visionflex group

ASX Announcement – 30 January 2025

Visionflex Group Limited (ASX: VFX)

Q2 FY25 Quarterly Activity Report

Highlights:

- **Annual Recurring Revenue (ARR) of $1.6m at the end of Q2 FY25, up 8% from Q1 FY25, and up 114% on prior comparison period (pcp)**
- **Q2 FY25 revenue (unaudited) of $0.9m (37% recurring software & support) down 11% from Q1 FY25**
- **Key contracts secured during Q2 FY25 included:**
    - **Spark Health in NZ - Reseller agreement with first orders delivered in November 2024**
    - **BUPA - Expansion into the private health insurance industry**
    - **Government Indigenous Wellness Connect initiative - 3 site trial in the Darling Downs region**
- **Q2 FY25 cash receipts of $0.8m and operating cash outflow of $0.5m**
- **Pipeline continues to grow and mature through the procurement process, albeit some delays in Q2 FY25, with several material contracts expected at this stage to reach selection stage during Q3 FY25**
- **Targeting to reach run rate EBITDA profitability in Q4 FY25**

Visionflex Group Limited ("**VFX**" or the "**Company**"), a leader in virtual diagnostic healthcare technology solutions, is pleased to issue its Appendix 4C and quarterly market update for the 3 months ending 31 December 2024.

Visionflex CEO Joshua Mundey said: *"We remain confident in our strategy and the long-term value proposition that Visionflex is creating for our customers. Our expansion into private health insurance, new reseller partnerships, and continued growth in Annual Recurring Revenue underscore the demand for our virtual diagnostic solutions. We will continue to focus on converting our substantial pipeline of opportunities and prudently managing our cost base to achieve our target of run-rate EBITDA profitability in Q4 FY25".*

Financial Performance

In Q2 FY25, Visionflex generated revenue (unaudited) of $0.9m, with approximately 37% generated from recurring software license subscriptions and support revenue. This was lower than prior quarters reflective of Q2 being a historically quieter period for enterprise sales conversion, however several large contract discussions continue to progress towards the selection stage of the procurement cycle.

Annual Recurring Revenue (ARR), increased during the quarter to $1.6m, up 8% on Q1 FY25 and up 114% on the pcp.

The Company received $0.8m in customer cash receipts in Q2 FY25, which reflects a 3% increase on Q1 FY25 receipts.

Operating and administration payments were approximately $1.8m (down from $2.4m in Q1 FY25) with $0.2m of annualised payments being made in Q1 FY25.

The operating cash outflow for Q2 FY25 was $0.5m, an improvement from $1.6m operating cash outflow in Q1 FY25, albeit the Company received a $0.5m government grant during the period which assisted to minimise the operating cash outflow.

During Q2 FY25, the Company completed a share placement to institutional and professional investors raising $1.5m in funding (after costs). The Company also drew down $1m under its existing convertible note facilities with its corner stone investors, John Plummer ($0.5m) and Adcock Private Equity ($0.5m).

During Q2 FY25, $103k in Director fee payments were made to related parties and their associates. Refer to the Appendix 4C for further details on the cash flows for Q2 FY25 payments to related parties.

Operating Performance

During Q2 FY25 the following significant sale agreements were signed:

- **Spark Health a wholly owned subsidiary of Spark New Zealand (NZ's largest telecommunications company)** - Reseller agreement was signed to distribute virtual care solutions in New Zealand. The first order from the agreement was received in November 2024 and totaled $0.1m.
- Secured a three-site trial in the Darling Downs region (QLD) as part of an initiative called "**Indigenous Wellness Connect**". This trial involves multiple Local Health Districts and Aboriginal Community Controlled Health organisation's to deliver new models of care to Aboriginal and Torres Strait Islanders with chronic conditions. The initial contract signed was worth $0.1m in hardware and recurring software.
- **BUPA** - Agreement signed to supply Visionflex Geis cameras to all 57 of BUPA's aged homes supporting over 5,000 residents, an initial order worth $0.2m.

Outlook

The pipeline continues to grow and mature through the procurement process, albeit some delays were experienced in Q2 FY25, with several material contracts expected to reach selection stage during Q3 FY25. Despite the delays, the opportunities previously contemplated for Q2 FY25 conversion remain in the pipeline at various stages of maturity.

Given the timing delays, targeting to reach run rate EBITDA profitability in Q4 FY25, this is dependent upon winning some of the relatively large enterprise sales progressing through our current pipeline.

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

Visionflex Overview

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.