

## H1 FY25 Growing Recurring Revenue and Debt Reduction

### Highlights

- **\$1.6m Annual Recurring Revenue (ARR) up 114% as at 31 December 2024, on the prior comparison period (pcp).**
- **Reduced legacy debt levels from \$6.8m to \$2m as at 31 December 2024.**
- **Reduced current debt facilities from \$8.4m to \$4m as at 20 February 2025.**
- **H1 FY25 revenue of \$1.9m, down 42% on the pcp and an underlying EBITDA loss of \$1.3m, due to large one-off hardware sales being delivered in the pcp.**
- **The pipeline continues to grow and mature through the procurement process, albeit some delays in Q2 FY25, with several material contracts currently expected to reach selection stage during Q3 FY25.**
- **Targeting to reach run rate EBITDA profitability in Q4 FY25, supported by a \$25m+ sales pipeline.**

Visionflex Group Limited (“VFX” or the “Company”), a leader in virtual healthcare solutions, is pleased to release its Appendix 4D and interim financial report for the 6 months ending 31 December 2024 and provides an update on its debt facilities.

*Visionflex CEO Joshua Munday said: “During H1, we secured several initial contracts with customers improving the referenceability of our solutions, which is a major driver of larger enterprise sales in healthcare. Our expansion into new markets and continued growth in our core aged care and public health markets underscore the demand for our virtual healthcare solutions. These initiatives have the potential to drive material revenue growth in future periods.”*

### Financial Performance

Visionflex delivered H1 FY25 revenue of \$1.9m, with approximately 36% generated from recurring software license subscriptions and support revenue. Annual Recurring Revenue (ARR), increased during the half to \$1.6m, up 114% on the pcp.

Profit and Loss (\$000's)	H1 FY24	H1 FY25	% Movement
Subscription (software & support)	157	682	335%
Hardware	2,928	991	(66%)
Other	165	220	33%
<b>Total Revenue</b>	<b>3,251</b>	<b>1,894</b>	<b>(42%)</b>
COGS	(1,348)	(363)	(73%)
<b>Gross profit</b>	<b>1,903</b>	<b>1,530</b>	<b>(20%)</b>
<i>Gross profit margin %</i>	<i>58.5%</i>	<i>80.8%</i>	
Staff costs	(1,439)	(2,104)	46%
Operating costs	(609)	(678)	11%
<b>Total Operating costs</b>	<b>(2,047)</b>	<b>(2,781)</b>	<b>36%</b>
<b>Underlying EBITDA</b>	<b>(145)</b>	<b>(1,251)</b>	<b>764%</b>
Share based payments	(314)	(246)	(22%)
Legacy Inventory Write Down	-	(252)	na
<b>EBITDA</b>	<b>(458)</b>	<b>(1,749)</b>	<b>281%</b>

## Gross Margin

The gross profit margin increased to 81%, up from 59% in the pcp. This was driven by a higher percentage of high-margin (90%+) subscription revenue. The gross profit margin is expected to reduce in H2 FY25 as a higher portion of revenue is expected to be delivered from larger enterprise hardware sales.

## Expenses

Staff costs remained stable on H2 FY24, however increased on the pcp, after strategic investments were made in the areas sales, marketing and development.

## EBITDA

Visionflex division delivered an Underlying EBITDA loss of \$1.3m.

## Cash

As at 31 December 2024, the Company had cash and equivalents of \$2.4m.

## Debt

During H1 FY25, the Company reduced legacy debt levels to \$2m from \$6.8m resulting in a 62% decrease in finance costs.

On 20 February 2025, Visionflex reduced its current debt facilities with cornerstone investors John Plummer and Adcock Private Equity. The debt facility with John Plummer was reduced to \$2.5m, with \$1.04m currently available to draw down under the facility. The debt facility with Adcock Private Equity was reduced to \$1.5m, with \$1m currently available to draw down under the facility. The reduction in facility limits from \$8.4m to \$4m, reflects the company's strengthened financial position and reduced reliance on debt funding moving forward.

## Outlook

With contract momentum and several material enterprise sales conversions expected in H2 FY25, Visionflex remains on track to reach run rate EBITDA profitability in Q4 FY25.

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

## For more information:

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## About Visionflex Group

At Visionflex, we believe that healthcare should be accessible, efficient, and connected. Our integrated hardware and software platform allows healthcare providers to deliver comprehensive, collaborative care in real time, no matter the location. From metropolitan health networks to community-based care, Visionflex is reshaping how healthcare is delivered by connecting healthcare teams with the tools and technology needed to provide effective, efficient, and high-quality care.

For more information, visit [vfx-group.com](http://vfx-group.com)