

## ASX ANNOUNCEMENT

### FY2024 Financial Results

**29 AUGUST 2024**

**Melbourne, Australia** – Vitura Health Limited (ASX: VIT) (**Vitura and Company**), a leading digital health platform business 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, has today released its financial results for the year ended 30 June 2024 (**FY2024**).

#### Key Highlights FY2024

- Total revenue of \$123.9 Million
- Consolidated EBITDA of \$6.2 Million and a normalised EBITDA in respect of FY2024 of \$8.4 Million <sup>(note)</sup>
- Average gross margin of 27.6%
- Net operating cash flows of \$7.0 Million
- Acquisition of Doctors on Demand (**DoD**) completed in October 2023
- Expansion of pharmaceutical verticals to include medical MDMA and Psilocybin, medical prescribed smoking cessation and mental health services
- Reset Strategy announced with operational expansion and change to support growth in the coming years
- Evolution of leadership at Board and Executive levels with the appointment of Mr Robert Iervasi as Independent Chair and, post the reporting period, the announcement of the reorganisation of its executive leadership structure and appointment of Mr Geoffrey Cockerill as CEO

#### Results Summary

A\$M	FY2024	FY2023
Operating revenue	<b>123.9</b>	117.3
Net profit after tax (NPAT)	<b>3.3</b>	13.6
Normalised EBITDA <sup>(note)</sup>	<b>8.4</b>	20.7
Normalised NPAT <sup>(note)</sup>	<b>4.8</b>	13.8
Normalised earnings per share (EPS) (cents)	<b>0.84</b>	2.49

**Note:** As described above, the Company's financial results for FY2024 contained several extraordinary, one-off costs that do not relate to the Company's underlying operations. Such costs include those incurred as part of the acquisition of the Doctors on Demand business in October 2023, material legal costs in respect of the dispute with Code4 Cannabis and action taken by the TGA, one-off IT related expenses, and restructure costs incurred as part of the Strategy Reset to prepare the Company for success in FY2025. The "normalised" figures stated above reflect the EBITDA, NPAT and EPS figures for FY2024 if these costs were removed which provides a more accurate reflection on the performance of the underlying business.

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## Financial Overview

The Group's revenue for FY2024 was \$123.9 Million, an increase of 5.6% over FY2023, with revenue derived from the sale and distribution of products (\$108.5 Million) and medical consultation and service fees (\$15.4 Million), the latter of which included only eight months of revenue from DoD.

Revenue from the sale and distribution of products through Canview fell from the prior corresponding period by 6%, despite the number of units sold through the platform increasing by 7%, with the Australian medicinal cannabis industry experiencing considerable price and margin compression due to increased competition, price discounting and higher competition with new market entrants.

In contrast, revenue from clinical consulting and other services increased by \$13.8 Million, or 874%, largely due to the acquisition of DoD and an increase in the number of telehealth consultations in both its B2C and B2B service lines, with the volume of monthly consultations increasing by 28% since Vitura acquired the business.

This diversification of revenue will be an important factor in supporting the growth profile of Vitura.

Average gross margin from the sale of products was 26.5%, a decline of six basis points due to the industry wide changes within the medicinal cannabis market noted above. These pressures are partially offset by the Company's clinic operations achieving a gross margin of approximately 36%. It is expected that the margins generated by this business unit will have a positive impact on the Group's overall margin in FY2025.

Normalised EBITDA (nEBITDA) was \$8.4 Million, after adjusting for one-off costs, to provide transparency as to the Company's underlying performance in a year with significant once-off impacts.

Total expenses of \$30.4 Million were up 52% largely due to these one-off costs including the acquisition of DoD, legal costs relating to ongoing litigation matters, and employee restructuring costs to adjust the cost base.

From November 2023, the Company integrated the cost base of the DoD business which included both headcount and material marketing costs to run the platform. With the combination of the expected growth of this business and the ability to realise integration synergies, the reduced cost base, and expected reduction in legal costs, the Company is expected to generate an improved EBITDA in FY2025.

## Cash Flow and Net Cash

Vitura reported a reduction in its cash balance of \$7.5 Million to \$11.3 Million (2023: \$18.8 Million), materially related to payments of \$12.1 Million as part consideration for the acquisition of Doctors on Demand, \$5.4 Million for the Company's second consecutive dividend, and \$2.5 Million in income tax. Other material cash receipts included \$6.25 Million of new debt and net profit after tax (NPAT) of \$3.25 Million generated during the financial year.

Trade receivables were up 47% or \$4.4 Million, primarily due to a material debtor for \$3.7 Million, \$1.1 Million due from the Australian Taxation Office, which the Company will receive following the lodgement of its 2024 tax return, and \$0.5 Million in legal expenses which the Company expects to recover under insurance claims.

## Dividend

In view of the Company's performance in FY2024 and its strategy to drive stronger EBITDA margins and return the business to growth in FY2025 in order to create a diverse and resilient digital health business, in the best interests of the Company, the Directors have resolved not to pay a dividend in respect of the year ended 30 June 2024.



## Operational Overview

FY2024 was a reset year for Vitura with significant investments made to establish new verticals and business segments to drive future growth, but which had a short-term impact on financial performance. Of most significance, Vitura acquired Doctors on Demand, a leading digital platform providing telehealth and healthcare services, for \$25 Million funded through a combination of strong cash generation over the last few years, bank debt, deferred consideration and the issue of shares in the Company.

In line with the Company's Strategy Reset, when combined with Vitura's CDA Clinics and Cannadoc businesses, the DoD acquisition significantly strengthens the Company's ability to provide a modern, responsive and expanded telehealth service and is well placed to address growing patient demand for these services in an environment of severe pressure on traditional GP practices. The acquisition expanded the number of Vitura's prescribing doctors with the Group now having more than 200 doctors available to facilitate the introduction of new treatment verticals, including smoking cessation, which was announced in January 2024, as well as weight loss, mental health and women's and men's health.

During FY2024, Vitura also achieved the Good Distribution Practices (GDP) certification of its Gold Coast and Melbourne Distribution Centres, highlighting Vitura's position as a compliant, regulated and well governed pharmaceutical distributor. This certification is particularly important as a differentiator between providers of medicinal cannabis products and underpins Vitura's leading position in the distribution of MDMA and Psilocybin.

On 27 December 2023, the Company announced that Code4 Cannabis Pty Ltd (**C4C**) had notified Vitura's wholly owned subsidiary Canview Pty Ltd (**Canview**) that C4C does not intend to extend the Services Agreement beyond its expiry date of 10 August 2024. Vitura has exercised its right under the Agreement to enact a 15-month transitional period and Canview continues to operate as normal. In respect of the matters that are the subject of Vitura's disclosures to ASX on 23 April 2024 and 26 April 2024 relating to the Services Agreement between Canview and C4C, the Company notes that the orders by Justice Kelly in the Supreme Court of Queensland (and consented to by C4C) restraining C4C from disabling access by Canview to the software provided by C4C are continuing and there has been no further subsequent developments.

Vitura continues to develop and improve the efficiency and functionality of Canview as a multisided platform that facilitates interactions and the exchange of products and services between four key user groups, being suppliers, prescribers, pharmacies and patients.

## Corporate Overview

Throughout the year, Vitura's leadership evolved at Board and Executive levels. Dr Simone Scovell resigned as Chair and NED of the Vitura Board in September 2023 with Dr Marcia Walker appointed interim Chair, ahead of the appointment of Mr Robert Iervasi as Chair and Independent Non-Executive Director in February 2024. Mr Iervasi is the former Group CEO and Director of Asahi Beverages where he led a large and diversified consumer products / FMCG business with more than \$5 Billion in annual revenue and over 5,000 employees.

On 27 August 2024, the Company announced the appointment of highly experienced international business leader Geoff Cockerill as CEO. Rodney Cocks resigned as CEO on 30 June 2024.

Both Mr Iervasi and Mr Cockerill are leaders in large global consumer facing business such as Asahi Beverages, Diageo, and Lion with track records of achieving sustainable and profitable growth. They are supported by the establishment of clinical governance committees, led by the Company's Chief Medical Officer, designed to provide the best care for patients and support for Vitura's expansive doctor network.

Mr Cockerill, who will commence with Vitura on 25 November 2024, has a strong track record of delivering company performance across large diverse teams and complex operating environments. He has held executive positions in leading international businesses including more than 11 years in senior roles at Diageo, as well as positions at Lion, Subway, Queensland Cricket and most recently as CEO of consumer health business ATP Science. He has also held several non-executive directorships.



The change of leadership followed a review undertaken by Mr Iervasi in response to the Company's operational and financial performance in FY2024, which was below the expectations of the Board and Shareholders.

This new leadership team at Vitura is tasked with delivering improved financial performance and growth outlined in the Company's Strategy Reset which was initiated following a full review of the business and operating environment in the second half of this financial year and announced in May 2024.

### Strategy Reset and Outlook

Vitura is a proven market leader with reputable partners, offering trusted services to improve patient engagement within the medical industry. From its 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 an expanding range of medicines.

With a strong focus on the vertical integration of its operations and growth opportunities, the Company's Strategy Reset focuses on four strategic pillars:

1. Strengthening 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 with the introduction of new clinical service verticals including smoking cessation, medicated weight management, mental health and men's and women's health.
2. Expanding 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. Enhancing and integrating the Company's various technology stacks to provide a best-in-class digital healthcare experience for patients and partners.
4. Improving financial performance 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.

As detailed in the Company's Strategy Reset that was released to the Market in May 2024, Vitura is focused on the delivery of the following improvements in its financial metrics for FY2025 to:

- increase the total revenue generated in FY2024 by 10% through organic growth;
- improve the EBITDA margin generated in FY2024 by 3% through organic growth; and
- improve OPEX efficiency in FY2025 by 10%.

Vitura is pleased to report that, for the first two months of FY2025, the Company's financial results are tracking ahead of budget and in line with the objectives of the Strategy Reset. The Company will continue to pursue its Strategy with a clear focus on the delivery of the improved financial metrics.

Commenting on the result, Vitura's Independent Non-Executive Chair Mr Robert Iervasi said: "The fundamentals of Vitura have strengthened throughout the year with the acquisition of Doctors on Demand and expansion of our prescribing verticals from medicinal cannabis to mental health, with our Cortexa joint venture, smoking cessation, and women's and men's health that deliver on our objective of diversifying our business to support sustainable future growth.

"We recognise that our financial performance in FY2024 is disappointing given our historically strong growth track record. With the Strategy Reset, we've taken rapid steps to address this through the expansion of our business opportunity and market, resetting the cost base and business strategy, evolving our leadership team, and driving a focus on the financial metrics of the business. We are confident that these are all important factors in returning Vitura to growth in FY2025 and beyond and the early signs are positive."



## Investor Webinar

Vitura is hosting an investor webinar at **10.00 am** Australian Eastern Standard Time on **Wednesday, 4 September 2024**, hosted by Independent Non-Executive Chair Mr Robert Iervasi and Interim Chief Executive Officer Tom Howitt.

Registration is available via <https://loghic.eventsair.com/263808/374846/Site/Register>

**\*\* ENDS \*\***



## 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 430+ therapeutic product and device SKUs within Australia from roughly 60 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 4,500 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.
- [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.