

# ASX ANNOUNCEMENT

## VITURA STRATEGY RESET

**22 MAY 2024**

**Melbourne, Australia** – The Board of Vitura Health Limited (ASX: VIT) (**Company**), a leading digital health platform business, has today announced that its new Chair, Robert Iervasi, has completed a review of the strategic direction of Vitura. This review was undertaken by Mr Iervasi since joining the Board in February 2024 in response to the Company's operational and financial performance, which is currently below the expectations of the Board and Shareholders.

As an outcome of this review, the Board of Vitura has agreed that a reset of the Company's strategy is required to enable the sustainable growth of Vitura and improve financial performance through diversification and execution excellence.

As part of this reset, Vitura will focus on:

1. Delivery of its vision of offering healthcare platforms that connect patients and physicians at every stage of the healthcare journey from consultation (Doctors on Demand and CDA Clinics) to enabling prescribing and dispensing (Canview) through a growing network of pharmacy partners.
2. Increasing customer retention and acquisition through expansion of its privileged doctor and clinic networks.
3. Extending its offering through new patient care verticals and B2B partnerships.
4. Optimising patient experience to grow lifetime value through increasing the number and volume of services and medications purchased, and driving retention of patients over their lifetime, as well as enhancing the quality-of-service levels to patients.
5. Enhancing the Doctors on Demand and Canview platforms to provide a best-in-class digital health experience for patients and partners.
6. Improving the Company's financial performance focusing on revenue growth drivers, enhanced margins, and tighter control of the cost base.

The Chair of the Board, Robert Iervasi said: "I am convinced of the significant opportunity we have at Vitura and believe this reset of our strategy will enable a new growth phase for the business and address many of the challenges we've experienced so far this financial year.

"We are market leaders in many of the categories in which we operate and are on a pathway to further expand our categories and channels to offer an end-to-end digital health business that will capitalise on high-demand patient needs, initially in the areas of smoking cessation, medicated weight loss management, and women's and men's health.

“This diversification of our business should enable us to return to a strong growth profile and deliver a truly enhanced healthcare experience to current and prospective patients throughout their lifetimes.

“I look forward to communicating with shareholders to share what is a much clearer and focussed strategy over the coming months. The fundamentals of Vitura are strong and I have every confidence in the Company’s future success to reach its full potential which we are now well positioned to unlock.”

### **Environment for change**

Vitura has operated a successful business for many years delivering strong financial and operational performance. The foundations of the Vitura business remain solid but overall performance has been eroded because of increased competition in the medical cannabis space and a cost base that has outpaced the revenue growth.

Vitura’s half year results were below the expectations of shareholders and the Board, with this underperformance carrying through to the full year. The Year-to-Date (10 months to April 30<sup>th</sup>), the Company has seen a reduction in gross margin of 6.8 percentage points from FY23 to FY24 and a deterioration of EBITDA margin.

To respond to these challenges, Vitura has already initiated change in the business and is committed to further reducing the cost base by 10% year-on-year. The strategy reset has been developed to enable Vitura to return to its strong historic growth, navigate proactively the changing environment, and ensure the Company is in a strong position to leverage the opportunities of a connected and engaged patient, clinician, and partner ecosystem.

### **Strategic Pillars**

Vitura’s future is focused on innovating the delivery of healthcare, by building a centralised healthcare experience that connects and enhances each stage of the patient experience and journey throughout their lifetime.

The Company is a proven market leader with reputable partners, offering trusted services to improve patient engagement within the medical industry.

From beginnings as a medical cannabis distribution business, Vitura is now an end-to-end healthcare technology company, offering a streamlined healthcare journey for patients from the initial consultation to the prescription, supply, and distribution of medicines – beyond plant-based medications.

The Board and Vitura management have identified four strategic pillars.

1. **Strengthen Vitura’s market position:** by maintaining its foundational strengths in plant-based medication and nicotine vaping products (subject to special access regulation). Expanding this position to support diversification to deliver what patients want now with the introduction of new verticals including smoking cessation, medicated weight management, and men’s and women’s health.

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2. **Expand the customer and market base:** by increasing customer retention and acquisition through expansion of doctor and clinic networks and extending Vitura's services through new verticals and B2B partnerships.
  3. **Technology enhancement:** of Doctors on Demand and Canview platforms to provide a best-in-class digital health experience for patients and partners.
  4. **Financial improvements:** by being disciplined around costs and committing to growing multiple revenue streams, each designed to support margin enhancement and improved top- and bottom-line performance.

Each of these pillars is supported by a comprehensive action plan focussed on driving financial and non-financial impacts across the business.

## **Outlook**

Vitura is signalling improvement in its operational and financial performance for FY25 targeting organic growth of at least 10% with new revenue from industry verticals and other initiatives to build from. The Company is aiming for at least a 3-percentage point improvement on EBITDA margin in FY25, and further EBITDA expansion in FY26. Formal guidance on FY25 performance will be provided at the Full Year Results in August 2024.

Importantly, Vitura expects to establish its position as a leading vertically integrated digital health platform that prioritises the patient journey and adds value to clinicians, pharmacists, and partners along that journey.

The Company has initiated its formal CEO search process and is confident of attracting an experienced leader to execute on this strategy.

## **Investor Conference Call**

As part of Mr. Iervasi's appointment as Chair, the Company has committed to providing a greater level of transparency and communication with its shareholders and will be hosting a series of investor meetings in the coming weeks and months.

The Chair will host an investor conference call at 3.00 pm on Friday, 24 May 2024 to provide further details around Vitura's strategy reset program. Please register via the following link: <https://loghic.eventsair.com/755879/216391/Site/Register>

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## About Vitura Health Limited (ASX: VIT)

[www.vitura.com.au](http://www.vitura.com.au)

Vitura Health Limited is diversified digital health business listed on the ASX (ASX: VIT) and, via its wholly owned subsidiaries, operates the following businesses:

- [www.burleighheadscannabis.com](http://www.burleighheadscannabis.com)

Burleigh Heads Cannabis operates the market leading prescriber, patient, pharmacy, and supplier online ecosystem, Canview, which sells and distributes 440+ therapeutic product and device SKUs within Australia from approximately 42 international and domestic brands.

- [www.canview.com.au](http://www.canview.com.au)

Canview is being developed to be a complete end-to-end healthcare ecosystem designed to provide doctors, pharmacists, and patients with a simple and cost-effective way to facilitate the treatment of patients with increased efficiency and compliance. The Canview system is based on a medicines wholesaling platform which seamlessly brings together several disparate SAAS (software-as-a-service) providers including inventory control, invoicing, customer management, reporting and analytics, all linked together through customised integration from third party providers. Underpinning the suite of SAAS elements are several bespoke, internally generated operating procedures and intellectual property assets, supported by the CanView customer support and infield customer engagement teams. Through the integration of the different elements which together make up Canview, the platform provides the best user experience in the industry.

Through the Company's relationships with third party integrators, Canview provides Australian doctors with the ability to integrate their patient management systems directly with the platform and to use their patient information to generate electronic prescriptions within the Canview platform, without the need to input the patient's details. Prescriptions are then sent directly to the Canview patient app where patients can manage their treatment and submit the prescription and subsequent repeats to one of the nearly 4,400 Australian pharmacies with accounts on Canview for dispensing.

While the Company's current operations focus on the sale and distribution of medicinal cannabis products, Vitura is fully licensed and equipped, via its two state-of-the-art distribution centres in Melbourne and the Gold Coast, to distribute all products under Schedules 2, 3, 4, 8 and 9. The establishment during the year of the Company's joint venture to distribute psychedelic products, including MDMA and Psilocybin, is a timely example of the many opportunities that the Company believes can be seamlessly integrated into its existing digital health platform business.

- [www.doctorsondemand.com.au](http://www.doctorsondemand.com.au)

The Company owns Doctors on Demand Pty Ltd, a nationwide 24/7 x 365 telehealth platform business that provide innovative primary health solutions to hundreds of thousands of B2C and B2B patients annually. Services include general medical consults, urgent care, medical certificates, pathology referrals, specialist referrals, men's health, women's health, medicated weight loss and smoking cessation.

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- [www.cortexa.com.au](http://www.cortexa.com.au)

The Company owns 50% of Cortexa Pty Ltd, an incorporated joint venture with Canadian-based PharmAla Biotech (CSE: MDMA). Cortexa aims to be the leading supplier of psychedelics, GMP MDMA and GMP psilocybin, for research and therapeutic use in Australia.

- [www.cdaclinics.com.au](http://www.cdaclinics.com.au)

The Company owns CDA Clinics that undertakes nationwide telehealth consultations with patients seeking access to medicinal cannabis.

- [www.cannadoc.com.au](http://www.cannadoc.com.au)

The Company owns 75.5% of Cannadoc Health Pty Ltd, a medicinal cannabis clinic business that undertakes nationwide telehealth consultations with patients seeking access to medicinal cannabis.

### **Authorised by**

Robert Iervasi, Chair and Non-Executive Director

### **Contact**

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### **Forward-looking statements**

This announcement includes forward-looking statements which may be identified by words such as 'anticipates', 'believes', 'expects', 'intends', 'may', 'will', 'could', or 'should' and other similar words that involve risks and uncertainties. These forward-looking statements are based on the Company's expectations and beliefs concerning future events as at the date of this announcement. Forward-looking statements are necessarily subject to risks, uncertainties, and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements. The Company makes no undertaking to update or revise the forward-looking statements made in this announcement to reflect any change in circumstances or events after the date of this announcement.