

Results for announcement to the market
for the year ended 30 June 2023

1. The reporting period covers the year ended 30 June 2023.
The previous reporting period covers the year ended 30 June 2022.

2. Results for announcement to the Market

	30 June 2023 \$	30 June 2022 \$	Increase \$	Increase %
2.1 Total revenues from ordinary activities	117,343,633	66,991,732	50,351,901	75.2%
2.2 The profit from ordinary activities after tax attributable to Members	13,809,389	6,048,534	7,760,855	128.3%
2.3 The net profit attributable to Members	13,809,389	6,048,534	7,760,855	128.3%

- 2.4 On 26 August 2022, the Directors resolved to pay a maiden dividend of one cent per ordinary share franked as to 100% in respect of the year ended 30 June 2022. This fully franked dividend was the first distribution of profits to shareholders since the Company was listed on the ASX in late 2019. The Company also introduced a Dividend Reinvestment Plan that is available to all shareholders who wish to receive some or all of their dividends in the form of shares in the Company rather than cash.

On 11 October 2022, an amount of \$5,463,006 in cash was paid in respect of the above dividend and a total of 126,260 shares were issued under the DRP in satisfaction of dividend payments of \$80,630.

On 23 August 2023, the Directors resolved to pay a further dividend of one cent per ordinary share franked as to 100% in respect of the year ended 30 June 2023. It is anticipated that the Record Date for the dividend will be on, or around, 5 September 2023 and that the payment of the dividend and allotment of any shares issued under the Company's Dividend Reinvestment Plan will occur on, or around, 28 September 2023.

- 2.5 The record date for determining the above dividend is anticipated to be on, or around, 5 September 2023.

2.6 **Current period commentary**

Statement of Comprehensive Income

During the year ended 30 June 2023, the Company generated a consolidated profit after income tax of \$13,750,318 (2022: \$6,012,509), an increase of 129% over the figure for the previous year.

Total revenues for the 2023 financial year of \$117,343,633 comprised sales of medicinal cannabis products of \$115,298,613 and medical consultation fees of \$1,578,741, as well as \$466,279 from the sale of non-medical, or consumer, products in both Australia and Asia. The increase in sales of medicinal cannabis products was particularly strong, recording growth of 78% as compared to the prior year.

The average gross margin from the sale of medicinal cannabis and consumer products across the portfolio of more than 260 products sold through CanView fell by 2.5% to 33.7%, as compared to the prior year. The principal driver for this decrease relates to changes to the mix of products sold through CanView which now includes a greater proportion of sales of third-party brands that typically result in a lower gross margin, as compared to the brands such as Adaya which are owned by the Company. Importantly, however, notwithstanding this decline, gross profit from these sales increased during the year under review by \$15,374,772, or 65%, as compared to the prior year.

Pleasingly, the modest margin compression has been more than offset by operating expense efficiencies below the gross profit line, with operating expenses as a percentage of gross revenue falling during the year from 24% to 18%. As a result, the net profit before tax margin of 17% was a material improvement from less than 15% in the prior year.

Growth in the Company's personnel expenses, being the largest single operating expense, during the year was well contained as compared to growth in gross revenues. Personnel expenses during the current year were \$13,776,455, being an increase of 20% on the figure for the prior year of \$11,510,491, which compares favourably to total revenue growth during the same period of more than 75%.

2.6 Current period commentary (CONT.)

As a percentage of revenue, personnel expenses fell from 17% in the prior year to 12% in 2023, demonstrating the Company's ability to efficiently scale its operations and create leverage as the business continues to expand. A material element of this improvement is attributable to a reduction in share-based payments expense, falling from \$2,533,965 to \$666,188 in 2023. The total number of employees in the Group as at balance date was 121, as compared to 104 at the end of the previous year.

Statement of Financial Position

As at 30 June 2023, the Group's total cash and cash equivalents had increased by \$2,772,019, or 17%, to \$18,849,050 (2022: \$16,077,031). The main drivers of the difference between the growth in cash and the net profit after tax include the cash payment of the Company's maiden dividend of \$5,463,006 on 11 October 2022 and a material increase in the Company's working capital to purchase inventory to stock the Company's new Melbourne Distribution Centre ("MDC"), which commenced operations in October 2022.

In line with the Company's overall revenue growth, trade receivables increased materially by \$3,635,786, or 63%, as compared to the prior year, noting that this growth was pleasingly slower than the rate of revenue growth of 75%, demonstrating sound management of the Company's working capital and debtor collection processes. In turn, this assisted in driving growth in cash on hand despite the payment of a significant dividend, income tax and the establishment and stocking of the new MDC. A provision for doubtful debts totalling \$111,252 was raised at 30 June 2023 relating primarily to the conservative provisioning of balances outstanding with a small number of pharmacies that are currently on bespoke payment plans. Pleasingly, during the 2023 financial year, only \$18,567 has been written off as bad debts.

The balance of inventories held by the Group at balance date was \$6,908,870, up 37% on the figure from the end of the 2022 financial year. This increase was largely driven by the commissioning of the MDC in October 2022, and it is expected that the total inventory balance will continue to increase as the activities of the MDC ramp up to service the Company's growing customer base. A provision of \$204,588 in respect of obsolete stock was also raised during the period partially relating to stock held in the Group's consumer operations, as the Company evaluates options relating to the disposal of remaining consumer inventory.

The Company's interest-bearing liabilities fell significantly during the year due to the timing of the expiry of certain leases over office premises. With the execution of a new lease post balance date, it is anticipated that the balances will return to a steady state by 31 December 2023.

Statement of Cash Flows

During the year ended 30 June 2023, cash receipts from customers (including GST) were \$123,657,896, being an increase of 78% as compared to the figure for the previous corresponding year, driven by a significant increase in sales of medicinal cannabis products.

Income tax of \$6,787,513 was paid in 2023, consisting of two main components: \$1,661,716 paid in respect of the profit generated by CDA during the year ended 30 June 2022 covering the period prior to the merger of that company with Vitura Health and tax instalments of \$5,125,797 relating to profits generated by Vitura since the merger.

Payments made to suppliers and employees (including GST) increased by \$51,744,791, or 93%, as compared to the prior year, exceeding the rate of growth for both cash receipts and revenue for the same period. This accelerated growth rate was driven by an overall increase in stock purchases relating to MDC and is reflected in the significant increase in the balance of inventories held by the Group at 30 June 2023.

Cash outflows from financing activities totalling \$6,098,590 were largely driven by the payment of the Company's maiden dividend of one cent per share fully franked, which was paid on 11 October 2022. As the largest single net cash outflow in the statement of cashflows, this payment was the primary reason for the modest increase in cash on hand during the year, despite the significant growth in profit after tax.

Further details relating to the Group's financial performance can be found in the Directors' Report in the Company's Financial Report for the year ended 30 June 2023.

3. The audited Consolidated Statement of Comprehensive Income for the Group covering the Reporting Period and the Previous Period is provided on page 48 of the Company's 2023 Financial Report (the "Report"). Notes to the Statement are provided from page 52 to page 89 of the Report.
4. The audited Consolidated Statement of Financial Position for the Group covering the Reporting Period and the Previous Period is provided on page 49 of the Report. Notes to the Statement are provided from page 52 to page 89 of the Report.
5. The audited Consolidated Statement of Cash Flows for the Group covering the Reporting Period and the Previous Period is provided on page 51 of the Report. Notes to the Statement are provided from page 52 to page 89 of the Report and Note 28 on pages 75 and 76 of the Report, in particular.
6. The audited Consolidated Statement of Changes in Equity covering the Reporting Period and the Previous Period is provided on page 50 of the Report. Notes to the Statement are provided from page 52 to page 89 of the Report and a statement of retained earnings covering the same periods is included as Note 25 on page 74 of the Report.
7. On 26 August 2022, the Directors resolved to pay a maiden dividend of one cent per ordinary share franked as to 100% in respect of the year ended 30 June 2022. An amount of \$5,543,636 was subsequently paid on 11 October 2022 in respect of this dividend which was the first distribution of profits to shareholders since Vitura was listed on the ASX in November 2019.

On 23 August 2023, the Directors resolved to pay a dividend of one cent per ordinary share franked as to 100% in respect of the year ended 30 June 2023. It is anticipated that the Record Date for the dividend will be on, or around, 5 September 2023 and that the payment of the dividend and allotment of any shares issued under the Company's Dividend Reinvestment Plan will occur on, or around, 28 September 2023.

8. During the year ended 30 June 2023, the Company introduced a Dividend Reinvestment Plan ("DRP") that is offered to all shareholders who wish to receive some or all of their dividend in the form of shares in the Company rather than cash. During the year ended 30 June 2023, a total of \$80,630 in respect of the above dividend was settled via the issue of 126,260 shares in the Company under the DRP.
9. Net tangible assets per ordinary share as at 30 June 2023 were 4.99 cents.

Net tangible assets per ordinary share as at 30 June 2022, being the previous corresponding balance date, were 3.44 cents.

10. During the year ended 30 June 2023, the Company gained or lost control over the following entities:

Name of entity	Cronos Australia - New Zealand Limited
Control gained or lost	Lost
Type of transaction	Deregistration
Date of change	19 April 2023
Financial impact	Gain for the period ended 19 April 2023 was \$5,233

Name of entity	Cannadoc Health (NZ) Limited
Control gained or lost	Lost
Type of transaction	Deregistration
Date of change	19 April 2023
Financial impact	Gain for the period ended 19 April 2023 was \$12,594

Name of entity	Cortexa Pty. Ltd.
Control gained or lost	Gained
Type of transaction	50% direct equity interest purchased for \$500
Date of change	26 April 2023
Financial impact	Loss for the period ended 30 June 2023 was \$81,267

Name of entity	CBD Joint Venture Pty. Ltd.
Control gained or lost	Lost
Type of transaction	50% direct equity interest sold for \$Nil
Date of change	30 April 2023
Financial impact	Gain on disposal of interest in joint venture was \$8,708

11. During the year ended 30 June 2023, the Company entered into a 50/50 unincorporated joint venture with Releaf Group Limited. There were no material profits or losses generated by the Company from this joint venture during the year ended 30 June 2023.

The Company also established an incorporated joint venture with PharmAla Biotech Holdings Inc. called Cortexa Pty. Ltd. (see point 10 above). A loss of \$81,267 was incurred by the Company from this joint venture during the year ended 30 June 2023.

12. Apart from the information contained in the Report and elsewhere in this Appendix 4E, there is no other significant information needed by an investor to make an informed assessment of the Company's financial performance and financial position as at the Reporting Date.
13. The audited consolidated financial statements that are contained in the Report have been prepared in accordance with International Financial Reporting Standards.
14. A commentary on the Company's results for the Reporting Period has been provided in the Financial Analysis section and other sections contained in the Directors' Report which forms part of the Report. Details pertaining to the Group's operating segments are contained in Note 34 on pages 81 to 83 of the Report.
15. The consolidated financial statements for the Group covering the Reporting Period and the Previous Period have been audited by the Company's auditor, Pilot Partners.
16. Not applicable.
17. The Financial Report for the year ended 30 June 2023 was audited by the Company's auditor, Pilot Partners. The audit report provided by Pilot Partners does not contain any modified opinion or emphasis of matter.

Signed on behalf of Vitura Health Limited



RODNEY D. COCKS
Chief Executive Officer

Dated this 23rd day of August, 2023