIRECTORS *(cont.)*

John Nantes

NON-EXECUTIVE DIRECTOR

Qualifications: LLB, B.Comm., B.A., Dip FP.

Other current directorships: Income Asset Management Group Limited (ASX: IAM), Thinxtra (unlisted)

Former directorships (last 3 years): WISR Ltd (ASX: WZR) (Resigned on 27 November 2023)

Special responsibilities: Member of the Audit and Risk Committee and Chair of the Nomination and Remuneration Committee

Interests in shares: None

Interests in options: None

Interest in performance rights: 7,428,572 performance rights

John has over 25 years' experience in Financial Services, Private Equity, Tax and Accounting, Corporate Finance, Capital Markets, M&A and tech based companies.

John is the Executive Chairman for Income Asset Management, Director of Thinxtra a non-listed IOT company, and advises Adcock Private Equity in a CEO capacity.

John has previously held senior executive roles in WHK/Crowe Horwath, St George Bank, Colonial State Bank and Wisr.

Brook Adcock

NON-EXECUTIVE DIRECTOR

Qualifications: BSc, MAICD

Other current directorships: None

Former directorships (last 3 years): Income Asset Management Group Limited (ASX: IAM) (resigned 13 May 2024)

Special responsibilities: Member of the Audit and Risk Committee and Member of the Remuneration and Nomination Committee

Interests in shares: 851,431,604 ordinary shares

Interests in options: 116,221,867 options

Interest in performance rights: None

Brook is a leading Entrepreneur and Private Investor in Australia, as Executive Chairman of his own Private Equity House, Adcock Private Equity.

Adcock Private Equity has very strong positions in listed and unlisted companies across sectors such as Fintech, Healthtech and Legaltech where Brook invests and follows on regularly into companies that add value to all market participants.

Brook's investment mandate has a strong ethical tilt and he is a high conviction investor.

Brook was the owner of Pandora Jewellery, building it to the brand we see today. He has been actively involved in many other successful businesses, both directly at the executive or board level, and through investment of his own capital.

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

COMPANY SECRETARY

Elizabeth Spooner held the role of joint company secretary from 3 June 2021 until 17 November 2022 before taking on the role by herself from 17 November 2022 until her resignation on 12 January 2024.

Elizabeth is an experienced governance and compliance professional who works closely with a number of boards of both listed and unlisted public companies in her role at Automic. She holds a double degree in Bachelor of Business Administration and Bachelor of Arts majoring in Human Resources, and a Graduate Diploma of Applied Corporate Governance from the Governance Institute. Elizabeth has most recently completed her Juris Doctor degree from Australian National University. She is an Associate of the Governance Institute of Australia, a Member of the Australian Institute of Company Directors and a NSW Justice of the Peace. Prior to joining Automic, Elizabeth worked with a provider of outsourced governance services and supported a number of listed companies in addition to other public, private and not-for-profit entities.

Chelsea Sheridan held the role of company secretary from 12 January 2024 until her resignation on 1 May 2024.

Chelsea holds a Certificate in Company Secretarial Practice and Share Registration Practice, which underpins her specialised knowledge in corporate governance. She began her journey with Automic Group in 2019 as an Assistant Company Secretary, where she quickly demonstrated her proficiency and dedication. Her commitment to excellence and her deep understanding of corporate compliance led to her promotion to Company Secretary in May 2021.

Maria Clemente has been in the role of company secretary from 1 May 2024.

Maria is a corporate governance and compliance expert with 15 years of experience in corporate advisory. Prior to accepting appointments as an outsourced Company Secretary, Maria was a senior listings adviser at the ASX where she had extensive involvement in the oversight of listed entities in the information technology, telecommunications, consumer services and agriculture sectors, and demonstrated solid understanding of the listing rules and their application to capital raisings, mergers and acquisitions and other corporate transactions. Maria currently advises several ASX-listed entities and private companies and manages all levels of company secretarial compliance.

Maria is admitted as a lawyer in New South Wales and spent a decade in corporate restructure and turnaround as a senior manager, with specialist experience in conducting formal insolvency appointments, as well as in the areas of commercial disputes, succession, Corporations Act and partnership matters.

DIRECTORS INTERESTS IN SHARES, OPTIONS & PERFORMANCE RIGHTS OF THE GROUP

As at the date of this report, the interests of the Directors in shares, options and performance rights over the Group was as follows:

	ORDINARY SHARES	OPTIONS OVER ORDINARY SHARES	PERFORMANCE RIGHTS OVER ORDINARY SHARES
Christopher Whitehead	4,986,160	831,027	10,678,572
Geoff Neate	14,897,628	3,316,272	7,428,572
John Nantes	-	-	7,428,572
Brook Adcock	851,431,604	116,221,867	-
	871,315,392	120,369,166	25,535,716

Directors' Report *(cont.)*

DIVIDENDS & SHAREHOLDER RETURNS

There were no dividends paid, recommended or declared during the current or previous financial year.

PRINCIPAL ACTIVITIES

During the financial year the principal continuing activities of the Group consisted of the provision of healthcare, telehealth, and remote diagnostic solutions into both local and international markets.

REVIEW OF OPERATIONS – OPERATING FINANCIAL REVIEW

The Group's overall financial performance for FY24 was an after-tax loss of $1.8 million inclusive of the result from the discontinued operations (MyHealth1st, GoBookings and Clinic Connect). This represents a significant improvement of 50% from the loss of $3.7 million generated in the comparative FY23 period after the Group achieved strong sales growth from its Visionflex operating division while effectively managing costs and generally improving operational efficiencies.

The loss from continuing operations in FY24 was $1.5 million with a $0.3 million loss generated from discontinued operations. The loss from discontinued operations is inclusive of a $0.3m net fair value gain from the contingent consideration received in respect of the sale of the MyHealth1st business.

The Group reported consolidated revenue from continuing operations of $7 million for FY24 which reflects growth of 169% from the $2.6 million of revenue in the comparative FY23 period. The Group was able to achieve strong top line revenue growth during FY24 from both hardware sales (165% growth) and recurring software/support (199% growth).

The underlying normalised EBITDA loss for the year ended 30 June 2024 was $0.7 million (2023: $3.2 million loss) which has been determined as follows:

	CONSOLIDATED	
	30 JUNE 2024 $	30 JUNE 2023 $
Loss before income tax benefit from continuing operations	(2,146,774)	(3,464,385)
Add back: non cash expenses		
Depreciation and amortisation expense	19,351	26,618
Share based payments expense/(write back)	637,578	(113,213)
Total non-cash expenses/(gains)	656,929	(86,595)
Exclude: Interest revenue	(3,518)	(1,478)
Add back: Other non operating expenses	15,105	20,398
Add back: Finance costs	810,598	307,859
Normalised underlying EBITDA loss for the year	**(667,660)**	**(3,224,201)**

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.

Normalised underlying EBITDA has not been subject to any specific review procedures by our auditor however it has been extracted from the accompanying audited reviewed financial report.

FINANCIAL POSITION

The Group had a closing 30 June 2024 cash balance of $1.2 million, a decrease of $0.3 million since 30 June 2023. The total receipts from customers for FY24 increased to $9.8 million, an increase of 26% from the FY23 period. The Group's operating cash outflows for FY24 was $1.4 million, which compares favourably to the $3.6 million outflow in FY23. Including unused finance facilities, the Group had access to $2.7 million of cash and funding as at 30 June 2024. A further $1.0m (net of debt repayment and offer costs) was received by the Company in July following completion of a capital raise.

The Group was in a net liability position of $8.1 million as at 30 June 2024 ($6.7 million as at 30 June 2023), with assets held of $2.9 million (30 June 2023: $3.4 million) and liabilities owed of $11.0 million (30 June 2023: $10.1 million). Included in the liabilities balance is $6.8 million of converting notes on which the Group has the option to convert some or all of the converting notes into shares as well as $1.6 million of contract liabilities which once performance obligations are met will be recognised as revenue. As part of the entitlement component of the equity raising conducted in July 2024, the note holders, who are also substantial shareholders, used their entitlement to apply against the majority of the converting notes. As at 25 July 2024, the converting notes balance was $0.96m.

The Group's working capital deficit position as at 30 June 2024 was $1.2 million ($0.7 million as at 30 June 2023), with current assets of $2.8 million (30 June 2023: $3.3 million) and current liabilities $4.0 million (30 June 2023: $4.0 million). The movement in the working capital position over the year ended 30 June 2024 was primarily the result of customer contract liabilities increasing from $0.2 million to $1.4 million after a strong period of sales in FY24.

RISK MANAGEMENT

The Group acknowledges the importance of proactively managing risks and opportunities related to both its day-to-day operations and long-term strategic objectives. To this end, a comprehensive risk management policy has been established.

The Board is tasked with establishing, overseeing, and approving the Group's risk management strategy, as well as ensuring internal compliance and controls. Additionally, the Board defines the Group's "risk appetite" to ensure alignment between its strategic direction and risk management policy.

The Group has the following risk management controls embedded in the Group's management and reporting system:

- A comprehensive annual insurance program. This program is run by the Chief Financial Officer with the assistance of a qualified external broker;
- The employment of a compliance manager who quarterly presents to the Board as part of the Board Meetings;
- Annual Strategic and operational business plans; and
- Annual budgeting and forecasting, along with monthly forecasting and system evaluation, facilitate the monitoring of performance against expected targets and the assessment of trends.

Directors' Report *(cont.)*

RISK MANAGEMENT *(cont.)*

During the year, ongoing monitoring, mitigation and reporting on material risks was conducted by Executive Leadership Team, the Audit and Risk Committee and the Board and took place in accordance with the process disclosed above. The key risks specific to the Group's business identified through the risk management assessment were as follows:

Commercialisation: The Group depends on its and its partners' capacity to use its products and services to generate revenue.

Sufficiency of funding: The Group is currently not profitable and does not expect to become profitable until after achieving successful further commercialisation and sale of its products and services to allow sufficient sales revenue to fund on-going company operations.

Products: The Group's products and services may encounter design and manufacturing defects, whether real or perceived, which could have adverse effects on its business and damage its reputation.

Material customer contracts: The Group has entered into various material contracts for its products and the accompanying software and support for each cart for each product. A breach, termination, or non-renewal of these material customer contracts or loss of business may have a material adverse effect on the Group's future financial position, brand and reputation and financial performance and therefore the value of its securities.

Cybersecurity: The Group develops its products and services which depend on network communications, it faces risks such as cybersecurity attacks, disruptions or delays in telecom systems, or data service losses, which could affect product and service delivery.

Intellectual property and Software development: The Group relies on its ability to further develop and commercialise its intellectual property to generate sales. The value of the Group's products and brand is closely tied to its intellectual property, much of which is not capable of formal protection.

Supply chain risk: Any significant interruption or negative change in the availability or economics of the Group's supply chain for key inputs could materially impact its business, its financial position, financial performance and/or prospects.

Foreign exchange: As the Group looks to grow in the future internationally, changes in exchange rates can impact the value of revenue, expenses, assets, liabilities when those components are denominated in foreign currencies through either transaction or translation risk.

Regulatory and compliance: The Group is the regulatory sponsor, manufacturer and distributor of various products and components which are medical devices registered with the Therapeutic Goods Administration (TGA), and in some cases other regulators such as the United States with the Food and Drug Administration (FDA).

Reliance on key personnel: The Group's ability to be productive, profitable and competitive and to implement planned growth initiatives depends on the continued employment and performance of a relatively small number of senior executives and other key members of management. The performance of the Group also depends on its ability to attract and retain skilled workers with relevant industry and technical experience.

Dependence on key suppliers: The Group currently has strategic business relationships with suppliers that it relies upon for key parts of its business activities. Some of these relationships are in countries which may be subject geopolitical risks, such as China and Taiwan.

Strategic: Strategic risk relates to possible challenges and uncertainties associated with the strategic decisions, initiatives, and direction of a business.

Competition: The Group competes with other domestic and international businesses in its industry. The Group is potentially much smaller and less well resourced than some of these competitors. The Group may face more competition from new or existing market players who offer similar products and services to the Group's current or potential clients at a lower price.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Following a comprehensive review of the future prospects and opportunities for the PetYeti and GoBookings businesses, the Group determined that it was in the best interest of shareholders to shutdown these businesses. PetYeti ceased operating effective 1 March 2024 and GoBookings ceased operating effective 1 May 2024.

On 26 June 2024, the Group announced that it was undertaking an institutional share placement and underwritten non-renounceable pro-rata entitlement offer to raise a total of up to $7,500,000 (before costs) (Equity Raising). Refer to the Matters subsequent to the end of the financial year below, for further details on the Equity Raising and financial impacts on the Company.

There were no other significant changes in the state of affairs of the Group during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 26 June 2024, the Group announced that it was undertaking an institutional share placement and underwritten non-renounceable pro-rata entitlement offer to raise a total of up to $7,500,000 (before costs) (Equity Raising).

The results of the Equity Raising are summarised as follows:

	CASH PROCEEDS (BEFORE COSTS) ($)	DIRECTLY APPLIED TO LIABILITIES ($)	TOTAL ($)
Share Placement	415,044	-	415,044
Non renounceable pro-rata entitlement	886,530	6,198,426	7,084,956
Total	**1,301,574**	**6,198,426**	**7,500,000**

The placement component of the equity raising was successfully completed on 2 July 2024, raising $415,044 before costs with 83,008,800 of fully paid ordinary shares and 27,669,598 options issued. Costs associated with the placement component of the equity raising were capitalised as transaction costs as at 30 June 2024. The Group received $85,000 of proceeds for the placement component before 30 June 2024, with the remaining $330,044 received on 1 July 2024.

The entitlement component of the equity raising was successfully completed on 24 July 2024. Under the entitlement offer:

- Cash proceeds of $886,530 (before costs), was raised from institutional and other professional investors;
- Major shareholder and convertible note holder Adcock Private Equity, applied its full debt balance ($1,625,000), along with accrued interest, to equity via the Entitlement Offer;
- Major shareholder and convertible note holder John Plummer, applied $4,580,000 of his debt balance to equity via the Entitlement Offer;
- Lead Manager and underwriter, Henslow Pty Ltd applied $215,098 of amounts owed for services performed to equity.

Directors' Report *(cont.)*

A total of 1,416,991,197 fully paid ordinary shares and 479,330,401 options were issued from the entitlement offer on 25 July 2024.

Post completion of the entitlement offer, the outstanding convertible notes balance was $960,000 (down from $6,825,000 as at 30 June 2024).

On 30 July 2024, 833,333 ordinary fully paid shares were issued on exercise of 833,333 performance rights.

On 6 August 2024, Visionflex Group Limited and Healthshare Pty Ltd signed a deed of settlement and release for the sale of MyHealth1st. The deed confirmed that both parties had fulfilled their obligations for the acquisition. Post-acquisition, Healthshare Pty Ltd paid some ongoing costs for the Group while separation activities were conducted, leaving the Group with an outstanding balance of $98,085 owing to Healthshare Pty Ltd, which was recorded in the 2024 financial statements. It was mutually agreed that this amount would be offset against the final completion payment, settling all financial obligations between the parties.

On 4 September 2024, 104,354,752 performance rights were issued to employees of the Group.

SUSTAINABILITY & ESG

The Group is currently not subject to any significant environmental regulation under Australian Commonwealth or State law. This includes the mandatory climate-related financial disclosure requirements with the Group currently well below the thresholds set for all three Group's. The Group however is committed to integrating ESG principles into our operations, recognising their importance to long-term sustainability.

While we have made some initial progress in implementing initiatives, it is still early in the process, and we are not yet in a position to quantify the full impact. We will continue to refine our approach and provide updates as we advance sustainability initiatives and practices.

LIKELY DEVELOPMENTS & EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the operations of the Group and the expected results of operations have been included in the Report from the Chair and the Report from the Chief Executive Officer.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

	FULL BOARD		NOMINATION & REMUNERATION COMMITTEE		AUDIT & RISK COMMITTEE	
	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD
Christopher Whitehead	20	20	4	4	4	4
Geoff Neate	20	20	-	-	4	4
John Nantes	18	20	2	4	3	4
Brook Adcock	16	19	4	4	-	-

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

SHARES UNDER OPTION

Unissued ordinary shares of Visionflex Group Limited under option at the date of this report are as follows:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER UNDER OPTION
14/04/2015	14/04/2025	$0.350	50,000
25/06/2021	25/06/2026	$0.022	1,270,000
02/07/2024	02/01/2026	$0.007	27,669,598
25/07/2024	25/07/2026	$0.007	479,330,401
			508,319,999

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

SHARES UNDER PERFORMANCE RIGHTS

Unissued ordinary shares of Visionflex Group Limited which can be converted from performance rights as at the date of this report are as follows:

GRANT DATE	VESTING DATE	NUMBER OF PERFORMANCE RIGHTS	SHARE PRICE HURDLE ($)	EXPIRY DATE	FAIR VALUE PER RIGHT AT GRANT DATE ($)
1 December 2023	1 December 2023	23,960,767	0.009	16 December 2028	0.0100
1 December 2023	19 May 2024	14,392,858	0.014	21 December 2026	0.0095
1 December 2023	29 June 2024	17,003,894	0.014	16 December 2028	0.0098
1 December 2023	21 March 2025	11,142,858	0.035	21 December 2026	0.0073
1 December 2023	29 August 2025	20,546,372	0.035	16 December 2028	0.0087
4 September 2024	4 September 2025	79,354,752	0.005	4 September 2029	0.0040
4 September 2024	4 September 2025	12,500,000	0.005	4 September 2029	0.0040
4 September 2024	4 September 2026	12,500,000	0.005	4 September 2029	0.0040
	Total	191,401,501			

Performance rights granted carry no dividend or voting rights. Vesting is subject to continuity of service.

Directors' Report *(cont.)*

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of Visionflex Group Limited issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

On 30 July 2024, 833,333 of the performance rights were exercised into ordinary shares of Visionflex Group Limited. There were no ordinary shares of Visionflex Group Limited issued on the exercise of performance rights during the year ended 30 June 2024.

INDEMNITY & INSURANCE OF OFFICERS

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNITY & INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

CORPORATE GOVERNANCE STATEMENT

The directors and management are committed to high standards of corporate governance. The Corporate Governance Statement sets out our commitment to best practice corporate governance in compliance with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ("Recommendations"), to the extent appropriate for the size and nature of the Group's operations. The Corporate Governance Statement can be found on the Companies website:

https://www.vfx-group.com/investor-reports

VIEW THE STATEMENT →

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 25 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in note 25 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

PKF

AUDITOR

PKF(NS) Audit & Assurance Limited Partnership continues in office in accordance with section 327 of the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF PKF(NS) AUDIT & ASSURANCE LIMITED PARTNERSHIP

There are no officers of the Company who are former partners of PKF(NS) Audit & Assurance Limited Partnership.

Directors’ Report - Remuneration Report

REMUNERATION REPORT (AUDITED)

The directors present Visionflex Group Limited’s (the “Group”) remuneration report for the year ended 30 June 2024. The remuneration report is prepared in accordance with section 300A of the *Corporations Act 2001* and has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The remuneration report outlines the key aspects of the Group’s remuneration policy, framework and remuneration awarded for the Group’s Key Management Personnel (‘KMP’).

KMP are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors and the Executive Leadership Team being the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer.

The remuneration report is set out under the following main headings:

- Section 1: Directors and other KMP
- Section 2: Remuneration Governance Framework
- Section 3: Remuneration Structure
- Section 4: Remuneration of KMP
- Section 5: Relationship between remuneration and Visionflex Group Limited’s performance
- Section 6: Voting and comments made at the Company’s 2023 Annual General Meeting
- Section 7: Details of share-based compensation
- Section 8: Holdings of KMP
- Section 9: Transactions with Directors and KMP

SECTION 1

DIRECTORS & OTHER KMP

Non-Executive Directors

Christopher Whitehead
Non-Executive Chair – Independent

Geoff Neate
Non-Executive Director – Independent

John Nantes
Non-Executive Director – Independent

Brook Adcock
Non-Executive Director – Not Independent

Executive Leadership Team (Executives)

Joshua Mundey
Chief Executive Officer

Michael Kafrouni
Chief Operating Officer (from 21 August 2023)

James Aulsebrook
Chief Financial Officer (from 15 January 2024)

Richard Rogers
Chief Financial Officer and Chief Operating Officer (until 31 October 2023)

SECTION 2

REMUNERATION GOVERNANCE FRAMEWORK

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for the Group’s Directors and the Executive Leadership Team. The performance of the Group is highly influenced by the quality of its Directors and Executive Leadership Team. The remuneration philosophy of the Group is to attract, motivate and retain high performance and high quality personnel.

The composition of the Remuneration and Nomination Committee during the year ended 30 June 2024 was as follows:

1. Brook Adcock (Chair) (Non Executive Director – Not Independent);
2. John Nantes (Non Executive Director - Independent); and
3. Christopher Whitehead (Non Executive Director - Independent).

All members of the Remuneration and Nomination Committee, are Non-Executive directors and the majority of members are independent however the Chair was not independent for most of the year ending 30 June 2024. On this basis, the Remuneration and Nomination Committee is partially compliant with the ASX Corporate Governance Principles and Recommendations. There was a change in the composition of the Remuneration and Nomination Committee effective 27 June 2024, with John Nantes appointed as Chair replacing Brook Adcock who remains a member of the Remuneration and Nomination Committee. From that date the Remuneration and Nomination Committee is compliant with the ASX Corporate Governance Principles and Recommendations.

Members of the Remuneration and Nomination Committee are appointed, removed and/or replaced by the Board.

A copy of the Nomination and Remuneration Committee’s charter is included on the Company’s website: https://www.vfx-group.com/investor-reports

The Remuneration and Nomination Committee annually reviews and evaluates the appropriateness of the remuneration for Directors and Executive Leadership Team, taking into account both the Group’s performance and external market conditions.

The key objectives of the review process are:

1. To maximise stakeholder benefit by retaining a high-calibre Board and Executive Leadership Team;
2. To ensure alignment with the company’s strategic priorities aimed at enhancing shareholder value;
3. To maintain a transparent and easily understood remuneration structure;
4. To ensure the remuneration framework is acceptable to all shareholders.

Use of remuneration consultants

During the financial year ended 30 June 2024, the Group did not engage any remuneration consultants.

SECTION 3

REMUNERATION STRUCTURE

In accordance with best practice Corporate Governance, the structure of Non-executive director and Executive Leadership Team remuneration is separate and distinct.

NON-EXECUTIVE DIRECTORS’ REMUNERATION

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their roles. Non-Executive Directors’ fees and payments are reviewed annually by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors’ fees and payments are appropriate and in line with the market.

The Chair’s fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The Chair is not present at any discussions relating to the determination of his own remuneration. Non-Executive Directors may receive shares and performance rights as part of their remuneration.

Directors' Report - Remuneration Report *(cont.)*

SECTION 3 *(cont.)*

NON-EXECUTIVE DIRECTORS' REMUNERATION *(cont.)*

ASX listing rules require the aggregate Non-Executive Directors' remuneration be determined periodically by a general meeting. The aggregate Non-Executive Directors' remuneration has not changed since the initial company listing in June 2015, where the initial constitution outlined a maximum annual aggregate remuneration of $500,000 per annum, excluding salaries of Executive Directors.

The annual Non-Executive Directors' fees for the year ended 30 June 2024 were $70,000 plus statutory superannuation to the Chair and $50,000 for other Non-Executive Directors, excluding Mr Brook Adcock who had elected to not receive Director's fees. Mr Adcock and the Board agreed that Mr Brook Adcock would receive Director fees from 1 July 2024.

Non-Executive Directors are eligible to receive share-based payments in the form of share options and performance rights in recognition of increased shareholder value as considered appropriate by the Board. The key terms of the share-based payments are subject to shareholder approval in accordance with ASX listing rules.

In addition to their annual remuneration, the Directors may also be reimbursed for expenses properly incurred by them in connection with the affairs of the Group including travel and other expenses. Non-Executive Directors may be paid such additional or special remuneration as the Board decide is appropriate where a Director performs extra work or services which are not in the capacity as Director. Directors are not currently entitled to any additional remuneration for time spent in connection with acting as a member of any committee of the Board.

There are no retirement benefit schemes for Directors, other than statutory superannuation contributions where applicable.

EXECUTIVE REMUNERATION

The Group is committed to rewarding Executives based on their roles and responsibilities through a balanced remuneration structure that includes both fixed and variable components. The Group's Executive reward framework is designed to offer competitive and fair compensation that reflects the performance and results achieved. This framework aligns Executive rewards with the attainment of strategic objectives and the creation of shareholder value, adhering to market best practices in reward delivery. The Remuneration and Nomination Committee ensures that the Executive reward structure meets key principles of sound governance, including:

- Offer competitive remuneration packages that attract and retain top-tier talent.
- Align executive compensation with the creation of shareholder value.
- Performance linkage and alignment with executive compensation; and
- Transparency - set clear and measurable performance benchmarks for variable Executive compensation.

The reward framework is designed to align Executive compensation with shareholders' interests. The Remuneration and Nomination Committee has determined that enhancing shareholders' interests can be achieved by:

- Making economic profit a central element of the plan;
- Rewarding Executive capability and experience;
- Prioritising sustained growth in shareholder wealth, including dividends, share price appreciation, and consistent or increasing returns on assets, while also focusing on key non-financial value drivers;
- Attracting and retaining high-calibre Executives by recognising and rewarding their contributions;
- Offering competitive compensation that reflects contributions to shareholder wealth growth; and
- Establishing a clear and transparent structure for earning rewards.

The Executive remuneration and reward framework has four components:

(i) base pay and non-monetary benefits;

(ii) short-term performance incentives;

(iii) long-term incentives; and

(iv) other remuneration such as long service leave.

The combination of these comprises the Executive's total remuneration.

(i) Base pay, superannuation and non-monetary benefits

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed annually by the Remuneration and Nomination Committee or a full session of the independent Non–Executive Directors, based on individual and business unit performance, the overall performance of the Group and comparable market remuneration. The process consists of a review of relevant comparative remuneration in the market, internally and, where appropriate, external advice on policies and practices. The Remuneration and Nomination Committee has access to external, independent advice if required.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

(ii) Short term incentives

The short-term incentives ('STI') program is designed to align the financial performance of the Group to Executives responsible for meeting those targets. STI payments are granted to Executives based on specific annual targets and Key performance indicators ('KPIs') being achieved. KPIs include Earnings before interest, tax, depreciation and amortisation ('EBITDA') and revenue levels achieved.

The potential value of the short-term incentive schemes as a proportion of each Executive's base salary was as follows:

TABLE 1

	FY25 STI POTENTIAL		FY24 STI POTENTIAL
	TARGET LEVEL (1)	STRETCH LEVEL (2)	TARGET LEVEL (1)
Joshua Mundey	35%	0% - 40%	35%
Michael Kafrouni	30%	0% - 40%	30%
James Aulsebrook	25%	0% - 40%	25%
Richard Rogers (3)	Not applicable	Not applicable	Not applicable

(1) STI bonus potential as a proportion of the Executive's base contracted salary excluding superannuation and other benefits for achieving base target level KPI.

(2) An additional STI bonus opportunity beyond the base target level calculated as a percentage of the Executive's base salary (excluding superannuation and other benefits), is available for achieving stretch KPI levels above the target KPI level.

(3) Resigned 31 October 2023.

Directors' Report - Remuneration Report *(cont.)*

SECTION 3

REMUNERATION STRUCTURE *(cont.)*

Refer to section 4 for details on the STI's earned by KMP during the year ended 30 June 2024.

(iii) Long term incentives ('LTI')

The objective of the LTI program is to reward KMPs in a manner which aligns this element of remuneration with the creation of shareholder value.

LTI grants to KMP are delivered in the form of share-based payments, which has historically comprised share options and performance rights. Share options were historically issued to KMP. Performance rights are issued to KMP based on long-term incentive measures as determined by the Board at the time of issue and have an exercise price of $nil.

The objective of granting share-based payments to KMP is to align remuneration with the creation of long term shareholder value. The level of LTI granted is dependent on the Company's recent share price performance, the seniority of the KMP and their responsibilities, the requirements of the ASX listing rules and the Company's incentive plan rules.

The Visionflex Omnibus plan was approved by shareholders at the Annual General Meeting held on 26 October 2023. Refer to section 7 for details of the performance rights which were issued to KMP during the year ended 30 June 2024.

SECTION 4

REMUNERATION REMUNERATION OF KMP

TABLE 2	SHORT TERM		OTHER	POST EMPLOYMENT	LONG TERM		
KMP REMUNERATION FOR THE YEAR ENDED 30 JUNE 2024	CASH SALARY /DIRECTOR FEE (1)	CASH BONUS (6)	LONG SERVICE LEAVE	SUPER-ANNUATION	RIGHTS	OPTIONS	TOTAL
2024	$	$		$		$	$
Non-Executive Directors:							
Christopher Whitehead	70,000	-	-	7,700	78,180	-	155,880
Geoff Neate (1)	55,000	-	-	-	47,305	-	102,305
John Nantes (1)	54,460	-	-	-	47,305	-	101,765
Brook Adcock (2)	-	-	-	-	-	-	-
Other KMP:							
Joshua Mundey	329,423	115,500	-	54,251	235,220	-	734,394
Michael Kafrouni (3)	211,538	75,000	-	31,894	72,532	-	390,964
James Aulsebrook (4)	103,846	31,250	-	15,017	-	-	150,113
Richard Rogers (5)	124,553	-	-	17,384	-	10,269	152,206
	948,820	221,750	-	126,246	480,542	10,269	1,787,627

(1) Includes GST where applicable
(2) Brook Adcock has chosen not to be paid for the period.
(3) Appointed 21 August 2023.
(4) Appointed 15 January 2024.
(5) Resigned 31 October 2023.
(6) The bonuses included in table 2 above are those which have been accrued in the financial results.

TABLE 3	SHORT TERM		OTHER	POST EMPLOYMENT	LONG TERM	
KMP REMUNERATION FOR THE YEAR ENDED 30 JUNE 2023	CASH SALARY /DIRECTOR FEE	CASH BONUS (8)	LONG SERVICE LEAVE	SUPER-ANNUATION	OPTIONS	TOTAL
2023	$	$		$	$	$
Non-Executive Directors:						
Christopher Whitehead (1)	37,917	-	-	3,981	-	41,898
Geoff Neate (2)	32,083	-	-	-	-	32,083
John Nantes	54,460	-	-	-	-	54,460
Brook Adcock (3)	-	-	-	-		-
Stephe Wilks (4)	34,375	-	-	-		34,375
Magali Azema-Barac (5)	20,835	-	-	-	-	20,835
Executive Directors:						
Klaus Bartosch (6)	124,510	-	-	10,322	-	134,832
Other KMP:						
Joshua Mundey (7)	278,607	128,493	-	27,915	-	435,015
Richard Rogers	270,000	62,500	-	35,225	10,440	378,165
	852,787	190,993	-	77,443	10,440	1,131,663

(1) Appointed 15 December 2022.
(2) Appointed 29 November 2022.
(3) Brook Adcock has chosen not to be paid for the period.
(4) Resigned 29 November 2022.
(5) Resigned 29 November 2022.
(6) Resigned 3 October 2022.
(7) Joshua Mundey was appointed Chief Executive Officer on 25 January 2023. Prior to this appointment he was the Chief Revenue Officer, a position he held since 17 Jun 2022. The remuneration disclosed in table 3 above represents his total remuneration for the period from 1 June 2022 to 30 June 2023.
(8) The bonuses included in table 3 above are those which have been accrued in the financial results.

Directors' Report - Remuneration Report *(cont.)*

SECTION 4

REMUNERATION REMUNERATION OF KMP *(cont.)*

The proportion of remuneration linked to performance and the fixed proportion are as follows:

TABLE 4	FIXED REMUNERATION		AT RISK - STI		AT RISK - LTI	
	2024	2023	2024	2023	2024	2023
Non-Executive Directors:						
Christopher Whitehead	50%	100%	-	-	50%	-
Geoff Neate	54%	100%	-	-	46%	-
John Nantes	54%	100%	-	-	46%	-
Brook Adcock	-	-	-	-	-	-
Stephe Wilks	N/A	100%	N/A	-	N/A	-
Magali Azema-Barac	N/A	100%	N/A	-	N/A	-
Executive Directors:						
Klaus Bartosch	N/A	100%	N/A	-	N/A	-
Other KMP:						
Joshua Mundey	52%	67%	16%	30%	32%	3%
Michael Kafrouni	62%	-	19%	N/A	19%	N/A
James Aulsebrook	79%	-	21%	N/A	-	N/A
Richard Rogers	93%	78%	-	17%	7%	5%

SERVICE AGREEMENTS

Non-Executive Directors'

Non-Executive Directors do not have fixed term contracts with the Company. On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation. Non-Executive directors retire by whichever is the longer period: the third annual general meeting following their appointment, or the third anniversary date of appointment, but may then be eligible for re-election. In addition the requirement that a minimum of 1/3 of the Directors retire each year means that Directors must retire every 2 years.

Executives

Remuneration and other terms of employment for the Executive Leadership Team are formalised in service agreements, in the form of a contract of employment.

Arrangements relating to remuneration of the Company's Executive Leadership Team currently in place are set out below:

TABLE 5	TITLE	TERM OF AGREEMENT	CURRENT BASE SALARY EXCLUDING SUPERANNUATION (1)	CONTRACTUAL TERMINATION BENEFIT/NOTICE PERIOD (2) (3)
Executive				
Joshua Mundey	Chief Executive Officer	Commenced 25 January 2023 on a rolling contract.	$330,000 + $30,000 allowance	3 months
Michael Kafrouni	Chief Operating Officer	Commenced 21 August 2023 on a rolling contract.	$270,000	3 months
James Aulsebrook	Chief Financial Officer	Commenced 15 January 2024 on a rolling contract.	$260,000	2 months

(1) Current base salaries excluding superannuation are quoted for the year commencing 1 July 2024 unless otherwise noted below. They are reviewed annually by the Remuneration and Nomination Committee. The salaries recorded in Table 2 and 3 are for the years ending 30 June 2024 and 30 June 2023.

(2) In case of termination of employment (without cause), the Executive is entitled to pro-rata STI for the year.

(3) In case of termination of employment (with cause), an STI is not awarded.

SECTION 5

RELATIONSHIP BETWEEN REMUNERATION & VISIONFLEX GROUP'S PERFORMANCE

Performance in respect of the current year and the previous two years is detailed in table 6 below:

TABLE 6	2024 $	2023 $	2022 $
Total profit/(loss) for the year ($)	(1,808,469)	(3,656,436)	(6,888,574)
Share price at the end of the year ($)	0.006	0.004	0.005
Increase/(decrease) in share price	50%	(20%)	N/A
Dividends paid	-	-	-

SECTION 6

VOTING & COMMENTS MADE AT THE COMPANY'S 2023 ANNUAL GENERAL MEETING ('AGM')

At the 2023 AGM, 96.34% of the votes received supported the adoption of the remuneration report for the year ended 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Directors' Report - Remuneration Report *(cont.)*

SECTION 7

DETAILS OF SHARE-BASED COMPENSATION

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Issue of performance rights

On 21 December 2023, 73,713,416 performance rights were issued to KMP under the Omnibus Plan. The performance rights were issued to the KMP as outlined in table 7:

TABLE 7	VESTING DATE 1 DECEMBER 2023	VESTING DATE 19 MAY 2024	VESTING DATE 29 JUNE 2024	VESTING DATE 21 MARCH 2025	VESTING DATE 29 AUGUST 2025	TOTAL
Christopher Whitehead	-	6,964,286	-	3,714,286	-	10,678,572
Geoff Neate	-	3,714,286	-	3,714,286	-	7,428,572
John Nantes	-	3,714,286	-	3,714,286	-	7,428,572
Joshua Mundey	10,627,434	-	10,627,434	-	14,169,912	35,424,780
Michael Kafrouni	-	-	6,376,460	-	6,376,460	12,752,920
Total	10,627,434	14,392,858	17,003,894	11,142,858	20,546,372	73,713,416

The terms and conditions of each tranche of performance rights affecting remuneration of the KMP in this financial year or future reporting years are as follows:

TABLE 8

GRANT DATE	VESTING DATE	NUMBER OF PERFORMANCE RIGHTS	SHARE PRICE HURDLE ($)	EXPIRY DATE	FAIR VALUE PER RIGHT AT GRANT DATE ($)
1 December 2023	1 December 2023	10,627,434	0.009	16 December 2028	0.0100
1 December 2023	19 May 2024	14,392,858	0.014	21 December 2026	0.0095
1 December 2023	29 June 2024	17,003,894	0.014	16 December 2028	0.0098
1 December 2023	21 March 2025	11,142,858	0.035	21 December 2026	0.0073
1 December 2023	29 August 2025	20,546,372	0.035	16 December 2028	0.0087
	Total	73,713,416			

Performance rights granted carry no dividend or voting rights. Vesting is subject to continuity of service.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other KMP in this financial year as outlined in table 2 are as follows:

TABLE 9

NAME	NUMBER OF OPTIONS GRANTED	GRANT DATE	VESTING PARTICULARS	EXPIRY DATE	EXERCISE PRICE	FAIR VALUE PER OPTION AT GRANT DATE
Richard Rogers	3,000,000	25/06/2021	1/3 vest in equal annual instalments	25/06/2026	$0.022	$0.022

Options granted carry no dividend or voting rights. Vesting is subject to continuity of service and there are no performance conditions.

The number of options over ordinary shares granted to and vested by directors and other KMP as part of compensation during the year ended 30 June 2024 are set out below:

TABLE 10

NAME	NUMBER OF OPTIONS GRANTED DURING THE YEAR 2024	NUMBER OF OPTIONS GRANTED DURING THE YEAR 2023	NUMBER OF OPTIONS VESTED DURING THE YEAR 2024	NUMBER OF OPTIONS VESTED DURING THE YEAR 2023
Klaus Bartosch (1)	-	-	-	-
Richard Rogers	-	-	-	1,333,334
Stephe Wilks (2)	-	-	-	-
Magali Azema-Barac (3)	-	-	-	-

(1) Resigned 3 October 2022
(2) Resigned 29 November 2022.
(3) Resigned 29 November 2022.

Directors' Report - Remuneration Report *(cont.)*

SECTION 8

HOLDINGS OF KMP

Shareholding

The number of shares in the Company held during the financial year by each KMP of the Group, including their personally related parties, is set out below:

TABLE 11 30 JUNE 2024	BALANCE AT THE START OF THE YEAR	RECEIVED AS PART OF REMUNERATION	ADDITIONS	DISPOSALS/ OTHER (1)	BALANCE AT THE END OF THE YEAR
Ordinary shares					
Christopher Whitehead	1,585,808	-	907,272	-	2,493,080
Geoff Neate	1,420,714	-	3,528,100	-	4,948,814
John Nantes	-	-	-	-	-
Brook Adcock	502,766,004	-	-	-	502,766,004
Joshua Mundey	-	-	-	-	-
Michael Kafrouni	-	-	-	-	-
James Aulsebrook	-	-	-	-	-
Richard Rogers	3,525,379	-	-	(3,525,379)	-
Total	**509,297,905**	**-**	**4,435,372**	**(3,525,379)**	**510,207,898**

(1) Other includes no longer being designated as a KMP, not necessarily a disposal of holding.

TABLE 12 30 JUNE 2023	BALANCE AT THE START OF THE YEAR	RECEIVED AS PART OF REMUNERATION	ADDITIONS	DISPOSALS/ OTHER (1)	BALANCE AT THE END OF THE YEAR
Ordinary shares					
Christopher Whitehead	-	-	1,585,808	-	1,585,808
Geoff Neate	-	-	1,420,714	-	1,420,714
John Nantes	-	-	-	-	-
Brook Adcock	502,766,004	-	-	-	502,766,004
Stephe Wilks	-	-	-	-	-
Magali Azema-Barac	-	-	-	-	-
Joshua Mundey	-	-	-	-	-
Richard Rogers	3,525,379	-	-	-	3,525,379
Klaus Bartosch	7,218,435	-	-	(7,218,435)	-
Total	**513,509,818**	**-**	**3,006,522**	**(7,218,435)**	**509,297,905**

(1) Other includes no longer being designated as a KMP, not necessarily a disposal of holding.

All equity transactions with KMP other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the company would have adopted if dealing at arm's length.

Performance Rights holding

The number of performance rights in the Company held during the financial year by each KMP of the Group, including their personally related parties, is set out below:

TABLE 13 30 JUNE 2024	BALANCE AT THE START OF THE YEAR	RECEIVED AS PART OF REMUNERATION	NET CHANGE OTHER (1)	BALANCE AT THE END OF THE YEAR
Performance Rights				
Christopher Whitehead	-	10,678,572	-	10,678,572
Geoff Neate	-	7,428,572	-	7,428,572
John Nantes	-	7,428,572	-	7,428,572
Brook Adcock	-	-	-	-
Joshua Mundey	-	35,424,780	-	35,424,780
Michael Kafrouni	-	12,752,920	-	12,752,920
James Aulsebrook	-	-	-	-
Richard Rogers	-	-	-	-
Total	**-**	**73,713,416**	**-**	**73,713,416**

(1) Net Change Other may represent no longer being designated as a KMP. It does not necessarily represent performance rights that have expired or have been forfeited.

TABLE 14 30 JUNE 2023	BALANCE AT THE START OF THE YEAR	RECEIVED AS PART OF REMUNERATION	NET CHANGE OTHER (1)	BALANCE AT THE END OF THE YEAR
Performance Rights				
Christopher Whitehead	-	-	-	-
Geoff Neate	-	-	-	-
John Nantes	-	-	-	-
Brook Adcock	-	-	-	-
Stephe Wilks	-	-	-	-
Magali Azema-Barac	-	-	-	-
Joshua Mundey	-	-	-	-
Richard Rogers	-	-	-	-
Klaus Bartosch	-	-	-	-
Total	**-**	**-**	**-**	**-**

(1) Net Change Other may represent no longer being designated as a KMP. It does not necessarily represent performance rights that have expired or have been forfeited.

Directors' Report - Remuneration Report *(cont.)*

SECTION 8

HOLDINGS OF KMP *(cont.)*

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

TABLE 15 30 JUNE 2024	BALANCE AT THE START OF THE YEAR	RECEIVED AS PART OF REMUNERATION	NET CHANGE OTHER (1)	BALANCE AT THE END OF THE YEAR
Options over ordinary shares				
Christopher Whitehead	-	-	-	-
Geoff Neate	-	-	-	-
John Nantes	-	-	-	-
Brook Adcock	-	-	-	-
Joshua Mundey	-	-	-	-
Michael Kafrouni	-	-	-	-
James Aulsebrook	-	-	-	-
Richard Rogers	5,000,000	-	(5,000,000)	-
Total	**5,000,000**	**-**	**(5,000,000)**	**-**

(1) Net Change Other may represent no longer being designated as a KMP. It does not necessarily represent options that have expired or have been forfeited.

TABLE 16 30 JUNE 2023	BALANCE AT THE START OF THE YEAR	RECEIVED AS PART OF REMUNERATION	NET CHANGE OTHER (1)	BALANCE AT THE END OF THE YEAR
Options over ordinary shares				
Christopher Whitehead	-	-	-	-
Geoff Neate	-	-	-	-
John Nantes	-	-	-	-
Brook Adcock	-	-	-	-
Stephe Wilks	4,246,000	-	(4,246,000)	-
Magali Azema-Barac	2,547,600	-	(2,547,600)	-
Joshua Mundey	-	-	-	-
Richard Rogers	5,000,000	-	-	5,000,000
Klaus Bartosch	23,436,386	-	(23,436,386)	-
Total	**35,229,986**	**-**	**(30,229,986)**	**5,000,000**

(1) Net Change Other may represent no longer being designated as a KMP. It does not necessarily represent options that have expired or have been forfeited.

SECTION 9

TRANSACTIONS WITH DIRECTORS & KMP

During the year ended 30 June 2024, the Group received $775,000 of funding via its $3,200,000 convertible note facility from Adcock Private Equity Pty Ltd, a Director related entity of Non-Executive Director, Brook Adcock.

As at 30 June 2024, the outstanding balance on the convertible note payable was $1,625,000 (2023: $850,000).

During the year ended 30 June 2024, the interest expense on the convertible note provided by Adcock Private Equity Pty Ltd was $159,981 (2023: $62,244).

During the year ended 30 June 2024, interest paid on the convertible note provided by Adcock Private Equity Pty Ltd was $52,814 (2023: $35,256).

As at 30 June 2024, interest accrued and still to be paid on the convertible note provided by Adcock Private Equity Pty Ltd was $134,155 (2023: $26,988).

End of Remuneration Report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Christopher Whitehead
CHAIR

20 September 2024
Sydney

PKF(NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839
755 Hunter Street, Newcastle West NSW 2302
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www.pkf.com.au

Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* to the Directors of Visionflex Group Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

PKF

P.Pearman

PAUL PEARMAN
PARTNER

20 SEPTEMBER 2024
SYDNEY, NSW

Statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 30 JUNE 2024	NOTE	CONSOLIDATED 2024 $	CONSOLIDATED 2023 RESTATED(*) $
Revenue from continuing operations	4	6,952,499	2,583,502
Interest revenue calculated using the effective interest method		3,518	1,478
Expenses			
Changes in inventories		46,188	32,428
Raw materials and consumables used		(2,760,981)	(1,062,892)
Advertising and marketing expenses		(122,348)	(264,210)
Professional and consulting fees		(608,506)	(732,624)
Operations and administration expenses		(847,513)	(1,122,611)
Employee benefits expense		(3,979,682)	(2,554,017)
Depreciation and amortisation expense	5	(19,351)	(26,618)
Loss on disposal of assets		-	(10,962)
Finance costs	5	(810,598)	(307,859)
Loss before income tax benefit/(expense) from continuing operations		**(2,146,774)**	**(3,464,385)**
Income tax benefit	6	617,535	616,219
Loss after income tax benefit/(expense) from continuing operations		(1,529,239)	(2,848,166)
Loss after income tax expense from discontinued operations	7	(304,878)	(807,491)
Loss after income tax benefit/(expense) for the year attributable to the owners of Visionflex Group Limited		**(1,834,117)**	**(3,655,657)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		98	(779)
Other comprehensive income for the year, net of tax		98	(779)
Total comprehensive income for the year attributable to the owners of Visionflex Group Limited		**(1,834,019)**	**(3,656,436)**
Total comprehensive income for the year is attributable to:			
Continuing operations		(1,529,141)	(2,848,945)
Discontinued operations		(304,878)	(807,491)
		(1,834,109)	**(3,656,436)**

(*) Prior year comparatives have been restated to show the impact of the GoBookings and PetYeti as discontinued operations.

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of profit or loss and other comprehensive income *(cont.)*

FOR THE YEAR ENDED 30 JUNE 2024	NOTE	2024 CENTS	2023 CENTS RESTATED (*)
Loss per share for loss from continuing operations attributable to the owners of Visionflex Group Limited			
Basic earnings per share	31	(0.11)	(0.22)
Diluted earnings per share	31	(0.11)	(0.22)
Loss per share for loss from discontinued operations attributable to the owners of Visionflex Group Limited			
Basic earnings per share	31	(0.02)	(0.06)
Diluted earnings per share	31	(0.02)	(0.06)
Loss per share for loss attributable to the owners of Visionflex Group Limited			
Basic earnings per share	31	(0.13)	(0.28)
Diluted earnings per share	31	(0.13)	(0.28)

(*) Prior year comparatives have been restated to show the impact of the GoBookings and PetYeti discontinued operations.

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of financial position

AS AT 30 JUNE 2024

	NOTE	CONSOLIDATED 2024 $	2023 $
ASSETS			
Current assets			
Cash and cash equivalents	8	1,160,936	1,442,802
Trade and other receivables	9	369,891	579,698
Contract assets	10	10,836	16,733
Inventories	11	647,739	601,551
Income tax receivable	6	549,934	588,000
Prepayments	12	85,209	97,981
Total current assets		2,824,545	3,326,765
Non-current assets			
Property, plant and equipment	13	51,314	16,774
Intangibles	14	6,048	12,299
Total non-current assets		57,362	29,073
Total assets		**2,881,907**	**3,355,838**
LIABILITIES			
Current liabilities			
Trade and other payables	15	2,411,346	3,624,437
Contract liabilities	16	1,410,972	252,394
Borrowings	17	4,218	5,406
Employee benefits	18	183,674	156,927
Total current liabilities		4,010,210	4,039,164
Non-current liabilities			
Contract liabilities	16	143,640	-
Borrowings	17	6,825,000	6,050,000
Employee benefits	18	9,939	6,636
Total non-current liabilities		6,978,579	6,056,636
Total liabilities		**10,988,789**	**10,095,800**
Net liabilities		**(8,106,882)**	**(6,739,962)**
Equity			
Issued capital	19	40,104,015	40,274,494
Reserves	20	3,355,605	2,717,929
Accumulated losses		(51,566,502)	(49,732,385)
Total deficiency in equity		**(8,106,882)**	**(6,739,962)**

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2024

CONSOLIDATED	ISSUED CAPITAL $	RESERVES $	ACCUMULATED LOSSES $	TOTAL DEFICIENCY IN EQUITY $
Balance at 1 July 2022	39,289,042	2,831,921	(46,076,728)	(3,955,765)
Loss after income tax benefit for the year	-	-	(3,655,657)	(3,655,657)
Other comprehensive loss for the year, net of tax	-	(779)	-	(779)
Total comprehensive income for the year	-	(779)	(3,655,657)	(3,656,436)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 19)	985,452	-	-	985,452
Share-based payments (note 20 and 30)	-	(113,213)	-	(113,213)
Balance at 30 June 2023	40,274,494	2,717,929	(49,732,385)	(6,739,962)

CONSOLIDATED	ISSUED CAPITAL $	RESERVES $	ACCUMULATED LOSSES $	TOTAL DEFICIENCY IN EQUITY $
Balance at 1 July 2023	40,274,494	2,717,929	(49,732,385)	(6,739,962)
Loss after income tax benefit for the year	-	-	(1,834,117)	(1,834,117)
Other comprehensive income for the year, net of tax	-	98	-	98
Total comprehensive income for the year	-	98	(1,834,117)	(1,834,019)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 19)	(170,479)	-	-	(170,479)
Share-based payments (note 20 and 30)	-	637,578	-	637,578
Balance at 30 June 2024	40,104,015	3,355,605	(51,566,502)	(8,106,882)

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	CONSOLIDATED 2024 $	2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		9,813,694	7,759,379
Payments to suppliers and employees (inclusive of GST)		(11,530,177)	(11,661,040)
Interest received		3,530	1,478
Interest and other finance costs paid		(543,084)	(625,510)
Government grant received (inclusive of GST)		264,000	-
Research and development tax credit received		634,562	878,219
Net cash used in operating activities	29	(1,357,475)	(3,647,474)
Cash flows from investing activities			
Payments for property, plant and equipment		(14,859)	(12,235)
Payments for intangibles		(8,342)	(17,635)
Proceeds from disposal of business		300,000	750,000
Net cash from investing activities		276,799	720,130
Cash flows from financing activities			
Proceeds from issue of shares, net of transaction costs		23,810	913,025
Proceeds from convertible notes facility		775,000	2,050,000
Repayment of borrowings		-	(600,000)
Net cash from financing activities		798,810	2,363,025
Net decrease in cash and cash equivalents		(281,866)	(564,319)
Cash and cash equivalents at the beginning of the financial year		1,442,802	2,007,121
Cash and cash equivalents at the end of the financial year	8	1,160,936	1,442,802

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the financial statements

30 JUNE 2024

NOTE 1

GENERAL INFORMATION

The financial statements cover Visionflex Group Limited as a Group consisting of Visionflex Group Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Visionflex Group Limited's functional and presentation currency.

Visionflex Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office
C/o Automic Group
Level 5, 126 Phillip Street
Sydney, NSW 2000

Principal place of business
Unit 1/8 Prosperity Parade
Warriewood, NSW 2102

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 20 September 2024. The Directors have the power to amend and reissue the financial statements.

STATEMENT OF COMPLIANCE

The financial report was authorised for issue on 20 September 2024.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

CHANGES IN ACCOUNTING STANDARDS AND REGULATORY REQUIREMENTS

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period:

- AASB 2021-2: amends the accounting standard to enhance accounting policy disclosures and clarify the distinction between accounting policies and accounting estimates.
- AASB 2021-5 narrows the initial recognition exemption, excluding transactions that result in equal and offsetting temporary differences. It clarifies that the exemption does not apply to transactions like leases and decommissioning obligations.
- AASB 2021-6 amends AASB 101, Presentation of Financial Statements, to enhance disclosures regarding long-term liabilities with covenants. It clarifies the information entities must provide when their right to defer settlement of these liabilities beyond twelve months is contingent on meeting conditions specified in loan agreements.
- AASB 2022-7 Editorial: This amendment to the standard makes editorial corrections to six Standards and to Practice Statement 2 Making Materiality Judgements.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

HISTORICAL COST CONVENTION

The financial statements have been prepared under the historical cost convention, except for derivative financial instruments at fair value.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's material accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

ROUNDING

All financial figures are rounded to the nearest whole number unless otherwise stated.

COMPARATIVES

Comparatives in the statement of profit or loss and other comprehensive income and some of the notes have been restated to consider the impact of the GoBookings and PetYeti businesses moving from being a continuing to a discontinued operation.

PARENT ENTITY INFORMATION

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 28.

Notes to the financial statements *(cont.)*

30 JUNE 2024

NOTE 2

CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES & ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

(i) Going concern

For the financial year, the Group made a loss after tax of $1,834,117 (2023: $3,655,657), had net operating cash outflow of $1,357,475 (2023: $3,647,474) and a negative net asset position of $8,106,882 (2023: $6,739,962). These conditions give rise to an uncertainty which may cast doubt over the Group's ability to continue as a going concern.

The Directors have reviewed the Group's profit and loss statement for year ended 30 June 2024, and the 15-month cash flow forecast for the period 1 July 2024 to 30 September 2025 which was determined from the FY25 Budget.

AASB 101 Presentation of Financial Statements requires Directors to determine the Group's ability to continue as a going concern for the purposes of preparing the consolidated financial statements. As such these profit and loss forecasts have been prepared to assist the Directors determine the Group's ability to continue as a going concern as follows.

FORECAST METHODOLOGY

Revenue has been assessed based on the business and type of revenue:

- Hardware sales have been assessed based on the strong existing pipeline of potential orders with assumptions made in respect of the proportion of hardware v recurring revenue included in the initial sale. In addition follow-on purchases (upsells of carts and peripheral devices) by existing customers have been forecast.

- Licensing and Support sales have been assessed for both new customers as well as renewal income as customer initial purchase anniversary dates are reached with assumptions made in respect of client retention rates and changes in price on the SaaS licenses and support.

The cost of sales for the Visionflex business has been estimated based off recent margins generated and adjusted in the forecast period for changes to the strategic direction of the company.

Operating costs have been based on recent historic trends and knowledge of the change to the underlying cost structure of the Group post shutting down GoBookings/PetYeti.

The cashflows have been modelled based on the relationship to operating profit, based on the history of receipts compared to revenue and the history of payments compared to outflows in recent years plus an assessment of the timing of receipts and payments for components related to hardware sales.

ASSESSMENT

The Directors have determined the Group will be able to pay its debts as and when they fall due after assessing the forecast prepared.

In the Directors' opinion, the ability of the Group to continue as a going concern is primarily dependent upon:

- Significantly improved operating financial results after a strategic restructure in FY23, growth of the Visionflex business in FY24 and the exiting of loss making businesses: GoBookings and PetYeti;

- As a Company listed on Australian Securities Exchange, the Directors are confident the Group will have the ability to raise capital in the future, if required. This has been evident in multiple capital raises which have occurred in recent years including the successful capital raise conducted in July 2024;

- The credit facilities on offer with Mr John Plummer and Adcock Private Equity. The facilities total $8,400,000 of which $960,000 is currently drawn after the Completion of the Capital Raising activities in July 2024. Adcock Private Equity has confirmed in writing that the undrawn portion of their facility will be available until at least the end of September 2025;

- The Group is confident of the continued support from its facility providers who are major shareholders and have signed confirmations confirming the facilities will not be called upon until at least the end of September 2025.

The Directors are confident in the Group's ability to achieve the forecasts or cover any shortfall to them and have, therefore, concluded that it is appropriate to adopt, and have adopted, the going concern basis in preparing the consolidated financial statements. The Directors are of the view that the Group will be able to pay its debts as and when they become due from net cash from operating activities and from existing funds on hand.

However, in the event that the Group is unable to achieve the outcomes in relation to the aforementioned, such circumstances would indicate that uncertainty exists that may cast significant doubt as to whether the Group will continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the consolidated financial statements.

The consolidated financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

(ii) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

(iii) Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

(iv) Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the

NOTE 2 *(cont.)*

CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES & ASSUMPTIONS

current and deferred tax provisions in the period in which such determination is made.

(v) Business combinations

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation, amortisation and impairment reported.

NOTE 3

OPERATING SEGMENTS

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

IDENTIFICATION OF REPORTABLE OPERATING SEGMENTS

The Group was organised into three reportable operating segments:

- Legacy 1ST Group Booking Businesses (comprising GoBookings and PetYeti which were shut down in 2H FY24)
- Visionflex
- Corporate head office

All operating segments are located in Australia. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors and Executive Management Team (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews Adjusted EBITDA (earnings before interest, tax, depreciation, amortisation adjusted for the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as the gain on the disposal of discontinued operation and impairments where the impairment is the result of an isolated event). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis and discussed as part of each Board meeting.

TYPES OF PRODUCTS & SERVICES

The principal products and services of each of these operating segments are as follows:

- Legacy 1ST Group Businesses – The provision of healthcare and corporate online search and appointment booking services.

- Visionflex – Virtual healthcare solutions and peripheral medical devices that integrate into proprietary developed software for remote diagnostics and patient care.

Notes to the financial statements *(cont.)*

30 JUNE 2024

NOTE 3 *(cont.)*

OPERATING SEGMENTS

OPERATING SEGMENT INFORMATION

2024	VISIONFLEX $	LEGACY 1ST GROUP BUSINESSES $	CORPORATE HEAD OFFICE $	TOTAL $
Revenue	6,952,499	1,173,196	-	8,125,695
Cost of goods sold	(2,714,793)	(583,039)	-	(3,297,832)
Gross profit	**4,237,706**	**590,157**	**-**	**4,827,863**
Staff costs	(2,356,286)	(773,276)	(985,817)	(4,115,379)
Other operating costs	(768,369)	(140,357)	(794,895)	(1,703,621)
EBITDA	**1,113,051**	**(323,476)**	**(1,780,712)**	**(991,137)**
Business restructuring costs	-	(281,414)	-	(281,414)
Depreciation and amortisation	(11,647)	-	(7,703)	(19,350)
Gain on disposal of discontinued operation	-	300,000	-	300,000
Other non-operating costs	(7,798)	-	(7,307)	(15,105)
Share based payments	-	-	(637,578)	(637,578)
Interest revenue	-	12	3,518	3,530
Finance costs	(29,049)	-	(781,549)	(810,598)
Profit/(Loss) before income tax benefit	**1,064,557**	**(304,878)**	**(3,211,331)**	**(2,451,652)**
Income tax benefit	617,535	-	-	617,535
Profit/(Loss) after income tax benefit	**1,682,092**	**(304,878)**	**(3,211,331)**	**(1,834,117)**
Segment assets	2,832,175	-	49,732	2,881,907
Segment liabilities	2,342,912	-	8,645,877	10,988,789

2023	VISIONFLEX $	LEGACY 1ST GROUP BUSINESSES $	CORPORATE HEAD OFFICE $	TOTAL $
Revenue	2,583,502	3,983,149	-	6,566,651
Cost of goods sold	(1,062,892)	(1,190,887)	-	(2,253,779)
Gross profit	**1,520,610**	**2,792,262**	**-**	**4,312,872**
Staff costs	(1,438,344)	(2,298,455)	(1,228,886)	(4,965,685)
Other operating costs	(1,150,705)	(1,712,228)	(919,360)	(3,782,293)
EBITDA	**(1,068,439)**	**(1,218,421)**	**(2,148,246)**	**(4,435,106)**
Depreciation and amortisation	(12,292)	(14,783)	(25,288)	(52,363)
Gain on disposal of discontinued operation	-	743,367	-	743,367
Other non-operating costs	(11,211)	-	(9,187)	(20,398)
Share based payments	-	-	113,213	113,213
Interest revenue	-	-	1,478	1,478
Finance costs	(26,302)	(317,652)	(278,113)	(622,067)
Loss before income tax benefit	**(1,118,244)**	**(807,489)**	**(2,346,143)**	**(4,271,876)**
Income tax benefit	616,219	-	-	616,219
Loss after income tax benefit	**(502,025)**	**(807,489)**	**(2,346,143)**	**(3,655,657)**
Segment assets	887,943	178,728	2,289,167	3,355,838
Segment liabilities	1,557,168	91,851	8,446,782	10,095,801

INTERSEGMENT TRANSACTIONS

There were no intersegment transactions during the financial years ended 30 June 2024 and 30 June 2023.

INTERSEGMENT RECEIVABLES, PAYABLES & LOANS

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

MAJOR CUSTOMERS

During the year ended 30 June 2024, the contracts with Western Australia Primary Health Alliance contributed more than 10% to the Group's external revenue. During the year ended 30 June 2023 no single customer contributed 10% or more to the Group's external revenue.

Notes to the financial statements *(cont.)*

30 JUNE 2024

NOTE 4

REVENUE

FROM CONTINUING OPERATIONS	CONSOLIDATED 2024 $	2023 $
Revenue from contracts with customers		
Medical hardware revenue	5,977,315	2,285,346
Software and support revenue	676,767	225,979
	6,654,082	2,511,325
Other revenue		
Other revenue	298,417	72,177
Revenue from continuing operations	**6,952,499**	**2,583,502**

DISAGGREGATION OF REVENUE

The disaggregation of revenue from contracts with customers is as follows:

	CONSOLIDATED 2024 $	2023 $
Timing of revenue recognition		
Goods transferred at a point in time	6,275,732	2,357,523
Services transferred over time	676,767	225,979
	6,952,499	**2,583,502**

The majority of revenue from contracts with customers is generated in Australia.

ACCOUNTING POLICY

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

SPECIFIC REVENUE RECOGNITION POLICIES

Medical hardware revenue

Revenue from the sale of medical hardware is recognised upon the customer's receipt of the hardware. This recognition is based on the transfer of control, where the customer assumes ownership and the associated risks and rewards, signifying the completion of the performance obligation.

Software and support revenue

Software and support fees are recognised as revenue in alignment with the delivery of services. These services are generally provided on a straight-line basis over the contractual term, as detailed in the agreement signed with the customer.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Other revenue

Other revenue is recognised either upon receipt of payment or when the right to receive payment has been firmly established. This determination is made in accordance with the relevant contractual terms, ensuring that all performance obligations have been fulfilled and that the revenue can be reliably measured. In cases where payment is received in advance or a right to future payment is secured, revenue recognition occurs once all conditions for entitlement are satisfied, adhering to the applicable financial reporting standards.

NOTE 5

EXPENSES

Loss before income tax from continuing operations includes the following specific expenses:

	CONSOLIDATED 2024 $	CONSOLIDATED 2023 $
Inventories recognised as an expense		
Inventories expensed	2,714,793	988,832
Depreciation		
Plant and equipment	618	789
Computer equipment	6,007	19,383
Make good asset	5,469	-
Leasehold improvements	151	-
Total depreciation	12,245	20,172
Amortisation		
Patents and trademarks	6,655	3,262
Software	451	602
Technology platform	-	2,582
Total amortisation	7,106	6,446
Total depreciation and amortisation	19,351	26,618
Finance costs		
Interest and finance charges paid/payable on borrowings	810,598	307,859
Leases		
Short-term lease payments	132,140	85,367
Superannuation expense		
Defined contribution superannuation expense	313,270	270,720
Share-based payments expense		
Share-based payments expense/(reversal)	637,578	(53,210)

ACCOUNTING POLICY

Inventories: Inventories are expensed as cost of goods sold when the related goods are recognised as revenue. The cost of inventory includes all costs of purchase, costs of conversion, and other costs incurred in bringing the inventory to its present location and condition, and is measured on a 'first in first out' basis.

Leases: Lease payments on short-term leases with terms of 12 months or less and leases of low-value assets are expensed to profit or loss as incurred.

Finance costs: Finance costs are expensed in the period in which they are incurred.

Superannuation expense: Contributions to superannuation plans are expensed in the period in which they are incurred.

Share-based payments: Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The costs of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, they are treated as if they have vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

NOTE 6

INCOME TAX

	CONSOLIDATED 2024 $	2023 $
Income tax benefit		
Current tax	(549,934)	(588,000)
Adjustment recognised for prior periods	(67,601)	(28,219)
Aggregate income tax benefit	(617,535)	(616,219)
Income tax benefit is attributable to:		
Loss from continuing operations	(617,535)	(616,219)
Loss from discontinued operations	-	-
Aggregate income tax benefit	(617,535)	(616,219)
Numerical reconciliation of income tax (benefit)/expense and tax at the statutory rate		
Loss before income tax benefit/(expense) from continuing operations	(2,146,774)	(3,895,590)
Loss before income tax expense from discontinued operations	(304,878)	(376,286)
	(2,451,652)	(4,271,876)
Tax at the statutory tax rate of 25%	(612,913)	(1,067,969)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Amortisation of intangibles	1,776	2,370
Entertainment expenses	234	174
Share-based payments	159,395	(28,303)
Research and development expenditure	316,054	-
Research and development tax offset	(549,934)	(588,000)
Sundry items	32	4
Subtotal	**(685,356)**	**(1,681,724)**
Current year tax losses not recognised	125,010	791,534
Current year temporary differences not recognised	10,412	302,190
Adjustment recognised for prior periods	(67,601)	(28,219)
Income tax (benefit)/expense	(617,535)	(616,219)

	CONSOLIDATED 2024 $	2023 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Unused tax losses	9,793,662	10,037,414
Allowance for expected credit losses	14	4,189
Provision for impairment of inventories	76,761	98,174
Plant and equipment	5,002	4,324
Contract liabilities	142,708	42,030
Employee benefits	48,403	47,091
Accrued expenses	308,826	342,867
Other	95,630	122,872
Total deferred tax assets not recognised	10,471,006	10,698,961

The above potential tax benefit for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Unused tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

	CONSOLIDATED 2024 $	2023 $
Deferred tax liabilities not recognised		
Deferred tax liabilities not recognised comprises temporary differences attributable to:		
Prepayments	21,143	24,495
Other	8,737	-
Total deferred liabilities not recognised	29,880	24,495

The above potential tax liability from taxable temporary differences has not been recognised in the statement of financial position as the differences are more than offset by the deductible temporary differences outlined above.

	CONSOLIDATED 2024 $	2023 $
Income tax refund due		
Income tax refund due	549,934	588,000

Income tax refund due represents the research and development tax credit.

Notes to the financial statements *(cont.)*

30 JUNE 2024

NOTE 6 *(cont.)*

INCOME TAX

ACCOUNTING POLICY

The income tax expense or benefit for the period is the tax payable or refundable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Visionflex Group Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime with effect from 29 May 2015. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

Research and development tax credit

The Group has adopted the income approach to accounting for research and development tax offsets pursuant to AASB 120 'Accounting for Government Grant and Disclosure of Government Assistance' whereby the tax credit is recognised in profit or loss on a systematic basis over the periods in which the Group recognises the eligible expenses. Where the related costs are capitalised as an asset, the Group recognises the tax credit in profit or loss on a systematic basis matching the useful life of the asset.

NOTE 7

DISCONTINUED OPERATIONS

SUMMARY OF DISCONTINUED OPERATIONS	2024 $	2023 $
MyHealth1st Business	89,355	(376,286)
GoBookings and PetYeti Businesses	(394,233)	(431,205)
	(304,878)	(807,491)

(1) MYHEALTH1ST BUSINESS

Description

On 21 April 2023, the Group entered into an agreement to sell the business of MyHealth1st to HealthShare Pty Ltd for cash consideration of $750,000 and contingent consideration of up to $500,000. The transaction included the sale of assets, client agreements, supplier agreements, intellectual property, business names and domain names. The transaction was completed on 30 June 2023. Financial information relating to the discontinued operation is set out below.

Financial performance information	CONSOLIDATED 2024 $	2023 $
Revenue	(865)	2,098,481
Advertising and marketing expenses	-	(124,334)
Professional and consulting fees	-	(344,764)
Employee benefits expense	(155,430)	(1,267,089)
Operations and administration expenses	(54,350)	(1,149,663)
Depreciation and amortisation expense	-	(12,526)
Loss on disposal of assets	-	(2,258)
Finance costs	-	(317,500)
Total expenses	(209,780)	(3,218,134)
Loss before income tax expense	(210,645)	(1,119,653)
Income tax expense	-	-
Loss after income tax expense	(210,645)	(1,119,653)
Gain on disposal	300,000	743,367
Income tax expense	-	-
Gain on disposal after income tax expense	300,000	743,367
Profit/(Loss) after income tax expense from discontinued operations	89,355	(376,286)

Cash flow information	CONSOLIDATED 2024 $	2023 $
Net cash used in operating activities	(175,059)	(1,123,179)
Net cash from investing activities	300,000	749,275
Net cash from financing activities	-	-
	124,941	(373,904)

Notes to the financial statements *(cont.)*

30 JUNE 2024

NOTE 7 *(cont.)*

DISCONTINUED OPERATIONS

Carrying amounts of assets and liabilities disposed

	CONSOLIDATED 2024 $	2023 $
Intangibles	-	6,633
Total assets	-	6,633
Net assets	-	6,633

Details of the disposal

	CONSOLIDATED 2024 $	2023 $
Total sale consideration	300,000	750,000
Carrying amount of net assets disposed	-	(6,633)
Gain on disposal before income tax	300,000	743,367
Gain on disposal after income tax	300,000	743,367

Contingent consideration

In the event the operations of the MyHealth1st achieved certain performance criteria as specified in the sale agreement, additional cash consideration of up to $500,000 was to be received. During the year ended 30 June 2024, a further $300,000 of consideration was received in respect of the MyHealth1st business sale. The fair value of the contingent consideration had been determined to be $nil as at 30 June 2023 so a gain of $300,000 was recognised in the Statement of profit or loss and other comprehensive income for the year ended 30 June 2024.

(2) GOBOOKINGS & PETYETI BUSINESSES

Description

Following a comprehensive review of the future prospects and opportunities for the PetYeti and GoBookings businesses, the Group determined that it was in the best interest of shareholders to shutdown these businesses. PetYeti ceased operating effective 1 March 2024 and GoBookings ceased operating effective 1 May 2024. Financial information relating to the discontinued operation is set out below.

Financial performance information

	CONSOLIDATED 2024 $	2023 $
Revenue	1,174,060	1,884,668
Interest revenue calculated using the effective interest method	12	-
Advertising and marketing expenses	(78,488)	-
Employee benefits expense	(860,428)	(1,031,366)
Operations and administration expenses	(629,389)	(1,284,356)
Finance costs	-	(151)
Total expenses	(1,568,305)	(2,315,873)
Loss before income tax expense	(394,233)	(431,205)
Income tax expense	-	-
Loss after income tax expense from discontinued operations	(394,233)	(431,205)

Cash flow information

	CONSOLIDATED 2024 $	2023 $
Net cash used in operating activities	(629,452)	(502,396)
Net cash from investing activities	-	-
Net cash from financing activities	-	-
	(629,452)	(502,396)

There were no assets or liabilities disposed of as part of the shutdown of GoBookings and PetYeti (Clinic Connect Pty Limited). The businesses were shut down so there was no consideration received and no gain or loss from the discontinued operation.

ACCOUNTING POLICY

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

NOTE 8

CURRENT ASSETS – CASH & CASH EQUIVALENTS

	CONSOLIDATED	
	2024 $	2023 $
Cash at bank	1,160,936	1,442,802

ACCOUNTING POLICY

Cash and cash equivalents refer to highly liquid assets that are readily available for use. This includes physical cash held on hand, as well as deposits that are held at call with financial institutions, meaning they can be withdrawn without prior notice or penalty. Cash and cash equivalents are recognised on the balance sheet at their nominal value.

NOTE 9

CURRENT ASSETS – TRADE & OTHER RECEIVABLES

	CONSOLIDATED	
	2024 $	2023 $
Trade receivables	295,678	522,975
Less: Allowance for expected credit losses	(55)	(16,754)
	295,623	506,221
Other receivables	74,268	73,477
	369,891	579,698

Allowance for expected credit losses

The Group has recognised a gain of $9,959 (2023: $82,743 loss) in profit or loss in respect of the expected credit losses for the year ended 30 June 2024. The gain arose from collecting a portion of the previously provided trade receivables.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	EXPECTED CREDIT LOSS RATE		CARRYING AMOUNT		ALLOWANCE FOR EXPECTED CREDIT LOSSES	
CONSOLIDATED	2024 %	2023 %	2024 $	2023 $	2024 $	2023 $
Not overdue	-	-	157,612	416,720	-	-
0 to 3 months overdue	-	-	137,955	73,826	-	-
3 to 6 months overdue	50%	50%	111	31,350	55	15,675
Over 6 months overdue	100%	100%	-	1,079	-	1,079
			295,678	522,975	55	16,754

Movements in the allowance for expected credit losses are as follows:

	CONSOLIDATED	
	2024 $	2023 $
Opening balance	16,754	1,790
Additional provisions recognised	55	82,743
Receivables previously provided for which were collected during the year	(9,959)	-
Receivables written off during the year as uncollectable	(6,795)	(67,779)
Closing balance	55	16,754

ACCOUNTING POLICY

Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Notes to the financial statements *(cont.)*

30 JUNE 2024

NOTE 10

CURRENT ASSETS - CONTRACT ASSETS

	CONSOLIDATED 2024 $	2023 $
Contract assets	10,836	16,733

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	2024 $	2023 $
Opening balance	16,733	114,856
Additions	130,032	16,733
Transfer to trade receivables	(130,032)	(50,500)
Write off of assets	(5,897)	(64,356)
Closing balance	10,836	16,733

NOTE 11

CURRENT ASSETS - INVENTORIES

	CONSOLIDATED 2024 $	2023 $
Raw materials and finished goods	954,782	994,247
Less: Provision for impairment	(307,043)	(392,696)
	647,739	601,551

ACCOUNTING POLICY

Raw materials and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable..

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTE 12

CURRENT ASSETS - PREPAYMENTS

	CONSOLIDATED 2024 $	2023 $
Prepayments	85,209	97,981

NOTE 13

NON-CURRENT ASSETS - PROPERTY, PLANT & EQUIPMENT

	CONSOLIDATED 2024 $	2023 $
Plant and equipment - at cost	18,670	18,670
Less: Accumulated depreciation	(15,191)	(14,573)
	3,479	4,097
Computer equipment - at cost	34,172	32,363
Less: Accumulated depreciation	(21,420)	(19,686)
	12,752	12,677
Make good asset - at cost	32,815	-
Less: Accumulated depreciation	(5,469)	-
	27,346	-
Leasehold improvements - at cost	7,888	-
Less: Accumulated depreciation	(151)	-
	7,737	-
	51,314	16,774

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

CONSOLIDATED	PLANT AND EQUIPMENT $	COMPUTER EQUIPMENT $	MAKE GOOD ASSET $	LEASEHOLD IMPROVEMENTS $	TOTAL
Balance at 1 July 2022	5,260	43,276	-	-	48,536
Additions	-	11,123	-	-	11,123
Disposals	(374)	(12,846)	-	-	(13,220)
Depreciation expense	(789)	(28,876)	-	-	(29,665)
Balance at 30 June 2023	4,097	12,677	-	-	16,774
Additions	-	6,082	32,815	7,888	46,785
Disposals	-	-	-	-	-
Depreciation expense	(618)	(6,007)	(5,469)	(151)	(12,245)
Balance at 30 June 2024	3,479	12,752	27,346	7,737	51,314

Notes to the financial statements *(cont.)*

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NOTE 14

NON-CURRENT ASSETS - INTANGIBLES

	CONSOLIDATED 2024 $	CONSOLIDATED 2023 $
Patents and trademarks - at cost	16,888	16,034
Less: Accumulated amortisation	(12,193)	(5,539)
	4,695	10,495
Software - at cost	13,004	13,004
Less: Accumulated amortisation	(11,651)	(11,200)
	1,353	1,804
Technology platform - at cost	1,691,984	1,691,984
Less: Accumulated amortisation	(1,691,984)	(1,691,984)
	-	-
	6,048	12,299

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

CONSOLIDATED	PATENTS AND TRADEMARKS $	SOFTWARE $	TECHNOLOGY PLATFORM $	TOTAL $
Balance at 30 June 2022	7,391	2,406	2,582	12,379
Additions	16,032	-	-	16,032
Disposals	(6,633)	-	-	(6,633)
Amortisation expense	(6,295)	(602)	(2,582)	(9,479)
Balance at 30 June 2023	10,495	1,804	-	12,299
Additions	855	-	-	855
Disposals	-	-	-	-
Amortisation expense	(6,655)	(451)	-	(7,106)
Balance at 30 June 2024	4,695	1,353	-	6,048

NOTE 15

CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	CONSOLIDATED 2024 $	CONSOLIDATED 2023 $
Trade payables	465,039	1,050,020
Accrued expenses	1,270,644	1,341,366
Funds held for capital raise	85,000	-
Customer deposits	-	728,494
Amounts owing to the ATO	371,674	159,446
Other payables	218,989	345,111
	2,411,346	3,624,437

Refer to note 22 for further information on financial instruments.

ACCOUNTING POLICY

Trade payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. They are classified as unsecured obligations, meaning no collateral has been provided against them. Typically, payment for these liabilities is made within 30 days of their recognition, in line with the Group's standard payment terms and contractual agreements with suppliers.

Accrued expenses and other payables

Accrued expenses and other liabilities are recognised when the Group has a present obligation arising from past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. These liabilities are measured at their fair value and adjusted regularly to reflect the passage of time or any other changes. The amounts are subject to periodic adjustments to account for the passage of time, changes in market conditions, or other relevant factors, ensuring that the liabilities remain accurately reported on the financial statements.

Notes to the financial statements *(cont.)*

30 JUNE 2024

NOTE 16

CURRENT & NON-CURRENT LIABILITIES - CONTRACT LIABILITIES

	CONSOLIDATED 2024 $	2023 $
Current liability	1,410,972	252,394
Non-current liability	143,640	-
	1,554,612	252,394
Reconciliation		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	252,394	296,447
Payments received in advance	1,554,612	425,580
Transfer to revenue - included in the opening balance	(252,394)	(296,447)
Transfer to revenue - other balances	-	(173,186)
Closing balance	1,554,612	252,394

ACCOUNTING POLICY

Contract liabilities represent unearned revenue for which the Group has an existing contract but has not yet fulfilled the related performance obligations. This revenue is recognised in accordance with the Group's revenue recognition policy. Contract liabilities are classified as current liabilities unless the associated performance obligation is expected to be satisfied beyond 12 months.

NOTE 17

CURRENT & NON-CURRENT LIABILITIES - BORROWINGS

	CONSOLIDATED 2024 $	2023 $
Current liability - short term finance	4,218	5,406
Non-current liability - convertible notes payable	6,825,000	6,050,000
	6,829,218	6,055,406

Refer to note 22 for further information on financial instruments.

The convertible notes payable relate to two facility agreements with investors. One facility is with a corner stone investor Mr Plummer totalling $5,200,000 (30 June 2023: $5,200,000) of which $5,200,000 is drawn at 30 June 2024 (30 June 2023: $5,200,000). The second facility relates to a facility with Adcock Private Equity totalling $3,200,000 (30 June 2023: $3,200,000) of which $1,625,000 was drawn as at 30 June 2024 (30 June 2023: $850,000).

The key terms of both facilities include:

- The Note with each investor is repayable 24 months from the date of each draw. Repayments of amounts drawn prior to July 2024 have been extended until at least September 2025;
- Line fee of 1% per annum;
- Interest rate of Reserve Bank of Australia cash rate plus 8.5% per annum, therefore currently 11.85% per annum, payable quarterly in arrears;
- The facility agreement includes a provision to renegotiate interest rate further downwards subject to the Group delivering three consecutive cash flow positive quarters;
- Usual covenants for a facility of this nature and scope including: unsecured obligation, no debt subordination without consent, anti-dilution provisions;
- Facility can be repaid in part or in full or reduced at any time at the election of the Group; and
- Provisions allowing for conversion into shares of a portion of the existing debt and the redraw of an equivalent amount in new drawing against the facilities.

Notes to the financial statements *(cont.)*

30 JUNE 2024

NOTE 17 *(cont.)*

CURRENT & NON CURRENT LIABILITIES - BORROWINGS

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	CONSOLIDATED 2024 $	CONSOLIDATED 2023 $
Total facilities		
Convertible notes payable	8,400,000	8,400,000
Used at the reporting date		
Convertible notes payable	6,825,000	6,050,000
Unused at the reporting date		
Convertible notes payable	1,575,000	2,350,000

Refer to note 22 for further information on financial instruments.

ACCOUNTING POLICY

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised as a financial liability as the quantum of shares to be issued on conversion cannot be determined until conversion. The carrying amount of the conversion option is remeasured in subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

NOTE 18

CURRENT & NON-CURRENT LIABILITIES - EMPLOYEE BENEFITS

	CONSOLIDATED 2024 $	CONSOLIDATED 2023 $
Current liability – annual leave provision	156,597	134,577
Current liability - long service leave provision	27,077	22,350
	183,674	156,927
Non-current liability - long service leave provision	9,939	6,636
	193,613	163,563

ACCOUNTING POLICY

Short-term employee benefits: Liabilities for annual leave and long service leave which are expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Long-term employee benefits: The liability for long service leave benefits not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Notes to the financial statements *(cont.)*

30 JUNE 2024

NOTE 19

EQUITY - ISSUED CAPITAL

	CONSOLIDATED 2024 SHARES	2023 SHARES	2024 $	2023 $
Ordinary shares - fully paid	1,416,991,197	1,416,991,197	40,104,015	40,274,494

Movements in ordinary share capital

DETAILS	DATE	SHARES	ISSUE PRICE	$
Balance	30 June 2022	1,288,173,816		39,289,042
Issue of shares	27 March 2023	65,359,541	$0.008	500,000
Issue of shares	5 May 2023	63,457,840	$0.008	485,452
Balance	30 June 2023	1,416,991,197		40,274,494
Transaction costs arising on share issues	28 June 2024	-		(170,479)
Balance	30 June 2024	1,416,991,197		40,104,015

On 26 June 2024, the Group announced that it was undertaking an institutional share placement and underwritten non-renounceable pro-rata entitlement offer to raise a total of up to $7,500,000 (before costs) (Equity Raising).

The placement component of the equity raising was successfully completed on 2 July 2024, raising $415,044 before costs with 83,008,800 of fully paid ordinary shares issued on 2 July 2024. Costs associated with the placement component of the equity raising were capitalised as transaction costs as at 30 June 2024. The Group received $85,000 of proceeds for the placement component before 30 June 2024, with the remaining $330,044 received on 1 July 2024. The proceeds received before 30 June 2024 have been recorded as funds held for capital raise. Refer to note 15 for further details.

The entitlement component of the equity raising was successfully completed on 24 July 2024. Under the entitlement offer:

- Cash proceeds of $886,530 (before costs), was raised from institutional and other professional investors;
- Major shareholder and convertible note holder Adcock Private Equity, applied its full debt balance ($1,625,000), along with accrued interest, to equity via the Entitlement Offer;
- Major shareholder and convertible note holder John Plummer, applied $4,580,000 of his debt balance to equity via the Entitlement Offer;
- Lead Manager and underwriter, Henslow Pty Ltd applied $215,098 of amounts owed for services performed to equity.

The majority of costs associated with the entitlement component of the equity raising were capitalised as transaction costs as at 30 June 2024.

ACCOUNTING POLICY

Ordinary shares are classified as equity. Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.

NOTE 20

EQUITY - RESERVES

	CONSOLIDATED 2024 $	2023 $
Foreign currency reserve	(686)	(784)
Share-based payments reserve	2,381,862	1,744,284
Acquisition reserve	974,429	974,429
	3,355,605	2,717,929

NOTE 20 *(cont.)*

EQUITY - RESERVES

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Acquisition reserve

The reserve is used to recognise equity benefits provided to the vendors on acquisition of subsidiaries made during the financial year ended 30 June 2015. This includes fair value of shares and options which is expected to be converted into issued capital in the future.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

CONSOLIDATED	FOREIGN CURRENCY $	SHARE-BASED PAYMENT $	ACQUISITION RESERVE $	TOTAL $
Balance at 1 July 2022	(5)	1,857,497	974,429	2,831,921
Foreign currency translation	(779)	-	-	(779)
Share-based payments expense	-	(113,213)	-	(113,213)
Balance at 30 June 2023	(784)	1,744,284	974,429	2,717,929
Foreign currency translation	98	-	-	98
Share-based payments expense	-	637,578	-	637,578
Balance at 30 June 2024	(686)	2,381,862	974,429	3,355,605

NOTE 21

EQUITY - DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

ACCOUNTING POLICY

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year but not distributed at the reporting date.

NOTE 22

FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk.

Refer to the Directors Report for further information about the risk management strategies undertaken by the Group.

MARKET RISK

Foreign currency risk

The Group is not exposed to any significant foreign currency risk with the majority of sales (95%+ for the year ended 30 June 2024), being made to Australian customers.

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

NOTE 22 *(cont.)*

FINANCIAL INSTRUMENTS

As at the reporting date, the Group had the following variable rate borrowings outstanding and assets held:

	CONSOLIDATED	
	2024 $	2023 $
Borrowings - convertible notes payable	6,825,000	6,050,000
Borrowings - short term finance	4,218	5,406
Cash at bank	(1,160,936)	(1,442,802)
Net exposure to cash flow interest rate risk	5,668,283	4,612,604

The interest rate which applies to the convertible notes payable, is the Reserve Bank of Australia cash rate plus 8.5% per annum, therefore currently 11.85% per annum, payable quarterly in arrears.

An analysis by remaining contractual maturities in shown in 'liquidity and interest rate risk management' below.

An official increase in interest rates of 50 (2024: 400) basis points for the full financial year on the convertible notes payable, would have an adverse effect on profit before tax of $33,501 (2023: $184,504) per annum. An official decrease in interest rates of 50 (2024: 400) basis points for the full financial year on the convertible notes payable, would have had a favourable effect on profit before tax of $33,501 (2023: $184,504) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

As at 30 June 2024 and 30 June 2023 the Group does not have a concentration of credit risk exposure.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

LIQUIDITY RISK

Liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

Unused borrowing facilities at the reporting date:

	CONSOLIDATED	
	2024 $	2023 $
Convertible notes payable	1,575,000	2,350,000

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Notes to the financial statements *(cont.)*

30 JUNE 2024

NOTE 22 *(cont.)*

FINANCIAL INSTRUMENTS

CONSOLIDATED - 2024	WEIGHTED AVERAGE INTEREST RATE %	1 YEAR OR LESS $	BETWEEN 1 AND 2 YEARS $	BETWEEN 2 AND 5 YEARS $	OVER 5 YEARS $	REMAINING CONTRACTUAL MATURITIES $
NON-DERIVATIVES						
Non-interest bearing						
Trade payables	-	465,039	-	-	-	465,039
Accrued expenses	-	1,270,644	-	-	-	1,270,644
Funds held for capital raise	-	85,000	-	-	-	85,000
Amounts owing to the ATO	-	371,674	-	-	-	371,674
Other payables	-	218,989	-	-	-	218,989
Interest-bearing - variable						
Convertible notes payable	12.01%	-	6,825,000	-	-	6,825,000
Interest-bearing - fixed rate						
Short term finance	6.25%	4,218	-	-	-	4,218
Total non-derivatives		**2,415,564**	**6,825,000**	**-**	**-**	**9,240,564**

CONSOLIDATED - 2023	WEIGHTED AVERAGE INTEREST RATE %	1 YEAR OR LESS $	BETWEEN 1 AND 2 YEARS $	BETWEEN 2 AND 5 YEARS $	OVER 5 YEARS $	REMAINING CONTRACTUAL MATURITIES $
NON-DERIVATIVES						
Non-interest bearing						
Trade payables	-	1,050,020	-	-	-	1,050,020
Other payables	-	345,111	-	-	-	345,111
Interest-bearing - variable						
Convertible notes payable	11.69%	762,300	6,431,150	-	-	7,193,450
Interest-bearing - fixed rate						
Short term finance	5.70%	5,441	-	-	-	5,441
Total non-derivatives		**2,162,872**	**6,431,150**	**-**	**-**	**8,594,022**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

NOTE 23

FAIR VALUE MEASUREMENT

FAIR VALUE HIERARCHY

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

CONSOLIDATED - 2024	LEVEL 1 $	LEVEL 2 $	LEVEL 3 $	TOTAL $
Asset				
Financial assets at fair value through profit or loss - contingent consideration*	-	-	-	-
Total assets	**-**	**-**	**-**	**-**

*Financial assets at fair value through profit or loss - contingent consideration receivable, arising from the sale of the MyHealth1st (see note 7), is measured at fair value and classified as level 3, under the 3 level hierarchy. At the date of sale the fair value of the contingent consideration was determined to be $nil.

The Group held no assets and liabilities, measured or disclosed at fair value during the financial year ended 30 June 2024 (2023: nil).

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

NOTE 24

KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	CONSOLIDATED 2024 $	CONSOLIDATED 2023 $
Short-term employee benefits	1,170,570	1,043,780
Post-employment benefits	126,246	77,443
Share-based payments	490,811	10,440
	1,787,627	1,131,663

NOTE 25

REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by PKF(NS) Audit & Assurance Limited Partnership, the auditor of the Company, and unrelated firms:

	CONSOLIDATED 2024 $	CONSOLIDATED 2023 $
Audit services - PKF(NS) Audit & Assurance Limited Partnership		
Audit or review of the financial statements	125,000	135,000
Other services - PKF(NS) Audit & Assurance Limited Partnership		
Tax services	30,537	22,500
	155,537	157,500

NOTE 26

CONTINGENT LIABILITIES

There were no contingent liabilities which would have a material effect on the Group's financial statements as at 30 June 2024 (30 June 2023: nil).

NOTE 27

RELATED PARTY TRANSACTIONS

Parent entity

Visionflex Group Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in the Consolidated Entity Disclosure Statement.

Key management personnel

Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the Directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	CONSOLIDATED 2024 $	CONSOLIDATED 2023 $
Expenses:		
Interest paid to key management personnel and their related parties during the year	52,814	35,256
Included in the opening other payables balance to key management personnel and their related parties	(26,988)	-
Interest to key management personnel and their related parties from the year	134,155	26,988
	159,981	62,244

NOTE 27 *(cont.)*

RELATED PARTY TRANSACTIONS

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	CONSOLIDATED	
	2024 $	2023 $
Current payables:		
Other payables to key management personnel*	134,155	26,988

*Represents interest payable to key management personnel and their related parties.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	CONSOLIDATED	
	2024 $	2023 $
Non-current borrowings:		
Convertible note payable from key management personnel	1,625,000	850,000

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

NOTE 28

PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	PARENT	
	2024 $	2023 $
Loss after income tax	(4,694,755)	(4,885,870)
Total comprehensive income	**(4,694,755)**	**(4,885,870)**

Statement of financial position

	PARENT	
	2024 $	2023 $
Total current assets	101,747	1,273,964
Total assets	8,344,327	9,031,780
Total current liabilities	22,153,029	19,748,111
Total liabilities	28,987,968	25,888,796
Equity		
Issued capital	40,104,015	40,274,494
Share-based payments reserve	2,381,862	1,744,284
Acquisition reserve	974,429	974,429
Accumulated losses	(64,103,947)	(59,850,223)
Total deficiency in equity	**(20,643,641)**	**(16,857,016)**

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2023.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

NOTE 28 *(cont.)*

PARENT ENTITY INFORMATION

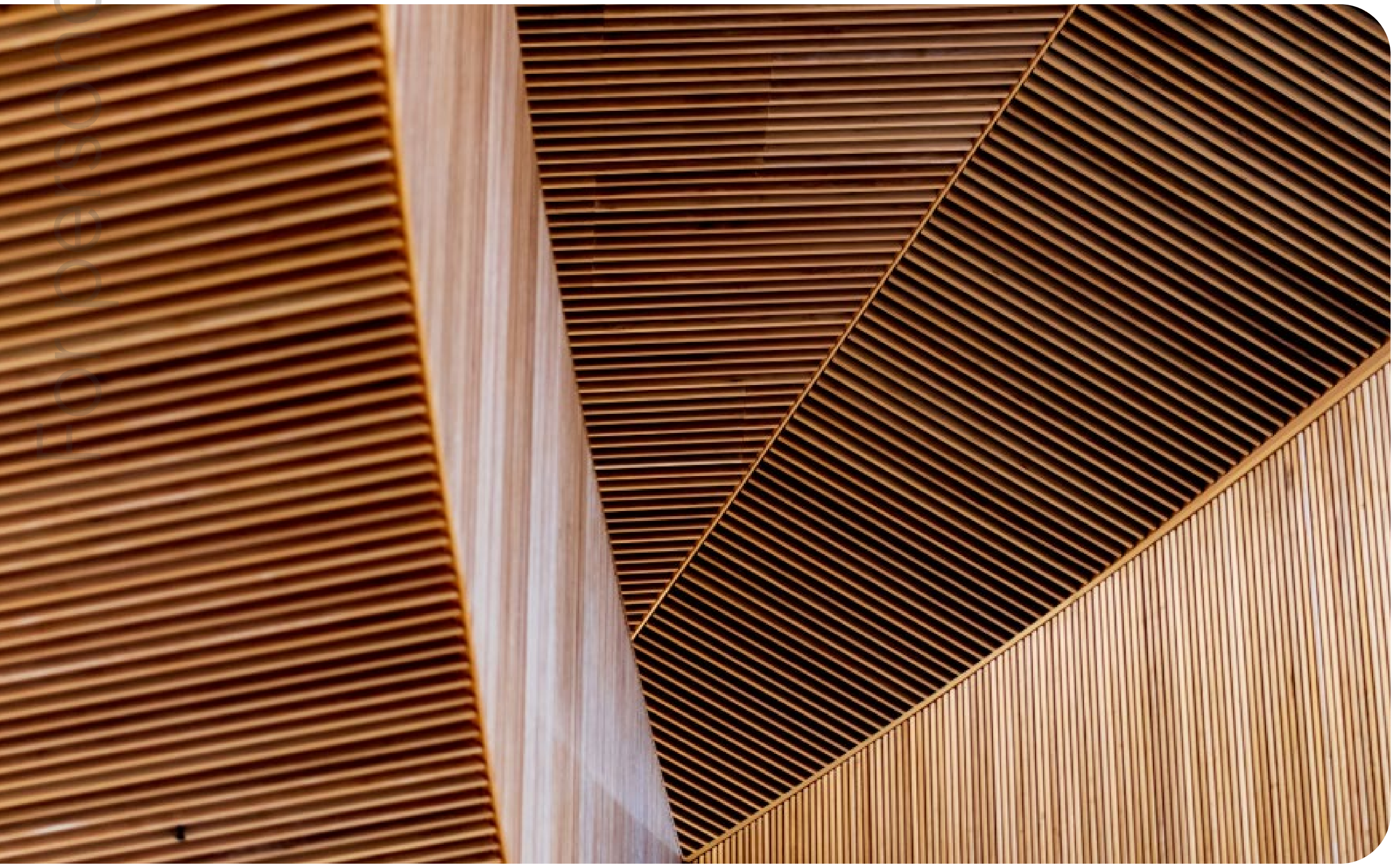
Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.



NOTE 29

CASH FLOW INFORMATION

Reconciliation of loss after income tax to net cash used in operating activities

	CONSOLIDATED	
	2024 $	2023 $
Loss after income tax benefit/(expense) for the year	(1,834,117)	(3,655,657)
Adjustments for:		
Net gain on disposal of business	(300,000)	(743,367)
Depreciation and amortisation	19,350	39,144
Net loss on disposal of property, plant and equipment	-	13,220
Share-based payments	637,578	(113,213)
Foreign exchange differences	98	(779)
Other non-cash transactions	(1,284)	5,406
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	209,807	(194,850)
Decrease in contract assets	5,897	98,123
Increase in inventories	(46,188)	(32,428)
Decrease in income tax receivable	38,066	262,000
Decrease in prepayments	12,772	92,265
Increase/(decrease) in trade and other payables	(1,431,722)	838,048
Increase/(decrease) in contract liabilities	1,302,218	(44,053)
Increase/(decrease) in employee benefits	30,050	(211,333)
Net cash used in operating activities	**(1,357,475)**	**(3,647,474)**

Notes to the financial statements *(cont.)*

30 JUNE 2024

NOTE 29 *(cont.)*

CASH FLOW INFORMATION

Changes in liabilities arising from financing activities

CONSOLIDATED	SHORT TERM FINANCE $	CONVERTIBLE NOTES PAYABLE $	OTHER* $	TOTAL $
Balance at 1 July 2022	-	4,000,000	600,000	4,600,000
Net cash from/(used in) financing activities	-	2,050,000	(600,000)	1,450,000
Settlement of expenses by means of finance facility	5,406	-	-	5,406
Balance at 30 June 2023	5,406	6,050,000	-	6,055,406
Net cash from/(used in) financing activities	(137,999)	775,000	-	637,001
Settlement of expenses by means of finance facility	136,811	-	-	136,811
Balance at 30 June 2024	**4,218**	**6,825,000**	**-**	**6,829,218**

*Finance facility of $650,010 inclusive of accrued interest of $50,010 acquired through business combination, included in other payables at 30 June 2022.

NOTE 30

SHARE-BASED PAYMENTS

The Group established in November 2023, after approval at the Company Annual General Meeting on 26 October 2023, the 1ST Group Omnibus Incentive Plan ('Omnibus Plan') to align long term incentives for directors and employees with the delivery of sustainable value to shareholders. Eligible participants include full or part-time employees, Directors and contractors, including any related body corporate. Participants are granted performance rights which vest over time, subject to meeting specific criteria. The performance rights are issued for no consideration and carry no entitlements to voting rights or dividends of the Company. The number of performance rights that may be issued by the Group under the Plan when aggregated with the number of options or shares issued during the previous three years under all other employee equity plans established by the Group (including as a result of exercise of options or shares granted during the previous five years) must not exceed 10% of the total number of shares on issue.

Set out below are summaries of options granted under the plan as at 30 June 2024:

2024

GRANT DATE	EXPIRY DATE	SHARE PRICE HURDLE	BALANCE AT THE START OF THE YEAR	GRANTED	EXERCISED	EXPIRED/ FORFEITED/ OTHER	BALANCE AT THE END OF THE YEAR
1/12/2023	16/12/2028	$0.009	-	24,794,100	-	-	24,794,100
1/12/2023	21/12/2026	$0.014	-	14,392,858	-	-	14,392,858
1/12/2023	16/12/2028	$0.014	-	17,003,894	-	-	17,003,894
1/12/2023	21/12/2026	$0.035	-	11,142,858	-	-	11,142,858
1/12/2023	16/12/2028	$0.035	-	20,546,372	-	-	20,546,372
				87,880,082	**-**	**-**	**87,880,082**
Weighted average share price hurdle				$0.020			$0.020

Set out below are the performance rights exercisable at the end of the financial year:

GRANT DATE	EXPIRY DATE	2024 NUMBER	2023 NUMBER
1/12/2023	16/12/2028	24,794,100	-

The weighted average share price during the financial year was $0.008 (2023: Not applicable).

The Group established the 1ST Group Share Option Plan ('Plan') on 29 November 2013 to align long term incentives for senior management and employees with the delivery of sustainable value to shareholders. Eligible participants include full or part-time employees, Directors and contractors, including any related body corporate. Participants are granted options which vest over time, subject to meeting specific criteria. The options are issued for no consideration and carry no entitlements to voting rights or dividends of the Company. The number of options that may be issued by the Group under the Plan when aggregated with the number of options or shares issued during the previous five years under all other employee equity plans established by the Group (including as a result of exercise of options or shares granted during the previous five years) must not exceed 5% of the total number of shares on issue. Options are forfeited automatically after the participant ceases to be employed by the Group , unless the Board determines otherwise (this is usually only in the case of redundancy, death or disablement).

In addition to the Plan, the Board at its discretion has issued share options to Non-Executive Directors, executive management and advisors. Set out below are summaries of options granted under the plan and those issued at the discretion of the Board.

NOTE 30 *(cont.)*

SHARE-BASED PAYMENTS

Set out below are summaries of options granted under the plan as at the end of each financial year:

2024

GRANT DATE	EXPIRY DATE	SHARE PRICE HURDLE	BALANCE AT THE START OF THE YEAR	GRANTED	EXERCISED	EXPIRED/ FORFEITED/ OTHER	BALANCE AT THE END OF THE YEAR
19/06/2014	19/06/2024	$0.230	211,876	-	-	(211,876)	-
30/06/2014	30/06/2024	$0.230	350,000	-	-	(350,000)	-
27/10/2014	27/10/2024	$0.230	1,965,935	-	-	(1,965,935)	-
14/04/2015	14/04/2025	$0.350	85,000	-	-	(35,000)	50,000
12/12/2018	12/12/2024	$0.110	1,000,000	-	-	(1,000,000)	-
15/08/2019	15/08/2024	$0.105	1,000,000	-	-	(1,000,000)	-
25/06/2021	25/06/2026	$0.022	4,390,000	-	-	(3,120,000)	1,270,000
30/11/2021	30/11/2026	$0.022	7,642,800	-	-	(7,642,800)	-
			16,645,611	**-**	**-**	**(15,325,611)**	**1,320,000**
Weighted average share price hurdle			$0.066	$0.000	$0.000	$0.066	$0.034

2023

GRANT DATE	EXPIRY DATE	SHARE PRICE HURDLE	BALANCE AT THE START OF THE YEAR	GRANTED	EXERCISED	EXPIRED/ FORFEITED/ OTHER	BALANCE AT THE END OF THE YEAR
19/06/2014	01/06/2024	$0.230	949,838	-	-	(737,962)	211,876
30/06/2014	01/06/2024	$0.230	350,000	-	-	-	350,000
27/10/2014	27/10/2024	$0.230	1,965,935	-	-	-	1,965,935
05/12/2014	01/01/2024	$0.230	368,981	-	-	(368,981)	-
13/04/2015	13/04/2025	$0.230	1,944,443	-	-	(1,944,443)	-
14/04/2015	14/04/2025	$0.350	110,000	-	-	(25,000)	85,000
17/09/2015	17/09/2025	$0.350	120,000	-	-	(120,000)	-
29/11/2017	29/11/2023	$0.110	2,000,000	-	-	(2,000,000)	-
29/11/2017	29/11/2023	$0.150	2,000,000	-	-	(2,000,000)	-
22/12/2017	22/12/2023	$0.105	1,175,000	-	-	(1,175,000)	-
12/12/2018	12/12/2024	$0.110	1,200,000	-	-	(200,000)	1,000,000
15/08/2019	15/08/2024	$0.105	1,000,000	-	-	-	1,000,000
15/11/2019	19/11/2024	$0.105	3,000,000	-	-	(3,000,000)	-
01/07/2019	01/07/2023	$0.060	713,413	-	-	(713,413)	-
02/01/2020	02/01/2024	$0.097	142,850	-	-	(142,850)	-
25/06/2021	25/06/2026	$0.022	13,590,000	-	-	(9,200,000)	4,390,000
30/11/2021	30/11/2026	$0.022	20,442,800	-	-	(12,800,000)	7,642,800
			51,073,260	**-**	**-**	**(34,427,649)**	**16,645,611**
Weighted average share price hurdle			$0.066	$0.000	$0.000	$0.066	$0.066

Set out below are the options exercisable at the end of the financial year:

GRANT DATE	EXPIRY DATE	2024 NUMBER	2023 NUMBER
19/06/2014	01/06/2024	-	211,876
30/06/2014	01/06/2024	-	350,000
27/10/2014	27/10/2024	-	1,965,935
14/04/2015	14/04/2025	50,000	85,000
12/12/2018	12/12/2024	-	1,000,000
15/08/2019	15/08/2024	-	1,000,000
25/06/2021	25/06/2026	1,270,000	2,926,666
30/11/2021	30/11/2026	-	7,642,800
		1,320,000	15,182,277

The weighted average share price during the financial year was $0.008 (2023: $0.007).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.94 years (2023: 2.65 years).

Notes to the financial statements *(cont.)*

30 JUNE 2024

NOTE 31

EARNINGS PER SHARE

	CONSOLIDATED 2024 $	CONSOLIDATED 2023 $
Loss per share for loss from continuing operations		
Loss after income tax attributable to the owners of Visionflex Group Limited	(1,529,239)	(2,848,166)

	CENTS	CENTS
Basic earnings per share	(0.11)	(0.22)
Diluted earnings per share	(0.11)	(0.22)

	CONSOLIDATED 2024 $	CONSOLIDATED 2023 $
Loss per share for loss from discontinued operations		
Loss after income tax attributable to the owners of Visionflex Group Limited	(304,878)	(807,491)

	CENTS	CENTS
Basic earnings per share	(0.02)	(0.06)
Diluted earnings per share	(0.02)	(0.06)

	CONSOLIDATED 2024 $	CONSOLIDATED 2023 $
Loss per share for loss		
Loss after income tax attributable to the owners of Visionflex Group Limited	(1,834,117)	(3,655,657)

	CENTS	CENTS
Basic earnings per share	(0.13)	(0.28)
Diluted earnings per share	(0.13)	(0.28)

Options have been excluded from the diluted earnings per share calculation as their inclusion would be anti-dilutive.

	2024 NUMBER	2023 NUMBER
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	1,416,991,197	1,315,274,125
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,416,991,197	1,315,274,125

ACCOUNTING POLICY

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to the owners of Visionflex Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTE 32

EVENTS AFTER THE REPORTING PERIOD

On 26 June 2024, the Group announced that it was undertaking an institutional share placement and underwritten non-renounceable pro-rata entitlement offer to raise a total of up to $7,500,000 (before costs) (Equity Raising).

The results of the Equity Raising are summarised as follows:

	CASH PROCEEDS (BEFORE COSTS) ($)	DIRECTLY APPLIED TO LIABILITIES ($)	TOTAL ($)
Share Placement	415,044	-	415,044
Non renounceable pro-rata entitlement	886,530	6,198,426	7,084,956
Total	**1,301,574**	**6,198,426**	**7,500,000**

Notes to the financial statements *(cont.)*

30 JUNE 2024

NOTE 32 *(cont.)*

EVENTS AFTER THE REPORTING PERIOD

The placement component of the equity raising was successfully completed on 2 July 2024, raising $415,044 before costs with 83,008,800 of fully paid ordinary shares and 27,669,598 options issued. Costs associated with the placement component of the equity raising were capitalised as transaction costs as at 30 June 2024. The Group received $85,000 of proceeds for the placement component before 30 June 2024, with the remaining $330,044 received on 1 July 2024.

The entitlement component of the equity raising was successfully completed on 24 July 2024. Under the entitlement offer:

- Cash proceeds of $886,530 (before costs), was raised from institutional and other professional investors;
- Major shareholder and convertible note holder Adcock Private Equity, applied its full debt balance ($1,625,000), along with accrued interest, to equity via the Entitlement Offer;
- Major shareholder and convertible note holder John Plummer, applied $4,580,000 of his debt balance to equity via the Entitlement Offer;
- Lead Manager and underwriter, Henslow Pty Ltd applied $215,098 of amounts owed for services performed to equity.

A total of 1,416,991,197 fully paid ordinary shares and 472,330,401 options were issued from the entitlement offer on 25 July 2024.

Post completion of the entitlement offer, the outstanding convertible notes balance was $960,000 (down from $6,825,000 as at 30 June 2024).

On 30 July 2024, 833,333 ordinary fully paid shares were issued on exercise of 833,333 performance rights.

On 6 August 2024, Visionflex Group Limited and Healthshare Pty Ltd signed a deed of settlement and release for the sale of MyHealth1st. The deed confirmed that both parties had fulfilled their obligations for the acquisition. Post-acquisition, Healthshare Pty Ltd paid some ongoing costs for the Group while separation activities were conducted, leaving the Group with an outstanding balance of $98,085 owing to Healthshare Pty Ltd, which was recorded in the 2024 financial statements. It was mutually agreed that this amount would be offset against the final completion payment, settling all financial obligations between the parties.

On 4 September 2024, 104,354,752 performance rights were issued to employees of the Group.

Consolidated Entity Disclosure Statement

AS AT 30 JUNE 2024

NAME	ENTITY TYPE	COUNTRY OF INCORPORATION	% SHARE CAPITAL HELD JUNE 2024	% SHARE CAPITAL HELD JUNE 2023	TAX RESIDENCY
Visionflex Group Limited	Body Corporate	Australia	100.00%	100.00%	Australia
Clinic Connect Pty Limited	Body Corporate	Australia	100.00%	100.00%	Australia
DocAppointments.com.au Pty Limited	Body Corporate	Australia	100.00%	100.00%	Australia
Gobookings Systems Pty Limited	Body Corporate	Australia	100.00%	100.00%	Australia
Visionflex Pty Ltd	Body Corporate	Australia	100.00%	100.00%	Australia
Visionflex, Inc.	Body Corporate	United States	100.00%	100.00%	United States

Directors' declaration

30 JUNE 2024

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Christopher Whitehead
Chair

20 September 2024
Sydney

PKF(NS) Audit & Assurance Limited Partnership
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Level 8, 1 O'Connell Street, Sydney NSW 2000

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info@pkf.com.au
www.pkf.com.au

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VISIONFLEX GROUP LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Visionflex Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising material accounting policy information and other explanatory information, the consolidated entity disclosure statement, and the directors' declaration of the Group and the consolidated entity comprising the Company and the entities it controlled at the year end or from time to time during the financial year.

In our opinion, the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the Financial Report, which describes that the Group has reported a loss for the financial year ended 30 June 2024 of $1,834,117, negative net assets position of $8,106,882 and net operating cash outflow of $1,357,475. Due to these events and conditions, the matters described in Note 2 indicate a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period. These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report. For the matters below, our description of how our audit addressed the matter is provided in that context.

1. Discontinued Operations

Why significant

During the 2024 financial year the Group ceased the operations of the Gobookings and PetYeti businesses.

In addition, the Group received contingent consideration and continued to incur expenditure related to the disposal of MyHealth1st that was completed on 30 June 2023. This transaction included the sale of assets, client agreements, supplier agreements, intellectual property, business names and domain names.

The Group's accounting policy in respect of discontinued operations is outlined in Note 7.

Accordingly, given the impact to the financial statements and future forecasts of the Group, we have determined this to be a key audit matter.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Reviewing the Group's process and controls related to the accounting for discontinued operations;
- Reviewing management's estimates and judgements used in their revenue and cost allocation methodology for the Gobookings, Pet Yeti and MyHeath1st discontinued operations;
- Testing performed over revenue, expenses and payroll allocated to discontinued operations to source documents, on a sample basis, to gain assurance over it is occurrence, accuracy and classification;
- Reviewing the terms and conditions contained in the MyHeath1st sale contract between the parties and vouching consideration to bank statements; and
- Assessing the appropriateness of the related disclosures in Note 7.

Key Audit Matters (cont'd)

2. Inventory Valuation

Why significant	How our audit addressed the key audit matter
The carrying value of the Group's inventory was $647,739 as at 30 June 2024. Inventory includes medical cameras and other hardware used in remote diagnostic solutions and virtual care. Given the rapid technological advancements in the medical sector, there is a significant risk that inventory may become obsolete or impaired. Accordingly, assessing inventory valuation is a key audit matter due to its potential impact on the financial statements and the inherent complexity involved in the evaluation of obsolescence of specialised medical equipment.	Our work included, but was not limited to, the following procedures: • Reviewing the Group's inventory management process; • Performing a physical inventory sample count to verify the existence and condition of inventory items; • Testing the valuation of inventory on a sample basis to ensure it is recorded at the lower of cost and net realisable value; • Evaluating the reasonableness of managements estimates and judgements regarding the provision for impairment through comparison to historical trends and outcomes; and • Assessing the appropriateness of the related disclosures in Note 11.

Other Information

Other information is financial and non-financial information in the annual report of the Group which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the Chairman's Letter, the Chief Executive's Report, the Financial and Operational Review, and the Directors' report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue and auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and other related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

PKF

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Visionflex Group Limited for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF

PKF

P. Pearman

PAUL PEARMAN
PARTNER

20 SEPTEMBER 2024
SYDNEY, NSW

Shareholder information

The shareholder information set out below was applicable as at 30 August 2024.

(1) DISTRIBUTION OF EQUITABLE SECURITIES

Analysis of number of equitable security holders by size of holding:

	ORDINARY SHARES		OPTIONS OVER ORDINARY SHARES		PERFORMANCE RIGHTS OVER ORDINARY SHARES	
	NUMBER OF HOLDERS	% OF TOTAL SHARES ISSUED	NUMBER OF HOLDERS	% OF TOTAL SHARES ISSUED	NUMBER OF HOLDERS	% OF TOTAL SHARES ISSUED
1 to 1,000	39	0.00	2	0.00	-	-
1,001 to 5,000	17	0.00	2	0.00	-	-
5,001 to 10,000	65	0.02	7	0.01	-	-
10,001 to 100,000	570	0.79	22	0.15	-	-
100,001 and over	430	99.19	56	99.84	16	100.00
	1,121	100.00	89	100.00	16	100.00
Holding less than a marketable parcel	657	0.001	-	-	-	-

Shareholder information *(cont.)*

(2) EQUITY SECURITY HOLDERS

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Mr John Charles Plummer	1,129,621,510	38.71%
Adcock Private Equity Pty Ltd <Adcock Private Equity A/C>	756,164,937	25.92%
Mr Michael John Harman & Mrs Elke Christine Harman	173,483,046	5.95%
Adcock Group Super Pty Ltd <Adcock Group S/F A/C>	95,266,667	3.27%
Ramcap Pty Ltd	80,244,934	2.75%
Towns Corporation Pty Ltd <PAE Family A/C>	53,861,203	1.85%
Henslow Pty Ltd	35,028,359	1.20%
David Oakley	32,999,998	1.13%
Facoory	31,000,000	1.06%
Mr Paul Alexander Ehrlich & Mrs Lauren Stacey Ehrlich <PAE & LSE Super Fund A/C>	26,046,222	0.89%
BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	24,100,000	0.83%
Mr Mark Broglio	21,100,000	0.72%
J P Morgan Nominees Australia Pty Limited	20,000,000	0.69%
Peter Shandley	19,875,219	0.68%
Mr Darrin Noel Adcock	15,000,000	0.51%
Tom Love	12,540,000	0.43%
Mr Robert Jacob Karp	12,318,469	0.42%
Neate Pty Ltd <Neate Family A/C>	10,248,000	0.35%
Steinert SMSF Pty Ltd <Steinert Super A/C>	10,000,000	0.34%
Phil Miller	8,250,000	0.28%
	2,567,148,564	**87.98%**

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares	508,319,999	89
Performance rights over ordinary shares	87,046,749	16

The following persons hold 20% or more of unquoted equity securities

Name	Class	Number held
(i) Options over ordinary shares		
Mr John Charles Plummer	Options over ordinary shares	282,666,667
Adcock Private Equity Pty Ltd <Adcock Private Equity A/C>	Options over ordinary shares	116,221,867
(ii) Performance rights over ordinary shares		
Seven Hills Lane Nominees P/L <Granny Smale Enterprises A/C>	Performance rights over ordinary shares	35,424,780

(3) SUBSTANTIAL HOLDERS

(i) The names of the substantial shareholders listed in the Group's register as at 30 June 2024 are outlined below, based on the shareholders last lodged Substantial Shareholder notice:

	Ordinary shares	
	Number held	% of total shares issued
Adcock Private Equity Pty Ltd (Adcock Private Equity A/C)	502,766,004	35.48
Mr John Charles Plummer	281,621,510	19.87
Michael John Harman and Elke Christine Harman	197,583,046	14.60

(ii) The names of the substantial shareholders listed in the Group's register as at 30 August 2024 are outlined below, based on the shareholders last lodged Substantial Shareholder notice unless otherwise outlined in the table below:

	Ordinary shares	
	Number held	% of total shares issued
Mr John Charles Plummer	1,129,621,510	38.73
Adcock Private Equity Pty Ltd (Adcock Private Equity A/C)	851,431,604	29.19
Michael John Harman and Elke Christine Harman (*)	197,583,046	6.77

(*) Substantial Shareholder notice not lodged however percentage of total shares issued reduced and amended to reflect reduced percentage of total shares issued held after capital raise.

Shareholder information *(cont.)*

(4) VOTING RIGHTS

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities which have voting rights.

(5) STOCK EXCHANGE LISTING– ORDINARY SHARES (AS OF 30 JUNE 2024)

Quotation has been granted for all the ordinary shares of the Company on the Australian Securities Exchange.

(6) RESTRICTED SECURITIES

As at 30 June 2024 and 30 August 2024 there are no restricted security classes recorded in the Company's share register.

(7) LISTING RULE 3.13.1 AND 14.3

The Company advises that the Annual General Meeting (AGM) of the Company is scheduled for Thursday 24 October 2024 at 10:00am (AEDT).

Further to Listing Rule 3.13.1, Listing Rule 14.3, nominations for election of directors at the AGM must be received not less than 30 Business Days before the meeting, being no later than Thursday, 12 September 2024.

(8) COMPANY SECRETARY

The name of the company secretary is Maria Clemente.

(9) REGISTERED OFFICE

c/o Automic Group
Level 5, 126 Phillip Street
Sydney, NSW 2000

Tel: +61 300 288 664

(10) REGISTER OF SECURITIES

The registers of securities are held at the following address:

Automic Registry Services
Level 5, 126 Phillip Street
Sydney, NSW 2000

Corporate directory

30 JUNE 2024

DIRECTORS

Christopher Whitehead - Non-Executive Director and Chair

Geoff Neate - Non-Executive Director

John Nantes - Non-Executive Director

Brook Adcock - Non-Executive Director

COMPANY SECRETARY

Maria Clemente

NOTICE OF ANNUAL GENERAL MEETING

The details of the annual general meeting of Visionflex Group Limited are:

10:00am on Thursday 24 October 2024 at:

Automic Group,
Level 5, 126 Phillip Street,
Sydney, NSW 2000

REGISTERED OFFICE

c/o Automic Group
Level 5, 126 Phillip Street
Sydney, NSW 2000

Tel: +61 300 288 664

PRINCIPAL PLACE OF BUSINESS

Unit 1/8 Prosperity Parade
Warriewood, NSW 2102

Tel: +61 2 8914 4000

SHARE REGISTER

Automic Registry Services
Level 5, 126 Phillip Street
Sydney, NSW 2000

AUDITOR

PKF(NS) Audit & Assurance Limited Partnership
Level 8, 1 O'Connell Street
Sydney, NSW 2000

SOLICITORS

Lander & Rogers
Level 15, 477 Collins Street
Melbourne VIC 3000

STOCK EXCHANGE LISTING

Visionflex Group Limited shares are listed on the Australian Securities Exchange (ASX code: VFX)

WEBSITE

https://www.vfx-group.com/

CORPORATE GOVERNANCE STATEMENT

The directors and management are committed to high standards of corporate governance. The Corporate Governance Statement sets out our commitment to best practice corporate governance in compliance with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ("Recommendations"), to the extent appropriate for the size and nature of the Group's operations.

The Corporate Governance Statement is to be lodged with ASIC on 20 September 2024 and has been approved by the Board of Directors. The Corporate Governance Statement can be found at: https://www.vfx-group.com/

visionflex group