

Visionflex Group

ASX:VFX

H1 FY25 Results Investor Presentation

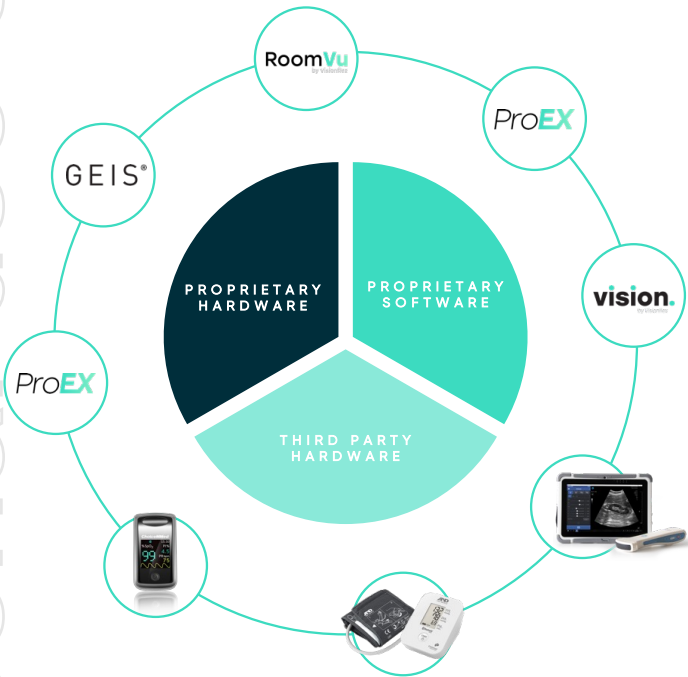
21 FEBRUARY 2025

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

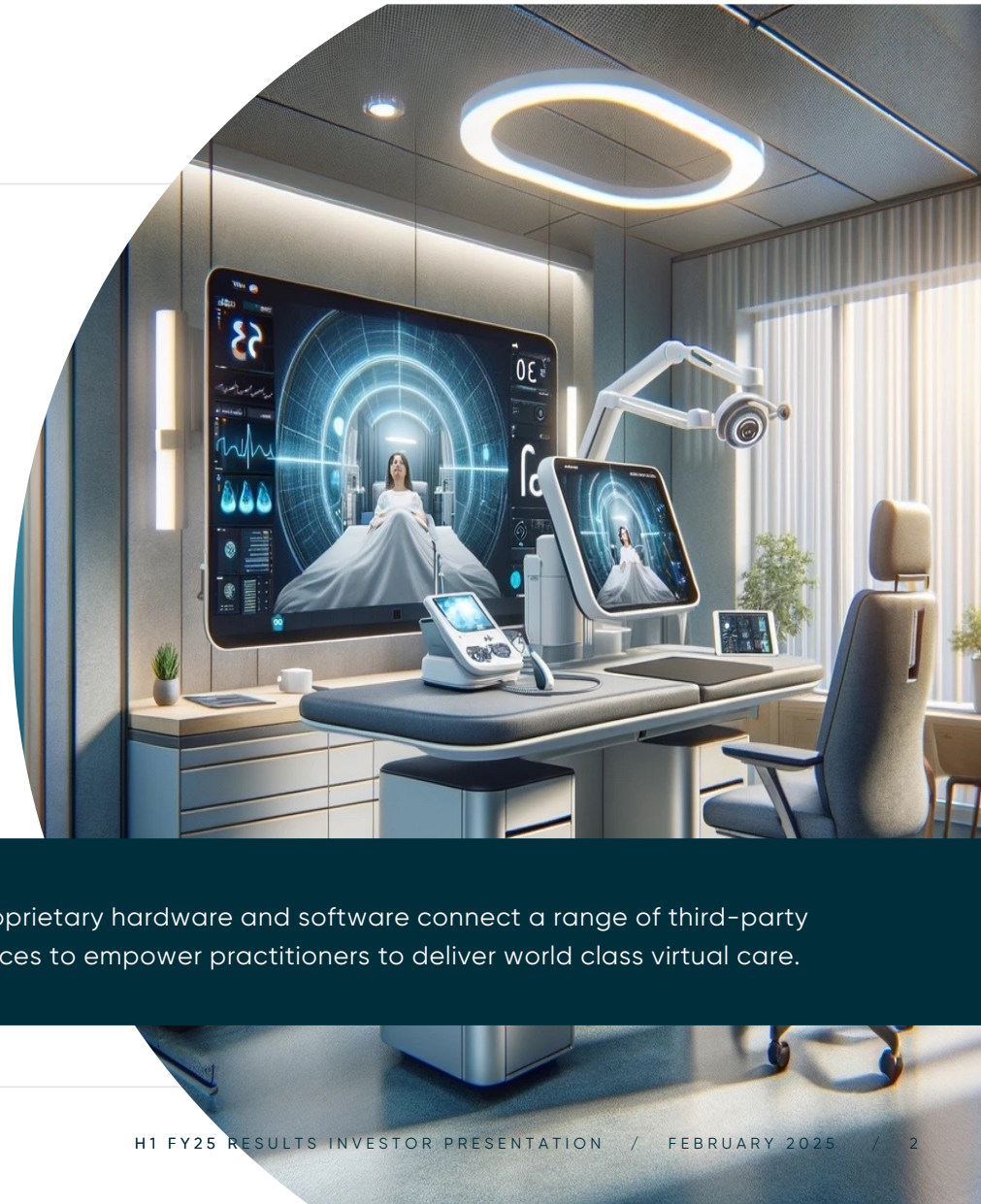


The Visionflex mission

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



Visionflex Group



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

Hardware

Visionflex hardware enables health practitioners to virtually conduct medical examinations with confidence and serves as a foundational step for establishing long term software subscriptions.

PERIPHERALS + SOFTWARE	DEVICE + PERIPHERALS + SOFTWARE	MEDICAL CART + PERIPHERALS + SOFTWARE
		
<p>GEIS® Camera and peripheral devices integrated with Visionflex software, to deliver clinical consultations virtually.</p>	<p>Mobile solution, including tablet/laptop, GEIS® Camera and peripherals, integrated with Visionflex software, to deliver clinical consultations virtually.</p>	<p>Medical cart, all-in-one computer, PTZ and GEIS® Camera, peripherals, integrated with Visionflex software, to deliver clinical consultations virtually in healthcare setting.</p>
<p>\$5K-\$10K HARDWARE PER UNIT</p>	<p>\$10K-\$15K HARDWARE PER UNIT</p>	<p>\$15K-\$30K HARDWARE PER UNIT</p>
<p>Software licensing fee ~\$5k per annum</p>		
<p>Clients that have existing medical devices and require virtual clinical consultation capability in any setting.</p>	<p>Clients that require mobile devices to deliver virtual clinical consultations (i.e., in-home care, out-patient services, rural health care and GP clinics).</p>	<p>Clients that are in physical healthcare settings that require virtual clinical consultation capabilities (i.e., hospitals, aged care and correctional facilities, rural health care and GP clinics).</p>

Proprietary Software (Virtual Care Platform)

A virtual healthcare platform allowing practitioners to virtually examine, diagnose, monitor, and treat patients.

ProEX Software

Perform collaborative, clinical, evidence-based consultations between clinicians and patients in any location.



Clinical grade consultations: Perform in-depth clinical consultations on any internet connected device.



Real time clinical data: Connectivity with a multitude of peripheral diagnostic devices providing real time clinical data.



Connect multiple cameras: Simultaneously include feeds from multiple medical cameras within the consultation.



Secure patient data: Capture and securely transfer sensitive patient data of video, images and information into electronic health records.

vision. by Visionflex

A user-friendly video conferencing platform that delivers health services and medical expertise to patients via internet connected devices.



Enhanced video conferencing: Delivers diagnostic-quality video and audio, with high-speed data transmission and end-to-end encryption.



Real time data access: Integrates seamlessly with ProEX Software, allowing patient health data to be collected, viewed, and shared real time.



Stethoscope audio transition: Digitally transmits stethoscope audio unattainable through conventional video conferencing platforms due to its unique frequency type.



Image capture and sharing: Capture, annotate and instantly share clinical images while conducting video consultations for live discussion and collaboration.

Revenue Model

Personal Use Only
 Repeat Revenue
 GP margin
 Revenue Streams
 Key Product / Services
 Core Offering

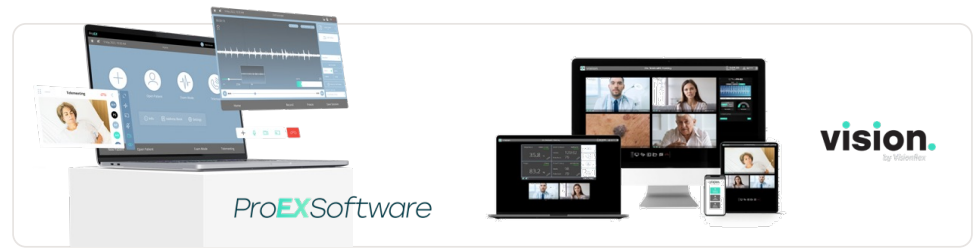
HARDWARE



UPFRONT / ONE-OFF
 \$5k – \$30k per unit depending on solution

60–65% GP margin

SOFTWARE



RECURRING REVENUE
 ~\$5k per annum for annual software license

90–95% GP margin

Each new software license typically sold with hardware solution

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H1 FY25
Highlights

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H1 FY25 Financial Summary

Note: Presented below is the Visionflex division (including corporate costs), key financial metrics. For a detailed group statutory Profit and Loss (including businesses exited during the year), refer to the Appendix 4D & H1 FY25 Interim Financial Report – 31 December 2024

Visionflex Revenue

\$1.9m

↓ 42%¹

Subscription Revenue (Software & Support)

\$0.7m

↑ 335%¹

Gross Margin

81%

↑ Materially

Underlying EBITDA²

(\$1.3m)

↓ (\$1.2m)¹

Current Ratio

107%

↑ 37%

Annual Recurring Revenue (ARR)

\$1.6m

↑ 114%¹

External Debt (& accrued interest)

\$2.4m

↓ (\$4.0m)¹

Cash

\$2.4m

↑ (\$0.6m)¹

1. Comparison to prior corresponding period (H1 FY25/31 December 2023)
2. Underlying EBITDA = EBITDA excluding share-based payment and other non operating or one-off costs
3. Continuing business

Strategy Summary and Progress in H1 FY25

Accelerating Customer Traction

- Multiple trial sites and early penetration into new markets underpinning material future opportunity:
 - **Spark Health (NZ, subsidiary of one NZ largest telco companies):** National reseller agreement to deliver virtual care solutions in NZ; first orders delivered in November 2024.
 - **BUPA (AUS):** Expansion into the private health insurance industry with the supply Visionflex GEIS cameras to all 57 of BUPA's aged homes supporting over 5,000 residents.
 - **Kha Loc Medical (Vietnam):** a leading medical distributor in Vietnam; first units shipped in Q1 FY25 with Vietnam representing a significant new market opportunity for both hardware and software.
 - **Darling Downs Government Indigenous "Wellness Connect Initiative (AUS):** Trialling both hardware and software platform involves multiple LHD's and Aboriginal Community Controlled Health organisations to deliver new models of care.
 - **Royal Flying Doctor Service (RFDS) Victoria (AUS):** selected via a competitive tender process with initial contract for Visionflex's software platform which will sit alongside RFDS's newly announced Electronic Health Record.
 - **Anglicare (AUS):** leading Australian aged care operator with initial trial covering three sites with potential for further expansion.

Outlook

- ARR of \$1.6m as of 31 December 2024.
- Enterprise sales opportunities moving into selection stage of the pipeline, against a backdrop of increasing referenceability.
 - Growing pipeline across several key market areas including primary health networks, hospitals, aged care and resource companies, both in Australia and overseas.
- Targeting Underlying EBITDA positive in Q4 FY25.
- \$2.4m cash and \$2.4m external debt (and accrued interest) as of 31 December 2024; sufficient capital to deliver growth objectives.

Strategic Priorities – H2 FY25

1 Deliver profitable growth:

- Targeting to be underlying run rate EBITDA positive in Q4 FY25.
- Qualified pipeline >\$25m.

3 Expand on established pipeline of customers:

- Expand infrastructure with multiple government funded customers.
- Growth in other key industry verticals including:
 - aged/home care; regional primary care;
 - resources sector; indigenous health.

2 Transition to recurring revenue via SaaS:

- Transition to SaaS pricing delivering growth in annual recurring revenue (ARR) with 114% growth since the pcip.
- ARR of \$1.6m as of 31 December 2024.

4 Seize opportunities in overseas markets:

- Expand market share in New Zealand through Spark Health.
- Additional international distribution agreements are progressing with international revenue expected to increase in 2H FY25.

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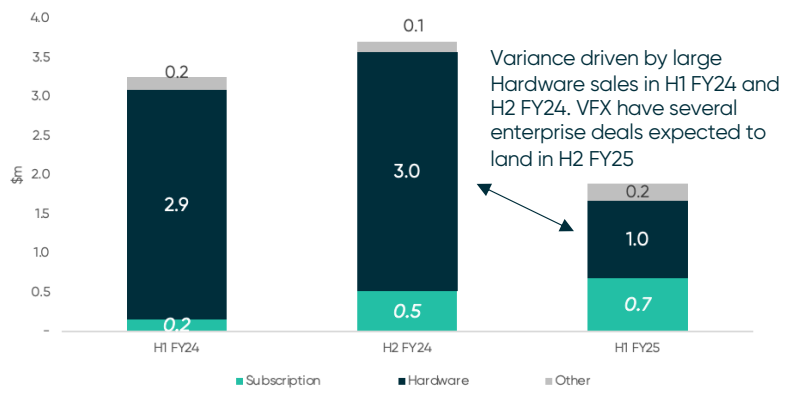
H1 FY25 Financial Overview



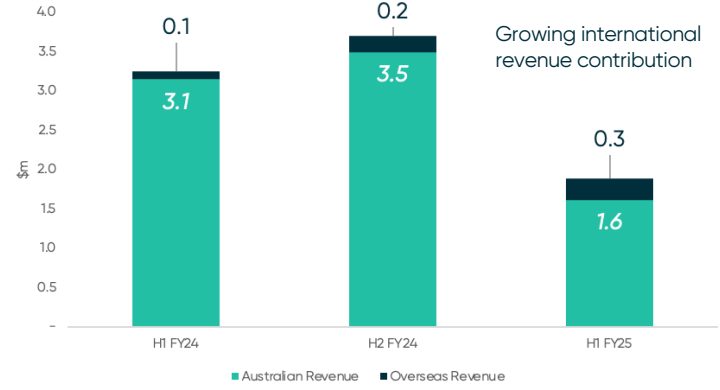
Financial Dashboard

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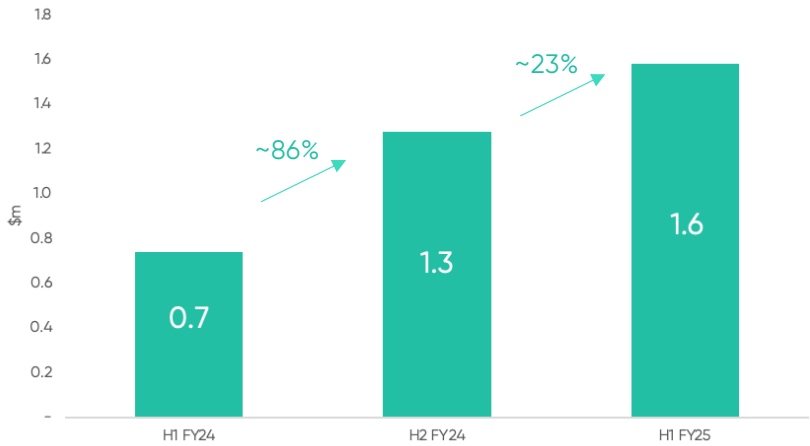
Revenue (By Type)



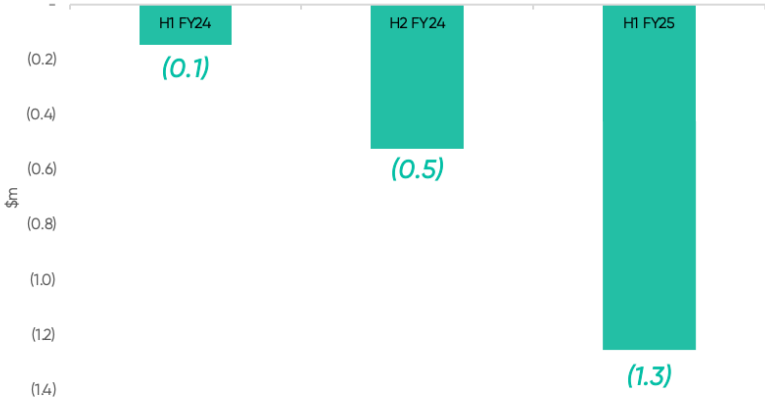
Revenue (By Region)



ARR Growth



Underlying EBITDA



Profit & Loss

Strong growth in recurring software licenses underpin rationale for transitioning business model and future profitably, Delayed enterprise hardware sales in H1 FY25 are expected to be secured over H2 FY25

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%
Total Revenue	3,251	1,894	(42%)
COGS	(1,348)	(363)	(73%)
Gross profit	1,903	1,530	(20%)
Gross profit margin %	58.5%	80.8%	
Staff costs	(1,439)	(2,104)	46%
Operating costs	(609)	(678)	11%
Total Operating costs	(2,047)	(2,781)	36%
Underlying EBITDA	(145)	(1,251)	764%
Share based payments	(314)	(246)	(22%)
Legacy Inventory Write Down	-	(252)	na
EBITDA	(458)	(1,749)	281%
Depreciation and amortisation	(6)	(31)	450%
Interest revenue	4	-	na
Finance costs	(410)	(155)	(62%)
Profit before tax (PBT)	(871)	(1,935)	122%

Note: For a detailed group statutory Profit and Loss (including exited businesses during the prior period), refer to the Appendix 4D & H1 FY25 Interim Financial Report – 31 December 2024

- 1 Strong growth in recurring subscription revenues validating progressive shift towards a sustainable ARR business.
 - Contracted ARR (31 Dec) of \$1.6m to result in further subscription revenue uplift in H2 FY25.
- 2 Delayed enterprise sales (with large hardware component) impacted hardware revenue, noting material contracts delivered in the pcp.
- 3 Gross profit margin increased to 81%, highlighting strength of business model as recurring software revenue becomes an increasingly higher percentage of total revenue.
- 4 H1 FY25 costs in line with H2 FY24 costs. Staff costs increased 46% on the pcp, reflecting investment in increased sales, marketing activity to drive new sales and customer renewals.
 - R&D costs expensed as incurred. A portion of these costs are eligible for a refundable R&D tax refund.
- 5 Finance (interest) costs reduced by 62% following debt reduction to \$2.3m (incl accrued interest).

Balance Sheet

Material improvement in strength of balance sheet provides operating flexibility to pursue growth opportunities

Balance Sheet (\$'000's)		Jun-24	Dec-24	% Movement
Cash and cash equivalents	1	1,161	2,428	109%
Inventories		648	342	(47%)
Income tax refund	2	550	316	(42%)
Other current assets		466	451	(3%)
Total current assets	3	2,825	3,537	25%
Non-current assets		57	139	142%
Total assets		2,882	3,676	28%
Trade creditors		465	143	(69%)
Accrued expenses and other payables	4	1,505	581	(61%)
Accrued interest		441	442	0%
Borrowings	5	4	1,004	23,708%
Contract liabilities	6	1,411	1,007	(29%)
Employee provisions		184	123	(33%)
Total current liabilities	3	4,010	3,301	(18%)
Borrowings	5	6,825	1,000	(85%)
Contract liabilities	6	144	57	(60%)
Employee provisions		10	14	44%
Total liabilities		10,989	4,373	(60%)
Net Assets		(8,107)	(697)	(91%)

- 1 \$2.4m cash provides sufficient headroom to deliver growth objectives and reach run rate EBITDA positivity in Q4 FY25.
- 2 Income tax refund (R&D tax receivable forecast to be received in Q2 FY26).
- 3 Improvement in the current ratio from 70% to 107% highlighting the improvement in the strength of the balance sheet.
- 4 30 June 2024 balance included a number of annual accruals which were paid during H1 FY25.
- 5 Material reduction in external debt which was reduced as part of the capital raise process completed in July-24. Variation Agreement signed 20 February 2025 to extend the repayment date of convertible notes until at least March 2026.
- 6 Contract liabilities relates to unearned revenue for which the related service has yet to be delivered.

Cash Flow Statement

Near term operating cashflow driven by large enterprise hardware contracts, however over time recurring software revenue will underpin a stabilisation in operating cashflows

Cash Flow Statement (\$'000)	H1 FY24	H1 FY25	% Movement	
Receipts from customers	1	5,748	1,589	(72%)
Payments to suppliers and employees	(6,180)	(4,171)	(33%)	
Interest received	4	-	(100%)	
Interest and other finance costs paid	2	(383)	(31)	(92%)
Research and development tax credit	635	480	(24%)	
Net cash used in operating activities	(177)	(2,133)	1,103%	
Payment for PP&E	(4)	(23)	491%	
Payments for intangibles	(1)	-	(100%)	
Proceeds from disposal of business	300	-	(100%)	
Net cash from/(used in) investing activities	295	(23)	(108%)	
Net proceeds from issue of shares	(6)	2,424	(41,628%)	
Proceeds from convertible notes facility	3	200	1,000	400%
Net cash from financing activities	194	3,424	1,663%	
Cash and equivalents at the beginning of period	1,443	1,161	(20%)	
Net increase in cash and equivalents	312	1,267	306%	
Cash and cash equivalents at the end of period	1,755	2,428	38%	

- 1 Decline in customer receipts in-line with corresponding reduction in revenue and delayed enterprise sales.
- 2 Decrease in interest costs driven by material reduction in external debt.
- 3 Funding of \$1.0m over the course of Q2 FY25 in-line with current terms convertible note facility provided by two major shareholders.

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Market Segments



Key customers by market segment

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PRIMARY HEALTH NETWORKS



AGED CARE



CORPORATES



LOCAL HEALTH DISTRICTS



INDIGENOUS HEALTH & OTHER HEALTH BODIES



INTERNATIONAL

Expansion in key market segments



INDIGENOUS HEALTH

- NACCHO is the national peak body representing 145 Aboriginal Health Organisations delivering healthcare to First Nations people right across the country.¹
- Government funding of over circa \$1B per annum.²
- Visionflex collaborates with 20+ organisations in the Indigenous Health sector fostering impactful healthcare solutions.

AGED/HOME CARE

- Residential Aged Care: There are 886 organisations operating 2,695 residential aged care services as at 30 June 2018.³
- Home Care Services: There are 873 organisations operating 2,599 home care services as at 30 June 2018.³
- Home Support Outlets: 1,456 organization's operating 3,542 home support outlets as at 30 June 2018.³
- The aged care sector received \$2.2bn in Australian government funding in 2024-2025.⁵

RESOURCE SECTOR

- Global operations in remote and challenging environments where workforce health and well-being is critical to operations.⁶
- Significant employee healthcare management programs in place to manage staff health & productivity and costly evacuations.
- After successful trials with ExxonMobil, virtual care services were implemented across Melbourne, the Longford Gas Plant, and offshore platforms in Bass Strait.

CORRECTIONAL FACILITIES

- There are 116 custodial correctional facilities across Australia⁴ which ensure that inmates are supervised and managed in a secure, safe and humane manner.⁴
- Correctional facilities are often located in remote areas, with reduced access to hospitals, physicians and medical personnel.
- Justice Health is a key customer of Visionflex.

1. <https://www.naccho.org.au/>, accessed on 30 May 2024

2. Based on 2022-2023 budgeted levels, see <https://www.health.gov.au/sites/default/files>, accessed on 30 May 2024

3. https://www.apb.gov.au/About_Parliament, based on service levels in 2018-2019, accessed on 30 May 2024

4. <https://www.aihw.gov.au/reports/australias-welfare/adults-in-prison> accessed 30 May 2024

5. <https://www.health.gov.au/sites/default/files/2024-05/budget-2024-25-quality-aged-care.pdf>, accessed on 30 May 2024

6. <https://maintenanceandcure.com/maritime-blog/>, accessed on 30 May 2024.

International expansion

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Visionflex products sold to all key global jurisdictions - Americas, Europe and Asia.

\$0.3m of sales to customers in 6 overseas countries in 1H FY25.

Growth opportunities through strategic distribution partnerships expected to accelerate in 2H FY25.

1. Currently in the process of establishing agency partnerships.
2. Intention to Establish Agency Partnerships.
3. Currently in the process of establishing agency partnerships.

Important notices

This H1 FY25 Results Investor Presentation (Presentation) has been prepared by Visionflex Group Limited ACN 138 897 533 (ASX:VFX) (**Company**) & is dated **21 February 2025**.

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