

Victor Group Holdings Limited (ASX:VIG)



AGM Presentation 2021



Company Overview

- Victor Group Holdings Limited (“VIG” or the “Company”) was officially listed on the Australian Securities Exchange (“ASX”) on May 9, 2014 under the stock code VIG (hereinafter referred to as the company abbreviation).
- Since 2017 VIG’s predominate focus is providing its customers with enterprise management services as well as acting as an operator of cloud-enabled platforms.
- VIG provides SaaS, IaaS & PaaS solutions to customers, building and operating education cloud platforms which bring together best-in-class resources and applications from strategic partners such as education service and e-learning content providers and offering a wide range of e-learning solutions for educational institutions, students and parents.
- Education cloud platforms are digital educational resources enabled by cloud computing and other technologies. VIG connect with online leaning spaces and intelligent terminals to provide users with various supporting functions for teaching, learning, research, administration and social interactions, thereby facilitating a full and deep integration of information technologies and learning.

Company Business Model



VIG SaaS, IaaS & PaaS

SaaS, IaaS & PaaS is the core business of the group, which contributes most of the revenue and profit. Those services are aimed to enhance clients' management efficiency and cut the cost of the software development.



VIG Online Education service

Innovation according to the needs of customers in education through wide cooperation with partners to build a total solution from cloud to terminal

Online Education Business Model

Business model 1: Cloud Education solution – Technical Support

Clients require cloud education tools for their existing Students, teachers and courses. VIG provide technical devices and services to achieve online lesson preparation, teaching, homework distribution and collection, and assessments.

Target Clients: Schools, RTO (including TAFE, university) and other educational institutions

Business Model 2: Online Course Platform

VIG introduces and promotes online courses for students in PRC and Australia. Courses are provided by VIG and its joint partners, and students can choose their own courses. Schools and RTOs are our main Business clients, these include TAFE, universities and other educational institutions as course partners.

Tencent Support: VIG pre-installed Tencent Online Education OS on smart devices which were used in the schools. Tencent records the statistics on the revenue of VIG cooperation courses

Business model 3: Exclusive Reseller for the Courses on Tencent Classroom in Oceania

Potential Clients: Oceania students who requires more in-depth tutorial outside of their current curriculums.

Tencent Support: Tencent Classroom, and traffic statistics of Oceania students

Financial Highlights (1/3)

AUD 000's	FY2020	FY2021
SaaS, IaaS and PaaS solutions	5,459	8,246
Cloud education	353	340
Total Operating revenue	5,812	8,586
Gross Profit	729	1,481
<i>Gross Profit Margin</i>	12.6%	17.3%
Net Profit after Tax (NPAT)	(124)	(640)
<i>NPAT Margin</i>	(2.1%)	(7.5%)
Cash as at 30-Jun	397	1,180
Total Assets as at 30-Jun	16,421	13,855
Net Tangible Assets as at 30-Jun	8,541	5,044

Total revenue at \$8.58m in FY2021, up 47.7% compared to FY2020. Due in part to:

- Increase in SaaS, IaaS and PaaS solutions revenue with sales of inventory software with customised development.

Cloud Education service generating \$340k in revenue:

- Cloud education was decreased by 3.6% compared to FY2020. This due to market expansion is moving slower than anticipated. The Company will continue to seek opportunities to enter into the after-school sector, which going forward it should present as a solid market.

Financial Highlights (2 / 3)

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Gross profit margins has increased from 12.6% in FY2020 to 17.3% in FY2021:

- Predominantly due to higher profit margin on inventory sale.

NPAT was down from -\$124k in FY2020 to -\$640k in FY2021:

- Due to a large one-time amortisation of a capitalised VAT receivable (\$242k) and additional research and development cost (\$477k).
- As the development of Australian market is slower than expected, the management has reviewed the group's operational costs with a view to finding new strategies to explore the Australian market.

Financial Highlights (3 / 3)

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Net Tangible Assets as at 30-Jun-21 of \$5 m

- On 1 June 2021, the Company has completed the purchase of software together along with the necessary hardware for its operation for \$3.59m.
- The software is designed to assist with calculating what, when and how the difference in power sources should be purchased. This will help the Company in its current operation with the potential to cut down operating costs as well as reduce emissions.
- The software could also allow the Company in expanding its SaaS and PaaS offerings to customers who need to economise their energy consumptions and reduce emissions. The group anticipates that this software sets a solid foundation for future environmental related projects, which is in line with the current trend of energy conservation and emissions reduction policy that should deliver significant revenues within the next three years.

Cash at bank as at 30-Jun-21 of \$1.18m.

- The group recorded \$1.18M cash or cash equivalents position at the end of financial period which is increased by 297%. The management anticipates its cash flow will remain in a healthy state. Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the group based on known information.



The current **COVID-19 pandemic** is determining a

Strategic Growth Initiatives

- Rethinking of consumers' **behaviour and purchasing decisions**. Businesses are trending towards embracing technology to collaborate. And in the educational space, most tertiary institutions are relying on online education as oppose to traditional offline classroom learning.
- VIG intend to capitalise on this on-going trend is to acquire and deliver more Australian approved tertiary courses through its cloud based infrastructures.
- VIG sees an opportunity to accelerate the implementation of our growth strategy through strategic investment and targeted acquisitions for complementary technology, Australian education content, market share and/or operations for further Australian expansion.
- VIG will also seek to implement initiatives which can drive students to utilise their cloud educational platforms.

Education is the foundation upon
which we build our future!

An aerial photograph of a modern city skyline at sunset. The Burj Khalifa is the tallest building in the center. Other skyscrapers are visible on the left and right. A complex highway interchange is in the foreground. The sky is orange and pink from the setting sun.

Thank you