



Full Year Results - 30 June 2024

Highlights:

- **BTC statutory profit after tax of \$1.1m (FY23: loss of \$10.2m)**
- **BTC and investee companies consolidated FY24 performance: revenue up 5% to \$8.2m (FY23: \$7.8m)**
 - **gross profit margins increased to 45% (FY23: 40%)**
 - **operating expenses remain well controlled at \$3.9m (FY23: \$3.8m)**
 - **EBITDA loss of \$0.2m, an improvement of \$0.5m to prior year (FY23: loss \$0.7m)**
 - **total cash reserves of \$2.3m (FY23: \$2.2m)**
- **Investee businesses greatly diversified and strengthened with:**
 - **the addition of eight new exclusive distribution supplier agreements**
 - **the activation of ~151 new customer accounts**
- **Alternative infusion pump strategy implemented:**
 - **launch of Rhythmic and Elasto-Q pumps**
 - **Prescribed List applications for new infusion pumps submitted**
- **New investee company BTC Cardio established for cardiothoracic and critical care products:**
 - **Australian launch of Eurosets ECMO and Cardiopulmonary products**
 - **submissions made for two state health hospital ECMO tenders**
- **Neurospinal business established with the acquisition of IZI and Ilumark products**

Melbourne, Australia: **BTC health** (ASX: BTC) (the **Company** or **BTC**) is pleased to announce its full-year financial results for the 12 months ending 30 June 2024, along with a general business update.

Executive Chairman and Managing Director Dr Richard Treagus commented, "The last 12 months have been characterised by sweeping changes across the business. Having lost a major supplier in early 2023, we moved decisively to right-size the company, add two new growth pillars, establish new supply partnerships, and broaden our customer base. This suite of changes has been very positive and allowed us to create a more robust business with much greater prospects for meaningful and sustained growth. We are very pleased with the improved bottom line performance, having reduced the EBITDA loss by \$0.5m, and we anticipate this positive momentum to carry forward into the new financial year."

Overview

We recognised the need to remove non-productive overheads, preserve balance sheet flexibility and reduce the reliance on our infusion pump business and a single US supplier. Despite general inflationary pressures, we maintained strong cost controls and moved swiftly to diversify the business and establish new growth pillars. The neurospinal business, formerly operated and owned by Point Blank Medical, was incorporated into BTC

Speciality Health in September 2023, and we established BTC Cardio in October 2023.

Overall consolidated revenue growth of 5.1% reflects a partial-year contribution from new products acquired during the year, offset by an anticipated decline in infusion pump sales. A favourable product mix, normalisation of freight costs and stability of selling prices delivered a 5% improvement in aggregate gross profit margins.

Statutory results

Summary Results	FY24 \$	FY23 \$	Variance
Revenue	16,360	13,260	23.4%
Expenses	(675,882)	(561,232)	20.4%
Fair value gain/(loss) on investments held at fair value	1,714,809	(9,619,890)	117.8%
Profit/(Loss) for the period	1,055,287	(10,167,862)	110.4%

Consolidated results

Unaudited consolidated financial performance is presented as a non-statutory measure to provide a holistic view of the Company's financial performance, including investee companies.

Consolidated Financials*	FY24 \$	FY23 \$	Variance \$	Variance %
Revenue	8,156,383	7,763,787	392,596	5.1%
Cost of Sales	4,520,279	4,659,855	(139,576)	(3.0%)
Gross Profit	3,636,104	3,103,931	532,173	17.1%
GP%	45%	40%		
Operating Expenses	3,866,158	3,797,701	68,457	1.8%
EBITDA	(230,054)	(693,770)	463,716	66.8%
Amortisation and Depreciation	288,342	603,424	(315,082)	(52.2%)
EBIT	(518,396)	(1,297,193)	778,797	60.0%

Infusion pumps

The remaining ambIT infusion pumps, formerly supplied by Avanos Medical, are being sold to customers and discontinued. Hospital accounts are in the process of switching across to the Rhythmic electronic pumps and Elasto-Q elastomeric pumps. In June 2024, following a welcome change in government policy, applications were made to the Department of Health and Aged Care to include these new devices in the Prescribed List of Medical Devices (PL). If approved, this will qualify the pumps for reimbursement by private health insurers. We expect private hospitals' adoption of the pumps will accelerate in 2HFY25 once the matter of the PL reimbursement is confirmed. Given the structural changes in the market over the last year, the infusion pumps are expected to make a lower contribution to overall revenue in the longer term.

Neurospinal products

The tissue biopsy, interventional radiology products and navigation markers supplied by IZI Medical and Ilumark were fully integrated into the business in the first half of the financial year. These products are well established in the market, and we expect they will contribute revenue of approximately \$1.2m on an annualised basis. We anticipate consistent growth in this portfolio by expanding the customer base combined with select new product introductions.

Cardiothoracic and Critical Care

In December 2023, we announced a pivotal partnership with Eurosets for the exclusive supply of Extracorporeal Life Support (ECLS) and Cardiopulmonary Bypass (CPB) products. The products represent the very best of medical innovation and quality, comprising sophisticated medical equipment and single-use consumables used by perfusionists, anaesthetists, critical care, and emergency medical staff. The timing of our market entry has been opportune, with major hospitals looking to diversify their existing supplier base and renew their installed fleet.

ECMO is a form of life support for people with life-threatening illnesses or injuries that affect the function of their heart or lungs. ECMO keeps blood moving through the body and keeps blood gases (oxygen and carbon dioxide) in balance. ECMO does not treat lung or heart failure but does the jobs of the heart and lungs temporarily — allowing them to “rest.” It uses a machine outside the body (extracorporeal). The machine pumps the blood, provides oxygen and helps the body get rid of carbon dioxide. During 2022, the national database recorded 439 extra corporal membrane oxygenation (ECMO) patient cases at 26 hospitals.

ECMO is one of the most expensive medical interventions, costing \$305,463 per complex admission to the intensive care unit¹. BTC Cardio supplies capital equipment and a range of complimentary accessories, single-use consumables and service maintenance packages to public hospitals that provide an ECMO service. Proposals for ECLS tenders have been submitted to two public hospitals, the outcomes of which are expected in 1QFY25.

Cardiopulmonary bypass, also known as a heart-lung machine, is a machine that temporarily takes over the function of the heart and lungs during open-heart surgery by maintaining the circulation of blood and oxygen throughout the body.

The cardiopulmonary business has strong potential for steady growth and for creating durable annuity revenues. During 2020/21, 12,700 coronary artery bypass graft procedures, 12,000 heart valve repair or replacement procedures, and 129 heart transplants were performed in public and private hospitals across Australia². Each oxygenator is a single-use consumable item, and we are investing in a more significant sales effort during the current financial year to execute on this.

In April 2024, BTC Cardio entered into an agreement with Exstent to distribute its revolutionary medical device ExoVasc, or Personalised External Aortic Root Support (PEARS). ExoVasc is a novel, patented device for managing aortic dilation in people with Marfan syndrome and related genetic conditions. The ExoVasc is placed around the ascending aorta, which supports the patient's aorta and aortic valve and is designed to prevent enlargement and rupture.

ExoVasc has been distributed in Australia since 2018. Fifty patients received an ExoVasc device implant in 2023, and we are forecasting a steady increase in the adoption rate, with expectations of approximately \$750k in revenue on an annualised basis. BTC Cardio has supplied 14 devices since acquiring ExoVasc, and 13 are presently in the work-up stage.

Pharmaceutical

Sales attributable to the respiratory products Bronchitol and Aridol were slightly above expectations at \$1.14m (FY23 \$0.95m). We expect sales to moderate, returning to single-digit growth for the upcoming financial year. The Company is presently evaluating new opportunities with other niche and specialised pharmaceutical

¹ A survey of extracorporeal membrane oxygenation practice in 23 Australian adult intensive care units. Critical Care and Resuscitation, Vol 22 (2), June 2020.

² Australian Institute of Health and Welfare (2023) Heart, stroke and vascular disease: Australian facts, AIHW, Australian Government.

products.

Outlook for FY25

We used the market changes over the last year as a catalyst for a decisive and positive shift in our business. With cash reserves of \$2.3m on 30 June 2024, the Company is well-positioned for growth in FY25. We anticipate the momentum created in recent months to carry forward into the new financial year and further improve the consolidated financial performance.

More specifically, we look forward to updating shareholders on the outcome of the two public hospitals' ECMO tenders, the applications for including the infusion pumps on the PL reimbursement schedule, and the acquisition of additional medical equipment, devices and consumables.

Authorisation

This announcement was authorised for release to the ASX by the board of directors of BTC health Limited, Level 1, 10 Oxley Rd, Hawthorn, VIC 3122.

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