

The logo for VITURA, featuring the word "VITURA" in a bold, white, sans-serif font. The letter "V" is stylized with an orange diagonal bar cutting through it from the top-left to the bottom-right.

**VITURA**

An aerial photograph of a coastline, showing a turquoise sea meeting a white sandy beach, with a rugged, orange-brown landscape beyond. The image is tilted and framed by dark blue geometric shapes.

# **2023** ANNUAL REPORT

Innovating the delivery of healthcare

**VITURA HEALTH LIMITED**

ABN 59 629 071 594

## **Acknowledgement of Traditional Owners**

Vitura Health Limited respectfully acknowledges the Traditional Owners of the land on which we work, the Wurundjeri Woi Wurrung and Bunurong Boon Wurrung peoples of the Eastern Kulin and pays respect to their Elders past, present and emerging.

We acknowledge and honour the unbroken spiritual, cultural and political connection the Wurundjeri, Bunurong, Dja Dja Wurrung, Taungurung and Wadawurrung peoples of the Eastern Kulin have to this place for more than 2,000 generations.

We are committed to our reconciliation journey because, at its heart, reconciliation is about strengthening relationships between Aboriginal and non-Aboriginal peoples, for the benefit of all Australians.

### ***Important Disclaimer***

*Certain statements in this Report are about the future. These are identified by words such as “believes”, “considers”, “could”, “estimates”, “expects”, “intends”, “may” and other similar words that involve risks and uncertainties. There are risks (both known and unknown), uncertainties, assumptions and other important factors that could cause the actual conduct, results, performance or achievements of Vitura Health Limited to be materially different from the future conduct, results, performance or achievements expressed or implied by such statements or that could cause the future conduct to be materially different from historical conduct. Such forward-looking statements are not guarantees of future performance. Deviations as to future conduct, results, performance and achievements are both normal and to be expected. Vitura Health Limited cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Report will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.*

*This Annual Report was approved for release on 27 October 2023.*

2023 Annual Report

<b>CONTENTS</b>	<b>PAGE</b>
Letter from the Chair and Chief Executive Officer	2
2023 performance highlights	4
CanView builds momentum as platform grows	6
The clear leader in Australian medicinal cannabis	7
A chronology of consistent growth	8
CanView offers the widest choice of products	11
The Vitura Ecosystem and CanView Platform	12
Cortexa Joint Venture to become the dominant player in psychedelics	16
Directors and Executives	18
Environmental, Social and Governance Statement	20
Financial Report index	29
Directors' Report	30
Corporate Governance Statement	64
Auditor's Independence Declaration	74
Financial Statements index	75
Financial Statements	76
Directors' Declaration	118
Corporate Directory	119
Auditor's Report	120
ASX Supplementary Information	124



Vitura Health Limited  
ABN 59 629 071 594  
ASX: VIT

Founding Member  
Founding Board Member

GDP (pharmaceutical)  
Good Distribution Practice Accredited

# Letter from the Chair and CEO

## Reflecting on a year of record growth and looking to the future

Dear Shareholder,

It is with great pleasure that we are able to report and reflect on Financial Year 2023. On almost all measures, it was a record year of growth for Vitura and one we will look back on as a pivotal year in the history of the Company. Highlights during the year include:

- Revenue grew by 75% to \$117.3 million
- EDITDA grew by 98% to \$20.7 million
- Profit after tax grew by 129% to \$13.8 million
- Cash at bank at 30 June 2023 was \$18.8 million
- Declaration and payment of \$0.01 fully franked dividend for the second consecutive year

Vitura remains the first and only ASX-listed company operating in the medicinal cannabis industry to have ever paid a dividend.

Our review this year is significant for several reasons. It covers the first full year of operation since the Company completed its successful merger with CDA Health Pty. Ltd. in December 2021 and it is the first report prepared under the new Vitura Health brand which we introduced in February 2023. Pleasingly, despite a number of changes as we integrated the CDA operations post-merger, the Company achieved significant growth in nearly all financial metrics during the 2023 financial year, creating a solid foundation from which Vitura will aim to consolidate and expand its market-leading position further in 2024.

News of the Company's financial results and continued growth has been well received by shareholders, investors and the market alike, with the Company's market capitalisation increasing from \$138 million at the end of the 2022 financial year to \$289 million only a year later. We were pleased to announce on 3 March 2023 that the Company's successes had been rewarded with its admission to the S&P ASX All Ordinaries Index as from 20 March 2023.

During the year, Vitura continued to devote considerable resources to develop and improve the efficiency and functionality of its market-leading digital health platform, CanView. The Company's multisided platform business model facilitates the exchange of products, services and information between four key user groups: patients, prescribers, pharmacies and suppliers. The network effects of our CanView platform, whereby the more people that use the platform, the more valuable it becomes for all users, provides the Company with hard to replicate competitive advantages, other potential revenue streams and valuable barriers to entry. While the Company's operations have traditionally focused on the sale and distribution of medicinal cannabis products, Vitura is fully licensed and equipped to distribute all products under Schedules 2, 3, 4, 8 and 9.

Importantly, the CanView platform has a deep competitive moat around its business model which now services 4,000+ pharmacies (representing approximately 75% of the total number nationally) and nearly 1,500 prescribers, offering more than 40 brands covering 260 products, and with more than 9,000 patients having been scripted through CanView. In June 2022, we announced that more than 1.5 million units had been distributed by the Company since CanView was launched back in June 2020, with the 2 millionth unit likely to be distributed before the end of the 2023 calendar year. The CanView platform, which has been developed in conjunction with third party service providers, is now the industry standard and is both AI-enabled and scalable with both low CAPEX and OPEX.

In mid-September 2022, Vitura welcomed Dr. Simone Scovell and Jenelle Frewen to the Board as Independent, Non-Executive Directors of Vitura Health Limited. Dr. Scovell and Ms. Frewen were also both appointed as members of the Company's Audit and Risk Committee and Nomination and Remuneration Committee on that date. In early September 2023, Dr. Scovell, who had assumed the role of Chair during the year, resigned from the Board. At that time, Dr. Marcia Walker was appointed Acting Chair while a search for an appropriately experienced replacement Chair is undertaken.

During October 2022, the Company announced that it had secured Victorian Government licences to enable the operation of its newly-commissioned Melbourne Distribution Centre (“MDC”) at an undisclosed location. The licences permit the supply of products listed under Schedules 2, 3, 4, 8 and 9 to pharmacies from the MDC, with significant volumes of products now being shipped on a daily basis from that facility. Together with the Company’s first distribution centre on the Gold Coast, the MDC provides the Company with national distribution capabilities, efficiently servicing customers in all states and territories of Australia.

In early December 2022, the Company and Cronos Group Inc. terminated, by mutual agreement, the Intellectual Property Licence Deed between the parties, pursuant to which the Company was granted rights to use various aspects of intellectual property owned by Cronos Group Inc., including the “Cronos” name. After a comprehensive rebranding exercise, at the Company’s 2022 AGM, the shareholders approved a change of the Company’s name to Vitura Health Limited, which subsequently took effect on 6 February 2023. On 8 February 2023, the Company’s ASX code changed from CAU to VIT to reflect the new name. We are very proud of our new name and image which has been well received by internal and external stakeholders alike.

On 16 January 2023, with 95% of CDA patients being consulted via telehealth, the Company announced that it had decided to close its three physical medicinal cannabis clinic locations on the Gold Coast, Brisbane and Sunshine Coast and transition to a 100% nationwide telehealth model. The Company also announced that the CDA Dispensary at the Gold Coast clinic would cease operations as part of the transition. The changes have since delivered a significant reduction in overhead costs and improved operational efficiencies, while at the same time providing continued quality of care to our patients nationwide.

As part of our ongoing strategy to leverage our significant distribution experience and capability, in May 2023, the Company announced the establishment of a 50:50 incorporated joint venture, called Cortexa, with Canadian-based PharmAla Biotech Holdings Inc. (CSE:MDMA) which aims to become the leading supplier of psychedelic medicine in Australia. Further, later in May 2023, we announced the establishment of a 50:50 unincorporated joint venture with Releaf Group Limited to combine the leading technology and distribution capabilities of Vitura Health through the CanView platform and the large network of franchise medical cannabis clinical services of Releaf. Both of these joint ventures are now fully operational, with the first sales of psychedelic medicines expected before the end of 2023.

Given the Company’s clear strategic focus to expand the CanView platform and related activities, and following a review into the future of its consumer business in Asia, the Company decided during the year that the business no longer formed a core part of the Group’s operations and, as a result, decided to wind it up. In addition to this change, and as part of the Company’s refocusing, following a detailed review we also decided to cease work on the development of a Schedule 3 CBD product. The Company is confident that these changes will deliver improved profitability for the business overall and ensure that Management attention is focused on the continued growth and expansion of its digital health platform business and its medicinal cannabis sale and distribution operations.

Once again, we would like to thank our dedicated Board, Executive and our growing number of employees for their continued hard work, dedication and resolve during what has been another extremely busy but, at the same time, exciting and productive year for Vitura. We recognise the important impact that each and every one of you have on the lives of the patients you serve and the prescribers, pharmacies and suppliers you support.

As we build on the many successes achieved by the Company in FY2023, we look forward to executing against the priorities in our Vision26 strategy, with a clear goal to continue to expand our operations, explore and exploit new opportunities and deliver further value for our shareholders in FY2024 and beyond.

DR. MARCIA A.M. WALKER  
*Acting Chair*

RODNEY D. COCKS CSM  
*Chief Executive Officer and Executive Director*

## 2023 performance highlights

Significant year-on-year growth across all key metrics

### Financial Metrics

Revenue

**\$117.3 million**

75%

Net tangible assets

**\$27.8 million**

47%

Gross profit

**\$40.5 million**

59%

Cash balance

**\$18.8 million**

17%

EBITDA

**\$20.7 million**

98%

Share price

**\$0.52**

108%

Profit after tax

**\$13.8 million**

129%

Market capitalisation

**\$289.4 million**

109%

Notes: All statement of income numbers cover the year ended 30 June 2023, as compared to the year ended 30 June 2022  
All statement of financial position balances are as at 30 June 2023, as compared to 30 June 2022  
Share price and market capitalisation compare figures at 30 June 2023 with those at 30 June 2022

## Non-Financial Metrics

Units sold through  
CanView

945,134

94%

Patients registered  
on CanView (refer note)

5,683

18%

Unique SKUs sold  
on CanView

250

48%

Brands available  
on CanView

39

63%

Pharmacy accounts  
on CanView

3,649

30%

Number of  
employees

122

17%

Doctor accounts  
on CanView

978

36%

Number of  
shareholders

3,255

45%

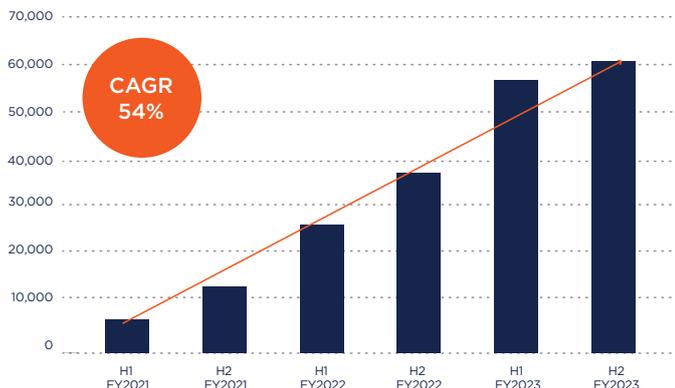
Notes: During the second half of the 2023 financial year, the number of patients using the CanView platform have been progressively transitioned across to the new app. Importantly, notwithstanding the growing numbers of patients using the app, the Company, through CanView, has supplied medicinal cannabis products to tens of thousands of patients across Australia since it was launched. As these thousands of patients accessing medicinal cannabis through the platform progressively access the benefits of CanView via the app, it is anticipated that the patient numbers reported will increase significantly over the coming periods. As at the date of this Report, the number of patients using the app had increased from 5,683 at 30 June 2023 to more than 8,000.

All discrete metrics cover the year ended 30 June 2023  
All cumulative non-financial metrics are as at 30 June 2023

# CanView builds momentum as platform grows

## Sustained and continuing growth for all six half-years since launch

Gross sales generated through CanView (\$ '000s)



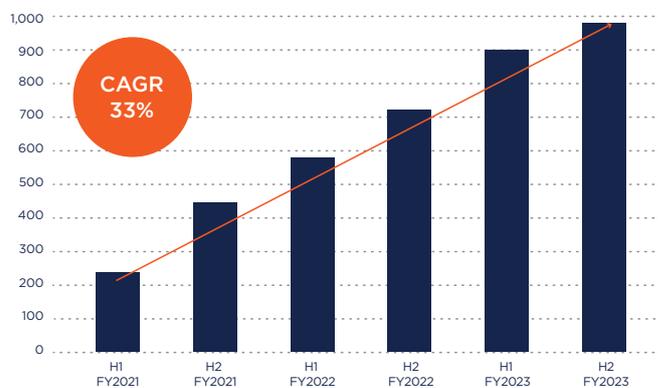
Units sold through CanView



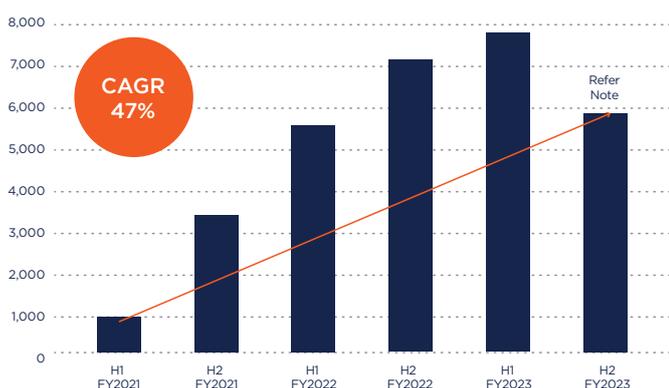
Cumulative pharmacy accounts on CanView



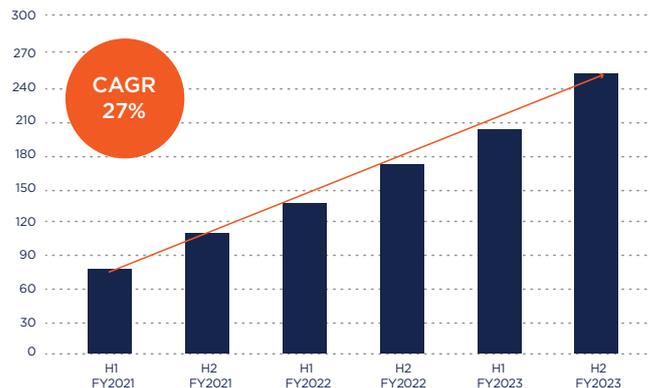
Cumulative doctor accounts on CanView



Cumulative patients registered on CanView



Number of SKUs available on CanView



Note: During the second half of the 2023 financial year, the number of patients using the CanView platform have been progressively transitioned across to the new app. Importantly, notwithstanding the growing numbers of patients using the app, the Company, through CanView, has supplied medicinal cannabis products to tens of thousands of patients across Australia since it was launched. As these thousands of patients accessing medicinal cannabis through the platform progressively access the benefits of CanView via the app, it is anticipated that the patient numbers reported will increase significantly over the coming periods. As at the date of this Report, the number of patients using the app had increased from 5,683 at 30 June 2023 to more than 8,000.

The clear leader in Australian medicinal cannabis  
 Vitura retains the dominant position across almost all financial metrics



FINANCIAL METRICS	RANK (note)	FINANCIAL METRICS	RANK (note)
Revenue	#1	EBITDA	#1
<b>\$117.3 million</b>		<b>\$20.7 million</b>	
Gross profit	#1	Profit after tax	#1
<b>\$40.5 million</b>		<b>\$13.8 million</b>	
Net operating cash flows	#1	Cash balance	#2
<b>\$9.7 million</b>		<b>\$18.8 million</b>	
Dividend payout (per share)	#1	Market capitalisation	#1
<b>\$0.01</b>		<b>\$289.4 million</b>	

Notes: Metrics ranked as compared to the following 17 ASX-listed cannabis companies (described by ASX code), based on their published financial statements for the year ended 30 June 2023, or comparable date, where appropriate:  
 IHL, CAN, EOF, BOT, LGP, EMD, CPH, MXC, ECS, AGH, MDC, AC8, ZLD, BOD, EPN, EXL, CGB

Market capitalisation calculated based on the Company's share price of \$0.52 on 30 June 2023

# A chronology of consistent growth

Vitura continues to deliver increasing financial returns and momentum







CanView offers the widest choice of products  
 More than 40 brands covering 260+ products are listed on CanView



# The Vitura Ecosystem and CanView Platform

## Vitura continues to build a leading digital health platform and ecosystem business

### INTRODUCTION

During the 2023 financial year, Vitura continued to develop and improve the efficiency and functionality of its market-leading digital platform, CanView. The ecosystem and platform business model operated by the Company allows eligible patients to manage their medications in one place while also delivering prescribing, ordering and dispensing solutions to Australian healthcare professionals wanting to access prescription medicines for their patients.

For the Company's many supply partners whose products are listed on the platform, and which are distributed through the Company's subsidiary Burleigh Heads Cannabis, CanView provides both market access and, by leveraging the growing user base across the ecosystem, an ongoing sustainable sales channel to help scale their businesses.

### KEY FEATURES OF AN ECOSYSTEM MODEL

1. An ecosystem is comprised of interconnected participants where mutually beneficial value is both created and captured via the interactions between those participants. The goal is to maximise the value of the ecosystem to enable the highest number of successful interactions, where users can achieve the desired outcomes as they move through their journey.
2. In an ecosystem economy, the ability to blend and break down barriers between physical and digital participants, as well as between industry and product verticals, is often done through one or more integrated platforms. Often, this can be achieved and scaled more quickly and easily than is the case with traditional businesses.
3. When building a network of ecosystem participants, an orchestrator has the option to build, partner with, or acquire the necessary elements in order to grow its user base or expand its offerings. Each choice requires careful consideration of capabilities and resources, core strategic focuses, as well as opportunity costs.
4. An ecosystem has both participants and users:
  - (a) A participant is any organisation that is a part of the overall ecosystem. This can include both physical and digital organisations that play a specific role and usually create specific value for the users that flow through the ecosystem. An example of a participant may be a supplier, technology platform, third party developers/integrators, logistics providers etc.
  - (b) A user is someone who interacts with other users within the different parts of the ecosystem, such as a patient booking an appointment, or a pharmacy customer placing an order through a digital platform.

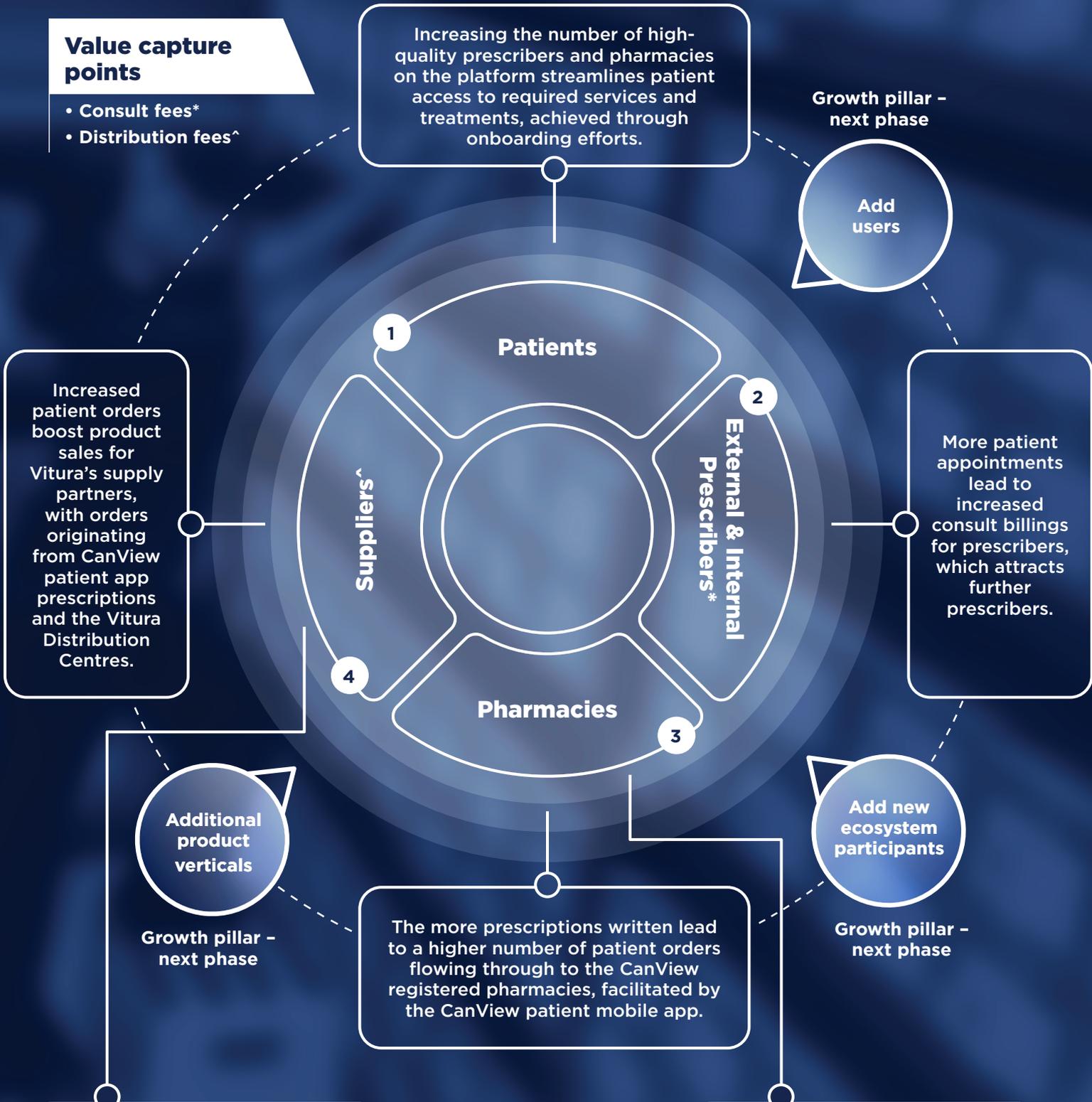
### THE VITURA ECOSYSTEM

During the year, Vitura made significant progress in delivering its ecosystem strategy, of which CanView is one part, which resulted in large increases in the numbers of users and in the value created for those users via their use of the CanView platform.

Currently, the key participants in the Vitura ecosystem are telehealth and physical clinics, pharmacies, product suppliers, and distribution/logistics providers. The key users are patients, prescribers, and pharmacists. To date, there has been a strict focus for Vitura as the orchestrator of the ecosystem to ensure that value creation is occurring through an increasing number of successful interactions between the various participants and users.

# The Vitura Ecosystem and CanView Platform

The Vitura ecosystem enables its participants to interact with each other to both create value for users flowing through, and then capture value at different points to provide sustainable business growth. As more users flow through the ecosystem, the more valuable it becomes for our participants, which then results in more value for Vitura as the orchestrator.



## Product units

In June 2023 the Company announced the shipment of the 1,500,000<sup>th</sup> unit through CanView, driving supply partner product sales and future expansion.

## Patient orders

New patient functionality introduced in the second half of the financial year resulted in over \$11.5 million in patient orders to CanView registered pharmacies.

The following examples demonstrate how the participants and users can benefit from the positive network effects of CanView:

1. The greater the number of high quality, service orientated prescribers and pharmacies on the platform, the quicker and easier it is for a patient to receive the service and treatments he or she requires. This is achieved through further onboarding doctors and dispensers to the CanView prescriber and pharmacy platforms:
  - Prescribers: The Company's in field Medical Science Liaison and business development teams onboarding prescribers and clinic groups to the platform, together with ongoing marketing activities; and
  - Pharmacies: The Company's in field pharmacy account management team, together with regular engagement with pharmacy head offices and ongoing marketing activities.
2. The more patients that book appointments, the greater the number of consult billings are received by prescribers, which in turn then attracts more prescribers. This is achieved through Vitura's clinical operations as well as, indirectly, through prescribers outside of CanView who then prescribe through the prescriber platform, resulting in more of their patients downloading the CanView patient app.
3. The more appointments booked by eligible patients, the more prescriptions are then written, leading to a greater number of patient orders flowing through to a CanView registered pharmacy, providing them with ongoing business. This is achieved through the CanView patient app, whereby a patient can seamlessly choose to send his or her prescription to any one of the 4,000+ pharmacies with accounts on CanView who have opted to receive new patients/scripts.
4. The greater the number of patient orders received, the more product sales that Vitura's 30+ supply partners receive to provide further, sustainable growth for their businesses. This is achieved by the pharmacies being able to easily order the products covered by the prescriptions sent via the CanView patient app from the Vitura Distribution Centers which serve customers across the country.

Further to the examples above, we can see value creation being captured by the different participants through the following:

- Number of product units distributed on behalf of supply partners: The Company announced in December 2022 that the 1,000,000th unit of medicinal cannabis to be sold via the CanView platform. Then, in June 2023, less than six months later, the Company announced the shipment of the 1,500,000th unit through CanView. This growth directly relates to product sales for our supply partners which can further fuel expansion of product ranges and sales activities that drive future incremental growth.
- Patient orders sent through to community pharmacy: Since releasing the new functionality for patients in the second half of the financial year enabling them to choose a CanView registered pharmacy to send their prescriptions to, there has been more than \$11.5 million worth of patient orders distributed to pharmacies within the ecosystem. As more users use the platform and interact inside the ecosystem, we would expect to see this number compound exponentially over time due to the combination of both return and new users.

An important part of the ecosystem strategy for Vitura is being able to blend both physical participants with digital platforms. The interplay of these groups in multiple parts of the ecosystem ensures that the experience is more integrated into the lives of users within the ecosystem. It also enables value capture points through physical products and hardware which tend to have higher associated revenue, rather than relying solely on digital revenue. This is seen with the interactions between patients and face to face consultations with prescribers at a clinic, or through extra counselling by a pharmacist when collecting medications that a patient has chosen via the mobile app.

Vitura's leading distribution network, providing physical products, is also a key benefit for users that delivers information and transparency, as well as significant operational efficiencies by centralising everything in one place. This gives the Company a clear opportunity to broaden its offerings in this area and service a wider range of needs for all key platform users.

## THE NEXT PHASE OF THE VITURA ECOSYSTEM STRATEGY

The Company's next stage of growth has a clear pathway based on the three strategic pillars listed below which all continue to build on the existing foundation and follow the key ecosystem and platform dynamics explained above.

### 1. Add users toward critical mass

With the Company's initial focus on establishing and growing its pharmacy network, the focus has turned to attracting both patients and prescribers into the Vitura ecosystem:

- (a) Independent clinics and prescribers: With more prescribers using the software to use the CanView catalogue of products to prescribe and to manage prescriptions and compliance reporting, the more patients and prescriptions that flow down to pharmacies and supply partners as sales and revenue;
- (b) Achieved through the ongoing effort of the Company's infield and corporate sales teams;
- (c) Internal clinics and prescribers: Expansion of the Company's internal prescriber base to meet the highest level of service and compliance and serve the increased patient consult volume; and
- (d) Patients: Through a combination of expanded patient acquisition strategies, the ability to offer other product verticals (below) and the flow on effect from the overall CanView prescriber network, the Company aims to take significant steps towards securing a critical mass of patients using the platform and to provide a more comprehensive service offering.

### 2. Add new ecosystem participants to increase the value created and expand the Company's offering to existing users, e.g. to telehealth providers and physical clinics

- (a) As an ecosystem orchestrator, the Company is in the position to further curate other key, complimentary healthcare services that either bring an increased number of users into the ecosystem, or further extend the service offerings that a user could benefit from in their lifecycle, which in turn increases the positive cross-side network effect for other users;
- (b) With a number of strategically focused options as to which new ecosystem participants would create the most amount of value for others, and with existing relationships in mind, the Company will consider whether it should build new offerings, acquire existing businesses, or enter into arrangements with suitable partners, with the potential to do all three over time; and
- (c) There will be continued emphasis on ensuring that both the physical and digital elements are blended to ensure that each user experience is embedded into daily life.

### 3. Introduce additional product verticals

- (a) With a rapidly expanding user base of both prescribers and patients that we know currently require access to other medications and consumer healthcare goods through other platforms, Vitura aims to add new product verticals to the overall ecosystem to provide further value to users.
- (b) New products could take the form of Special Access Scheme or Authorised Prescriber pathway goods, and other scheduled medicines that would benefit existing users, or attract new ones into the ecosystem. For example, the addition of a new product range to the CanView catalogue would enable a new and expanded cohort of prescribers onto the platform who are not necessarily prescribers of medicinal cannabis.
- (c) This direction could be implemented under the existing distribution model, or via a new model, with the goal of adding further value to other ecosystem participants such as pharmacies, who would inevitably receive an increased number of new patients and prescriptions to dispense.

# Cortexa Joint Venture to become the dominant player in psychedelics

## Vitura to leverage its sale and distribution capabilities beyond medicinal cannabis

### INTRODUCTION

On 2 May 2023, Vitura announced the establishment of a 50:50 joint venture with Canadian-based PharmAla Biotech Holdings Inc. (CSE: MDMA) (“PharmAla”). PharmAla, a biotechnology company focused on the research, development and manufacture of MDXX class molecules (including MDMA) is expected to become the first company in the world able to supply psychedelic medications MDMA and Psilocybin that meet good manufacturing practice (“GMP”) for prescription use in Australia. A joint venture vehicle, Cortexa Pty. Ltd. (“Cortexa”), owned equally by Vitura and PharmAla, has been established and is the leading supplier of psychedelics for research and therapeutic use in Australia.

Cortexa will capitalise on the market-leading distribution and industry relationships of Vitura and the manufacturing technologies of PharmAla to become the leading supplier of psychedelic medicines for research and clinical use in Australia. Already benefitting from existing orders for psychedelics generated by PharmAla, Cortexa has exclusive rights to purchase GMP MDMA and Psilocybin from PharmAla for distribution in Australia and is the exclusive licence holder in Australia for PharmAla’s manufacturing technology and intellectual property assets relating to MDMA which will, in time, enable Cortexa to facilitate the manufacturer of MDMA in Australia.

Pursuant to the terms of Cortexa’s licence to PharmAla’s owned and licensed IP, Cortexa will pay PharmAla a licence fee of \$250,000 per annum for three years. Cortexa will also pay PharmAla a royalty equal to 5% of the net profit generated by Cortexa. In order to provide Cortexa with sufficient working capital in its initial stage of development, Vitura has agreed to advance loan funds to Cortexa of up to \$2,200,000 at an interest rate equal to the official cash rate +5% per annum, should such funds be required.

### MARKET POTENTIAL

In February 2023, the Therapeutic Goods Administration (“TGA”) announced that, as from 1 July 2023, it will down-schedule MDMA and Psilocybin from Schedule 9 to Schedule 8 and permit psychiatrists to prescribe MDMA for post-traumatic stress disorder (“PTSD”) and Psilocybin for treatment-resistant depression, under an authorised prescriber scheme.

More than 8 million Australians aged between 16 and 85 are estimated to have experienced a mental disorder at some time in their life, with approximately 1 in 5, or in excess of 4 million people, having experienced a mental disorder during the previous 12 months.<sup>1</sup>

PTSD is the most common mental health condition in Australia after depression<sup>2</sup>, with an estimated 5% to 10% of Australians suffering from the condition at some point in their lives. Approximately 1 million Australians suffered from depression in 2018, of which nearly 14% met the definition of treatment-resistant depression.<sup>3</sup>

The above changes implemented by the TGA recognise the emergence of sufficient high-quality evidence specific to these patient groups, and represent a significant milestone in Australia’s pharmaceutical industry, with Australia now leading the world in enabling access to psychedelic medicines for patients under strict psychiatric care.

To become an authorised prescriber of psychedelic medicines in Australia, psychiatrists need to seek approval for Psychedelic Assisted Therapy from a Human Research Ethics Committee, via the submission of a treatment protocol. Once approved, the psychiatrists will then require further authorisation from the TGA before the medicines can be prescribed. It is expected that the first authorised prescribing psychiatrists will be approved and treating patients by November 2023.

Although the market opportunity in Australia for psychedelic drugs such as MDMA and Psilocybin is potentially lucrative, the expected market growth will initially be restricted by the regulatory hurdles to become a prescriber, in addition to the not insignificant overall cost of the treatment programs. Some estimates predict that the psychedelic medicine market in Australia could exceed \$15 million per annum by 2027.

1. *National Study of Mental Health and Wellbeing methodology, 2020-21 | Australian Bureau of Statistics (abs.gov.au)*

2. *Phoenix Australia, Mental health research & treatment PTSD Awareness Day 2022, 22 June 2022 phoenixaustralia.org*

3. *Australian Government Department of Health and Aged Care Public Summary Document Application No. 1196.1– Repetitive Transcranial Magnetic Stimulation (rTMS) for the treatment of depression MSAC 73rd Meeting, 26-27 July 2018*

## MARKET ENTRY

In early July 2023, Cortexa placed its first order of psychedelic products from PharmAla with the first delivery having now been received. The Company anticipates that the first prescriptions for these products will be received during last quarter of the 2023 calendar year.

PharmAla is committed to psychedelic research and is the one of world's largest manufacturers of clinical grade psychedelic drugs, having supported research by supplying over 16 clinical trials worldwide. Supported by Vitura's expertise in local distribution and commercialisation of emerging therapies, Cortexa will be one of the only companies in the world able to supply the approved psychedelic drugs for patient use in Australia.

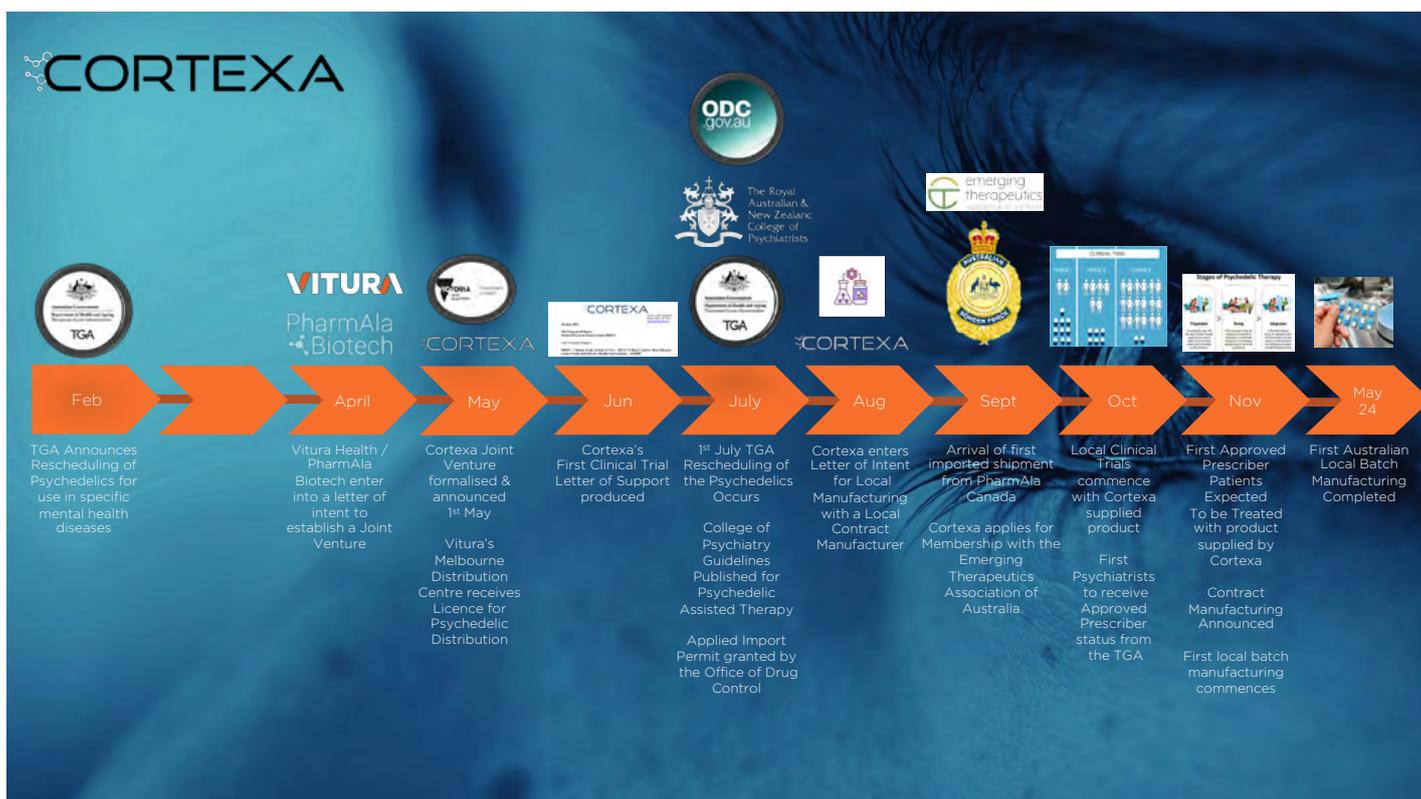
Cortexa has now executed contracts to supply MDMA and Psilocybin to multiple clinical trials across Australia and is well positioned to assist clinicians seeking to address PTSD and treatment-resistant depression with Psychedelic Assisted Therapy ("PAT"). Cortexa has also been actively engaging with key stakeholders with clinical and research interests in PAT, establishing relationships and developing a strong market profile as a leading partner for the psychiatric and psychotherapy communities.

Through engagement with the relevant peak bodies such as the Royal Australian and New Zealand College of Psychiatry ("RANZCP") and the Australian Multidisciplinary Association for Psychedelic Practitioners ("AMAPP"), Cortexa is achieving alignment with leaders in the implementation and ongoing development of these treatments, building foundations for strong growth in this new therapeutic area and further leveraging the sale and distribution capabilities of Vitura beyond medicinal cannabis.

In order to increase market access for MDMA and Psilocybin, Cortexa will soon be commencing local batch manufacturing of psychedelic medicines, leveraging PharmAla's extensive manufacturing expertise. This streamlined approach to a market currently dependant on the importation of such medicines, minimises administrative burden, reduces cost and creates an assured supply of the highest quality medications for Australian prescribers, researchers and patients.

Cortexa will continue to invest in the mental health space, promote its strategic alliances and establish itself as supplier of choice for psychedelic medicines in Australia by the end of the 2024 financial year.

The Cortexa journey so far can be represented in the following flowchart.



# Directors and Executives

A focussed team with deep experience, delivering shareholder value

## DIRECTORS – INDEPENDENT NON-EXECUTIVE

---



### **Dr. Marcia A.M. Walker**

Dr. Marcia Walker was appointed Non-Executive Director of Vitura on 16 December 2021 and served as Acting Chair from 11 April 2022 until 24 February 2023 and again from 6 September 2023 onwards. Marcia brings significant experience in Medical Governance and formerly served on the board of the New Zealand Medical Association and as a member of the General Practitioner Council of the NZMA, a member of the Medicines Classifications Committee for the Ministry of Health NZ and acts as a Medical Examiner for the Royal New Zealand College of General Practitioners. Previously, she acted as a Medical Advisor to the Rua BioScience (formerly Hikurangi Hemp Company) and Treasurer for the New Zealand Resident Doctors Association. Marcia received a Bachelor of Medicine and a Bachelor of Surgery / Chirurgery from the University of Auckland and is a fellow of the Royal New Zealand College of General Practitioners. She also acts as the Medical Director of The Cosmetic Clinic New Zealand.



### **Jenelle L. Frewen**

Jenelle Frewen was appointed as an Independent Non-Executive Director of Vitura on 12 September 2022. Jenelle is an accomplished government strategist and adviser with more than two decades' experience spanning complex policy development and implementation in highly regulated industries. She has led several federal and state political campaigns, and advised a range of business clients on public affairs and regulatory policy. She has experience working at all three levels of government in Australia and in new areas of policy-making in technology, broadband and cyber safety. Jenelle also spent time in her early career working as a communications and media adviser in the private sector in Australia, and was a senior aide in municipal government in the United States. She is currently Principal Consultant with the Canberra-based advisory firm, Precision Public Affairs. Jenelle obtained a Bachelor of Economics and a Bachelor of Arts with Honours from Monash University and holds a post-graduate diploma in Governance and Public Policy.

## DIRECTORS – NON-INDEPENDENT EXECUTIVE

---



### **Rodney D. Cocks CSM**

Refer biography on page 19.



### **Guy R. Headley**

Refer biography on page 19.

*Note: Further details regarding the qualifications and positions of Dr. Walker and Ms. Frewen can be found on page 31.*

## EXECUTIVES

---



### Rodney D. Cocks CSM

Rodney Cocks is a founding Director of Vitura and was appointed Executive Director and Chief Executive Officer on 27 September 2018. He is a Director of NewSouthern Capital Pty. Ltd., a private equity firm he co-founded. Prior to joining Vitura, he was a member of the Senior Leadership Team at Linfox and was a Consultant at the Boston Consulting Group. Rodney served on the Counter Narcotics Team of the British Embassy in Afghanistan and with the United Nations in Afghanistan, Sri Lanka, Pakistan and Iraq and started his career as an Infantry Officer in the Australian Army. Rodney holds a BCom from the University of Melbourne, LLB from the Queensland University of Technology, MBA from the Wharton School, University of Pennsylvania, MPA from the Harvard Kennedy School, Harvard University and is a Graduate of the Australian Institute of Company Directors and the Royal Military College, Duntroon. He is an admitted Lawyer to the Supreme Court of New South Wales, was a Fellow at Harvard University and named the 2005 Victorian Australian of the Year. In 2003, Rodney was awarded a Conspicuous Service Medal for his actions in the aftermath of the 2002 Bali bombings.



### Guy R. Headley

Guy Headley was appointed Executive Director and Chief Commercial Officer of Vitura on 16 December 2021. Guy has operated in the Australian Medical Cannabis space since 2016. He is a founding director of CDA Health Pty. Ltd. and has acted as a director of Burleigh Heads Cannabis Pty. Ltd. over the last seven years. He brings a wealth of knowledge regarding medicinal cannabis sales, distribution and compliance in the heavily regulated industry. Prior to working in the cannabis space, Guy spent more than 15 years in the construction and development sector overseeing the procurement and management of multimillion dollar projects across New Zealand, Australia and the United Kingdom. Guy is also a founding Director and Chairman of the Emerging Therapeutics Association of Australia.



### Thomas G. Howitt

Tom Howitt was appointed as the first Chief Financial Officer of Vitura on 3 December 2018 and as Company Secretary on 14 August 2020. Prior to joining the Company, he was Chief Financial Officer of Global Kinetics Corporation, a pre-IPO life sciences company, Chief Financial Officer/ Company Secretary of Simavita Limited (ASX:SVA, TSX-V:SV) a digital healthcare company, Chief Financial Officer/Company Secretary of Genetic Technologies Limited (ASX:GTG, NASDAQ:GENE) a large genetics company, and several other ASX-listed companies. Prior to that, Tom worked in the investment banking industry and was a Taxation Manager at EY. Tom is a Chartered Accountant, a ten-year member of the Victorian Branch Committee of AusBiotech and a member of the CCRM Australia Industry Interface Committee at Monash University.



### Ryan J. Tattle

Ryan Tattle was appointed National Distribution Manager of Vitura on 16 December 2021, having joined CDA in 2019. In January 2023, Ryan was appointed as the Company's first Chief Revenue Officer. He has extensive knowledge of the medicinal cannabis industry with a focus on execution, backed by a passion for commercial strategy, distribution, and regulatory compliance. Ryan has played a key role in the growth of the Burleigh Heads Cannabis distribution operation, as well as being a driving force behind the creation, evolution and rollout of the CanView platform. Prior to joining CDA, Ryan gained extensive start-up experience in a range of industries, including an American medical focused product development company where he oversaw a global supply chain, clinical trials, and a national distribution network. He has previously developed and run an online multi-sided marketplace where he gained a deep understanding of the intricacies around platform and ecosystem strategy.

*Note: Further details regarding the qualifications and positions of Messrs. Cocks and Howitt can be found on pages 30 and 32.*

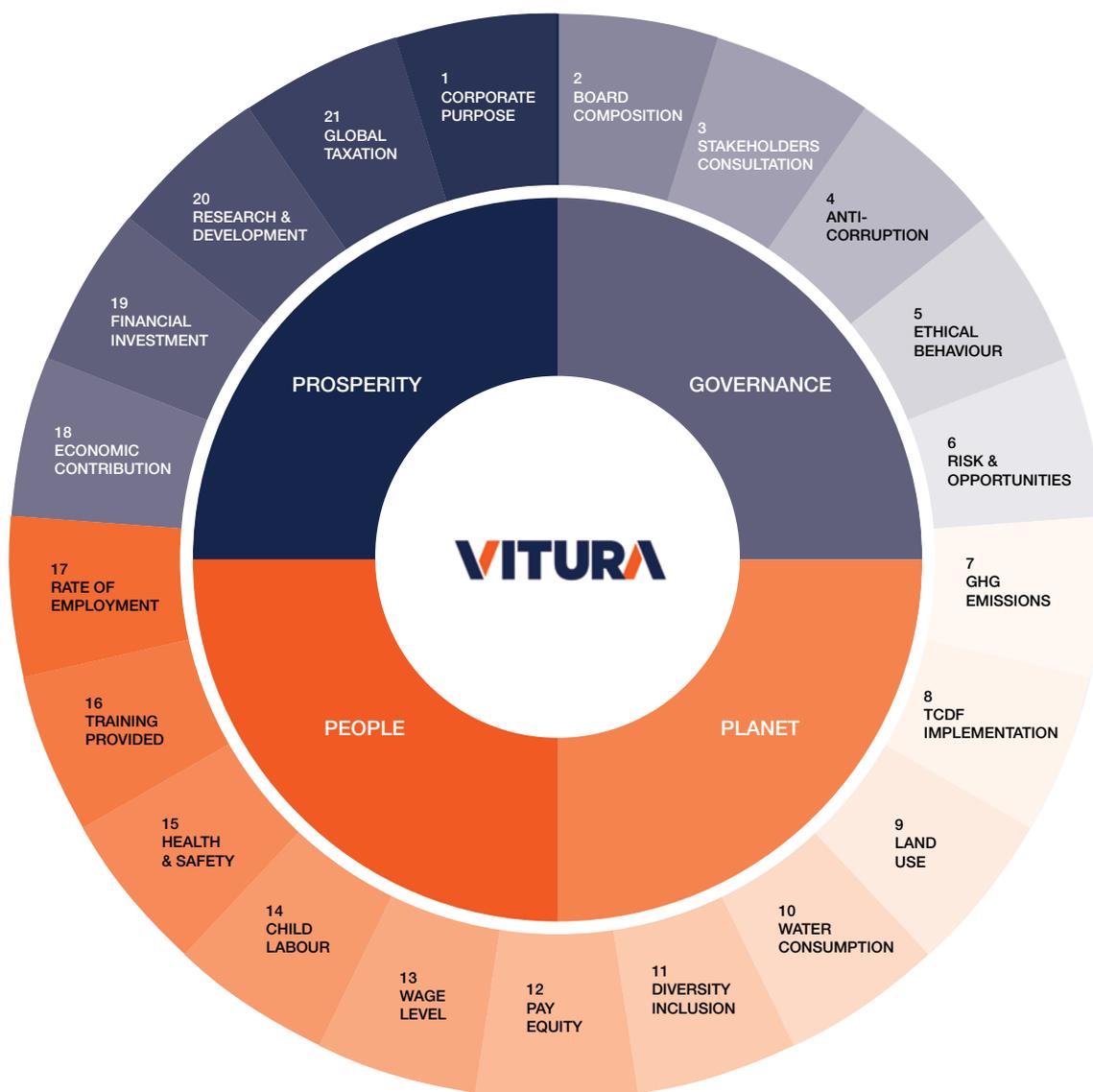
# Environmental, Social and Governance Statement

## Committing to the highest standards of practice and disclosure

### INTRODUCTION

Vitura Health Limited (“Vitura” and the “Company”) is committed to the principles of Environmental, Social and Governance (“ESG”) reporting as an important way of creating long-term enterprise value and addressing the societal priorities enshrined in the United Nations’ Sustainable Development Goals. During the 2023 financial year, the Company continued its commitment to improving its reporting on the ESG disclosures of the Stakeholder Capitalism Metrics (“SCM”) of the World Economic Forum (“WEF”).

The Company continues to refine and expand its ESG disclosures in the form of a set of universal, comparable ESG metrics focused on the principles of governance, planet, people and prosperity that organisations can report on regardless of industry or region. Going forward, the Company will further develop its reporting against the 21 core metrics illustrated in the diagram below as prescribed by the WEF, which will be reviewed and updated periodically.



Vitura uses this universal ESG framework to align the mainstream reporting on its performance against ESG indicators. By integrating ESG metrics into its governance, business strategy and performance management processes, the Company will further evaluate and incorporate all pertinent risks and opportunities in operating its business. The Company will also continue to look for opportunities to provide further transparency on the topics which are material to its business.

To more efficiently track its disclosure progress and demonstrate its sustainability performance against the WEF SCM framework, the Company will further refine its internal processes to enable it to demonstrate its ongoing commitment to ESG and to share its ESG disclosures on a regular basis.

## GOVERNANCE

### Governing purpose – setting purpose

Through the Company's market-leading online digital marketplace platform, CanView, the Company is committed to providing Australian patients with access to the highest quality medicinal cannabis products, as well as providing medical consultation services to its growing number of patients. As part of its vision, Vitura seeks to position itself as a socially responsible leader in the Australian digital health sector, with a current focus on the medicinal cannabis industry, selling and distributing a diverse and expanding portfolio of cannabinoid products, containing both THC and CBD, in addition to psychedelic products through its Cortexa joint venture.

Vitura continually strives to adhere to the best industry standards and governance to create additional value for its shareholders and other stakeholders, including its suppliers, pharmacies, prescribers and patients. This strategy is underpinned by the Company's multisided platform business model delivering innovative products, services and healthcare solutions for all users of the platform. The Company is also a founding member of the Emerging Therapeutics Association of Australia, whose primary goal is to advance safe and affordable access to legal treatment pathways for Australian patients seeking plant-based and other emerging therapeutics.

As part of this process, the Company is guided by the following corporate values and commitments which are published on its website:

#### **We're Good Humans**

We highly value true integrity and honesty. We exhibit true authenticity and humility. We act with respect for each other and pursue evolution in ourselves and our methods.

#### **We're Productive**

We work hard in a productive and efficient way and are accountable to our commitments. We can change our priorities quickly to respond to the changing market and business requirements.

#### **We're Customer-Centric**

We prioritise our customer's experience and seek feedback to constantly improve and refine the customer journey.

#### **We Cultivate Innovation**

We're curious, science-minded and research orientated. We display ingenuity and challenge the status quo. We don't just do things because that's how they have always been done.

#### **We Strive for Excellence**

We deliver excellence in products, customer service, clinical outcomes and everything we do. We are continuously striving to be better.

#### **We Operate Ethically**

We're compliant and ethical players in a high regulated industry and don't take risks for short term gains. We're risk savvy and always mitigate large risks with creative but highly compliant solutions.

The corporate structure of the Vitura Group, including its 21 subsidiaries, is illustrated in the diagram on page 116 of this Annual Report. The Group's business focuses on the operation and further development and expansion of its CanView marketplace platform. The Company has now cemented itself as a leading digital health business and the market leader in the Australian medicinal cannabis sector, with a current focus on the following businesses:

- Sale and distribution of medicinal cannabis products via its leading online marketplace, CanView. The CanView platform is a successful, free-to-use pharmacy, doctor and patient online platform, which sells and distributes more than 260 different medicinal cannabis products, together with a number of devices, across Australia sourced from approximately 40 of the most well-known international and domestic brands. This platform provides efficient and compliant access to medicinal cannabis for patients and streamlines the process for prescribers, pharmacies and suppliers.
- Provision of a range of medical clinic services via its CDA Clinics and Cannadoc businesses to patients across Australia via nationwide telehealth services.

## Quality of governing body – governance body composition

The Vitura Board of Directors strongly believes in the benefits of an independent, diverse and socially inclusive Board. The capabilities and perspectives of Board members are important for making strategic and robust decisions.

The Board skills matrix captures Board competencies related to governance, industry and operational experience, tenure, diversity, environmental and social topics, required of its members to operate effectively and efficiently.

This process highlights the strength and balance within the Company's governing body composition that goes beyond a single metric to ensure that it has gender equality, independence and social inclusion. The Board skills matrix is currently being further developed to include additional ESG specific competencies.

The functions and responsibilities of the Board of Directors are set out in its Board Charter on its website and the Corporate Governance Statement on pages 64 to 73 of this Annual Report, where, on behalf of the shareholders of the Company, the Board provides overall strategic guidance and financial management and control for the Company through the effective oversight of Management. The Board ensures that the activities of the Company comply with its Constitution, from which the Board derives its authority to act, and with all relevant legal and regulatory requirements.

The Company recognises that having a majority of independent directors on the Board is important to assure its shareholders that the Board is properly fulfilling its role and is diligent in holding the Company's senior Management accountable for its performance.

Up until 6 September 2023, the Company's Board comprised five Directors of whom three, or 60%, were independent. In addition, three of the Directors, including the Chair, were female, again representing 60% of the Board. The Company continuously reviews and updates its Board composition and skills matrix to improve and reflect best practice in the governance of its business and relevant competencies. Following the resignation of the Company's Chair in early September 2023, a search for a suitable replacement is now underway.

## Stakeholder engagement – material issues impacting stakeholders

The Company is committed to providing clear and consistent communication, engagement and consultation with its various stakeholders. The Company has traditionally focused its efforts on the economic outcomes and results for its shareholders and has a variety of written policies and procedures regarding the disclosure of information that focus on the continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities.

These policies and procedures also include the arrangements that the Company has in place to promote communication with shareholders and encourage their effective participation at general meetings. Vitura's Disclosure and Communication Policy (which can be found on the Company's website: [www.vitura.com.au](http://www.vitura.com.au)) describes the Company's commitment to transparent and timely communication.

Vitura acknowledges the significance of addressing non-traditional and emerging economic, social and environmental issues arising not only from its customers and stakeholders but also the broader community and the Company remains committed to contribute positively to this.

The Company is currently in the process of further refining a detailed Stakeholder Engagement Plan with all of its stakeholders, both internally and externally, to identify issues material to its business. A material issue is an economic, environmental, or social issue which can have significant repercussions on the Company, whether positive or negative. Further input for the development of the Plan will be sought from employees, local communities, shareholders, supply chain participants as well as Company Management.

## Anti-corruption – anti-corruption practices

Corruption undermines stakeholder legitimacy, trust and reputation. Vitura is committed to ensuring public confidence is maintained by ensuring its policies and procedures improve the broader operating environment and culture so as to reduce the risk of corruption.

The Company's anti-corruption commitments and expectations are outlined in its Code of Conduct that links anti-bribery, anti-corruption policies and its core value statements. The Code sets out the values, commitments, ethical standards and policies of the Company and outlines the standards of conduct, professionalism and the necessary practices expected of its business and people to maintain confidence in the Group's integrity and to take into account its legal obligations and the reasonable expectations of the Company's various stakeholders.

The Code requires that, at all times, the Company's Directors and employees act with the utmost integrity, objectivity and in compliance with both the letter and the spirit of the law and the Company's policies. Importantly, this underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, suppliers, competitors, clients, customers and other stakeholders.

The Company's Board, Management and employees are dedicated to high ethical standards and recognise and support the Company's commitment to compliance with these standards to prevent any form of corruption and bribery.

While Vitura does not yet formally train its staff on anti-corruption, its staff and contractors must follow the Company's Code of Conduct, a copy of which can be found on the Company's website. The Company is considering appropriate and fit-for-purpose methods to train its employees, contractors and business partners on anti-corruption in the future.

### **Ethical behaviour – mechanisms to protect ethical behaviour**

Vitura is committed to the highest standards of ethical conduct in all its business activities through the mechanisms outlined below. The Directors and Management of Vitura are also committed to conducting the Company's business in accordance with the highest standards of corporate governance in compliance with the *ASX Corporate Governance Principles and Recommendations (2019)*, as detailed in the Corporate Governance Statement on pages 64 to 73 of this Annual Report.

In addition to the Code of Conduct, the Company has adopted a detailed Whistleblower Policy to encourage and support people to feel confident to speak up safely and securely, without fear of intimidation, disadvantage or reprisal, if they become aware of wrong-doing or illegal or improper conduct within the Company. A copy of the Whistleblower Policy is available on the Company's website.

The Company's Board of Directors is responsible for the overall administration of the Whistleblower Policy which applies to all Eligible Persons who wish to report Reportable Conduct regarding the Company's activities. This Policy does not deal with staff grievances, which do not constitute Reportable Conduct under the policy, however the Company has internal procedures to deal with such matters separately.

A reportable matter can be made to the Whistleblower Protection Officer (as appointed in the Whistleblower Policy), to the immediate senior manager, directors and auditor of the Company, any third-party external helpline or whistleblowing service provider, such as ASIC or APRA, or a registered tax agent or BAS agent who provides tax agent or BAS services appointed by the Company (submitted to these parties through the respective party's website), the details of which have been made available to the various parties covered by this Policy. The contact details of the Whistleblower Protection Officer can be found in the policy. Reports can be made by email, telephone or in person, and in such other ways as the Company may choose from time to time.

### **Risk and opportunity oversight – risk framework and processes**

Risk management is the culture, processes and structures that are directed towards taking advantage of potential opportunities whilst managing potential adverse effects. The Vitura Board demonstrates a clear understanding and synthesis of corporate appetite, Board oversight and Management's enterprise risk management systems in relation to key emerging risks and opportunities. The Board has delegated to the Company's Audit and Risk Committee responsibility for overseeing the effective operation of the Company's risk management framework and the periodic review of the Group's Risk Register which is managed by the Company's Chief Risk Officer.

In accordance with good business practice in the medicinal cannabis industry, the Group's Management actively and routinely employs a variety of risk management strategies which are broadly described in the Corporate Governance Statement under the heading *Principle 7: Recognise and manage risk* and maintains a Risk Register which is reviewed and updated periodically. The Company's Management is also responsible for ensuring that effective risk management is being undertaken within the Company.

## **Risk and opportunity oversight – risk framework and processes (CONT.)**

The Company's Audit and Risk Committee regularly monitors emerging risks and opportunities and reviews them periodically as part of the Company's overall Risk Management framework. Risks that are captured during this ongoing process are included in the Company's Risk Register. The Audit and Risk Committee currently meets three times a year during which it considers these key risks and, where appropriate, recommends risk mitigants.

While risk and opportunity management has traditionally been focused on financial risks, the Company also recognises the significance of incorporating non-financial risks and opportunities management into its operations, specifically those related to economic, environmental and social issues. The Company does not believe that it has specific exposure to unusual economic, environmental or social sustainability risks beyond those that would apply to all ASX-listed companies. However, should such risks be identified in future, Vitura will work to further include these ESG considerations in risk and opportunity management into its business processes, for regular review and analysis by senior Management and the Company's Audit and Risk Committee. The management of material emerging ESG risks and opportunities will then be subject to the oversight of the Board.

## **PLANET**

### **Climate change**

#### **Greenhouse gas emissions**

Although the Company does not believe its current operations have a significant environmental impact, it recognises the risk posed by climate change and the potential impact this may have on all businesses. Vitura is currently assessing its approach to the Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting Standard and its implications as it relates to its ongoing operations to then define an appropriate strategy for gathering and reporting its GHG emissions going forward.

The Company is confident that the nature of its digital health solutions provided through its online CanView marketplace and nationwide telehealth services inherently results in a comparatively low carbon footprint. However, the Company recognises the role it can play in the growing opportunities surrounding the global efforts to reduce carbon emissions and the landmark Climate Change Bills which have now passed the Senate in Australia, ensuring that Australia's emissions reduction target of 43% by 2030 and net zero emissions by 2050 will be enshrined in legislation.

The Directors will reassess the materiality of these emissions with respect to its two distribution centres and two operational offices in Victoria and Queensland by investigating how to measure, monitor and report its Scope 1 and Scope 2 emissions, as well as its Scope 3 emissions across its supply chain, as stakeholders along the value chain are increasingly expected to assess the associated climate risks this generates for long-term value creation.

Although these GHG emissions are outside the direct control of most stakeholders in the Company's value chain, it is in Vitura's interest to assess its GHG emissions exposure, particularly in light of current and future mandatory disclosures regarding corporate climate-related risks and targets in line with the Paris Agreement.

#### **TCFD implementation**

While use of the Task Force on Climate-related Financial Disclosures ("TCFD") framework and compliance with its recommendations is currently voluntary in Australia, there is an increasing expectation from investors, governments, customers and the community more broadly that businesses should assess and disclose their climate-related risks.

As a result of the ongoing and growing expectations of key stakeholders, the Company is investigating the early disclosure of climate risks that may apply to its operations in accordance with the recommendations of the TCFD framework as they relate to both physical risks and transition risks (and opportunities). Going forward, Vitura will assess materiality as to what the implementation of the TCFD framework will mean for its current and future operations and strategy.

### **Nature loss – land use and ecological sensitivity**

As the Company's operations are not located near any key biodiversity areas, this metric is not a material area and, therefore, the Company does not currently measure its impact on land use and key biodiversity areas. If this situation changes in the future, Vitura will assess the relevant impact and transparently report on this in future ESG reports.

## Freshwater availability – water consumption

Due to the nature of the Company's operations, water consumption (including full value chain) is considered immaterial at the current time. In the event that this situation changes in the future, Vitura will assess the relevant impact and transparently report on this in future ESG reports.

## PEOPLE

### Dignity and equality

#### Diversity and inclusion

Vitura values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. In February 2023, the Board reviewed and updated its Diversity Policy, which aims to promote and implement diversity strategies in its employment practices and which outlines its diversity objectives in relation to employees' experiences, perspectives, professional skills, gender, age, sexual orientation, ethnicity and cultural background.

Diversity is also promoted across all components of the Company's business practices, including through its education programs, selection programs for consultants, mentoring programs and community and corporate social responsibility initiatives. It includes requirements for the Board to establish measurable objectives for achieving diversity and for the Board to annually assess both the objectives and the progress that the Company has made during the year in achieving them.

In accordance with the Company's Diversity Policy and ASX Corporate Governance principles, the Board has established various objectives in relation to gender diversity. While the Company has already achieved and exceeded some of these objectives, the aim is to achieve the remaining objectives over the coming two to three years as relevant positions become vacant and appropriately qualified candidates can be recruited.

The objectives set by the Board in relation to gender diversity, and the actual results relating to employees, Executives and Directors of the Group as at 30 June 2023, are set out in the Corporate Governance Statement on page 65 of this Annual Report. During the majority of the 2023 financial year, the gender diversity on the Board was such that the Board comprised 60% women during the period.

Responsibility for diversity has been included in the Charters for both the Board and the Company's Nomination and Remuneration Committee. The Company anticipates it will be able to more closely achieve its diversity objectives above as it continues to expand its operations and attract more individuals into the organisation. Going forward, the Company will also monitor and report on other aspects of diversity, including ethnicity, age and cultural background.

#### Pay equality

Vitura is committed to fair and responsible remuneration and recognises that pay equality is essential in bridging diversity gaps and driving long-term competitiveness. The Company reports on all aspects of the remuneration of Directors and Key Management Personnel in the Remuneration Report which, in respect of the 2023 financial year, can be found from pages 46 to 62 of this Annual Report.

All matters pertaining to the remuneration of the Company's Directors and employees are overseen and managed by the Company's Nomination and Remuneration Committee, whose responsibilities and roles are set out in the Charter of the Nomination and Remuneration Committee which is available on the Company's website.

All employee remuneration is evaluated on an annual basis using a set of agreed key performance indicators and taking into account the addition of statutory superannuation contributions. Where appropriate, regular benchmarking by independent experts is obtained to ensure that the remuneration paid by the Company is fair and reasonable for both the employee and the Company and aligned with prevailing market best practice. At this stage, Vitura does not disclose the pay comparison for women/men or pay comparison for minor/major ethnic groups. Objectives on pay equality have not yet been explicitly set, however the Company facilitates equal employment opportunities based on relative ability, experience, performance or potential.

## Dignity and equality (CONT.)

### Wage levels

Vitura understands that fair compensation and benefits contribute to the economic well-being of its employees. The annual compensation and related information of all members of Key Management Personnel are disclosed in detail in the Company's Remuneration Report which can be found on pages 46 to 62 of this Annual Report.

### Human rights – risk for incidents of child, forced or compulsory labour

Vitura is unequivocally and irrevocably against all forms of modern slavery and strives to uphold the highest level of moral, ethical and legal standards to ensure that its operations and those through its value chain do not participate in any activity that infringes on human rights or could constitute modern slavery. The Company acknowledges that it must take ownership and proactively manage and mitigate these risks.

Currently, Vitura does not have a policy to outline this as the Company is confident that it operates in jurisdictions where the risks of modern slavery are considered to be low.

### Health and well-being – health and safety

Vitura is committed to ensuring the health and safety of its employees, consultants, contractors and visitors to its four workplace locations and any other persons who the Company works with, as required by law. Vitura's policy on Health and Safety is outlined in its Code of Conduct, a copy of which is available on the Company's website.

There were no reported fatalities, high consequence work-related injuries, or recordable work-related injuries during the year ended 30 June 2023.

The Company promotes employee well-being by participating in initiatives such as R U OK day, providing an Employee Assistance Program (free and confidential counselling) and focuses on the importance of work-life balance through its Wellness Leave Initiative that allows employees to utilise their personal leave to attend medical appointments with a focus on prevention rather than recovery, in addition to the monitoring and encouragement of regular annual leave breaks.

### Skills for the future – training provided

Vitura values the importance of developing its people, especially given the dynamic industry in which the Company operates. To achieve long term sustainability and to assist with the retention of its staff, the Company undertakes regular and appropriate training and development programs and ensures that adequate arrangements are in place so that appropriate candidates can be recruited or trained up for a role.

The Company's total training expenditure for the year ended 30 June 2023 was \$42,504, being an average of \$378 per person.

The Company's People and Culture team have recently introduced an internal Learning and Development Coordinator position including the funding of a Certificate IV in Workplace Training and Assessment to support Vitura's commitment to succession planning through the personal development of its employees.

## PROSPERITY

### Employment and wealth generation

#### Rate of employment

In December 2021, the Company completed a merger with CDA Health Pty. Ltd., significantly expanding the size and scale of the Group's operations and materially increasing the number of employees overall. As a result of the merger, the number of staff employed by the Company increased from 16 immediately prior to the merger to 121 as at 30 June 2023.

During the year ended 30 June 2023, 115 new staff joined the Company. Of those new staff:

- 71 identified as female and 44 identified as male; and
- 36 were between the age of 18 and 29, 37 were between the age of 30 and 39, 22 were between the age of 40 and 50 and 20 were over the age of 50.

During the year ended 30 June 2023, 97 employees ceased employment with the Company. Of the staff who exited the Company:

- 69 identified as female and 28 identified as male;
- 27 were female between the age of 18 and 29, 18 were between the age of 30 and 39, 13 were between the age of 40 and 50 and 11 were over the age of 50; and
- 8 were male between the age of 18 and 29, 11 were between the age of 30 and 39, 4 was between the age of 40 and 50 and 5 were over the age of 50.

### **Economic contribution**

The Company's detailed audited financial statements for the year ended 30 June 2023 are included on pages 76 to 117 of this Annual Report. Vitura received no financial assistance from any government during the above period.

The direct economic value generated and distributed ("EVG&D") for the 2023 financial year is summarised below:

- Revenue: \$117.3 million
- Cost of sales: \$76.8 million
- Personnel expenses: \$13.8 million
- Net cash used in investing activities: \$(0.8) million

### **Financial investment contribution**

Vitura's disclosure of capital expenditures is outlined in its financial statements for the year ended 30 June 2023 which form part of this Annual Report.

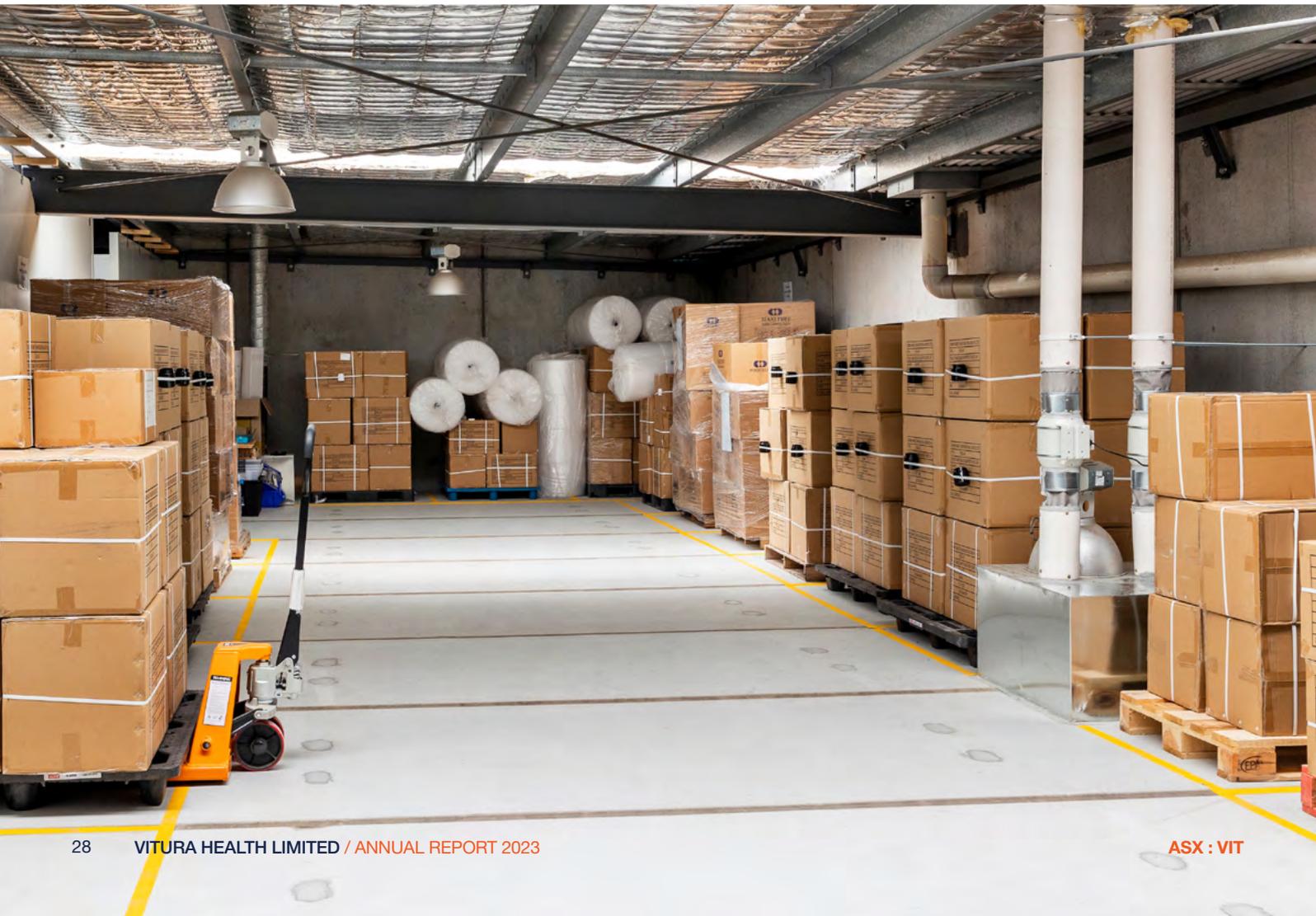
On 23 August 2023, the Directors resolved to pay a dividend of one cent per ordinary share franked as to 100% in respect of the 2023 financial year. The dividend was subsequently paid on 28 September 2023. This fully franked dividend is the second distribution of profits to shareholders since Vitura was listed on the ASX in November 2019. The Company has also introduced a Dividend Reinvestment Plan that is available to all shareholders who may wish to receive their dividend in the form of shares in the Company rather than cash. The Company does not offer share buybacks.

### **Innovation of better products and services – total R&D expenses**

To date, all research and development costs incurred by the Company have been expensed, as their recoverability cannot be regarded as assured. In future, the Group will only capitalise research and development expenses when specific milestones are met and when the Group is able to demonstrate that future economic benefits are probable.

### **Community and social vitality – total tax paid**

Vitura's disclosure of the total tax paid by the Company during the year ended 30 June 2023 is included in the Consolidated Statement of Cash Flows and *Note 9* to its financial statements for the year ended 30 June 2023 on pages 79, 94 and 95 of this Annual Report.



## Financial Report index

<b>CONTENTS</b>	<b>PAGE</b>
Directors' Report	<b>30</b>
Corporate Governance Statement	<b>64</b>
Auditor's Independence Declaration	<b>74</b>
Consolidated statement of comprehensive income	<b>76</b>
Consolidated statement of financial position	<b>77</b>
Consolidated statement of changes in equity	<b>78</b>
Consolidated statement of cash flows	<b>79</b>
Notes to the financial statements	<b>80</b>
Directors' Declaration	<b>118</b>
Corporate directory	<b>119</b>
Auditor's Report	<b>120</b>
ASX Supplementary Information	<b>124</b>

# Directors' Report

The Directors of Vitura Health Limited (formerly Cronos Australia Limited) submit their Report for the year ended 30 June 2023.

## DIRECTORS

The details of the Directors of Vitura Health Limited ("Vitura" and the "Company") who are in office as at the date of this Report are stated below, as are the dates on which they were appointed.

### Directors in office as at the date of this Report

---

#### Dr. Simone L. Scovell

<i>Position:</i>	Independent Non-Executive Chair
<i>Qualifications:</i>	FAFOEM, MBBS (Sydney), BMedSci, MOccEnvHealth (Monash), DAME
<i>Other responsibilities:</i>	Member of Audit and Risk Committee Member of Nomination and Remuneration Committee
<i>Other Directorships:</i>	None

Dr. Simone Scovell was appointed as an Independent Non-Executive Director of Vitura on 12 September 2022 and as Chair of the Board on 24 February 2023. Simone is the Founder and CEO of TOTIUM, a multi-national B2B med-tech and health services company delivering healthcare solutions for some of the world's most iconic companies. She is a Specialist Occupational Physician and Fellow of Medicine within the Royal Australasian College of Physicians who brings a wealth of experience in Commercial, Clinical and Health Data Governance. Simone has recently retired from a six-year tenure as the Nominee Representative on behalf of the Commonwealth Health Minister to sit as a Non-Executive Board Director for the Australian Institute of Health and Welfare. She is a Non-Executive Director for the Whiddon Group, a not-for-profit Aged Care provider where she Chairs both the ICT and Clinical Governance Committees. She is a former Director of the Royal Australasian College of Physicians (RACP) and a RACP Risk Director and is a Founding member of the RACP's Physician Health and Wellbeing Reference Group. Simone holds Degrees in Medicine, Surgery and Medical Science from the University of Sydney and is a Master of Occupational and Environmental Health (Monash). She was voted Doctor of the Year by her peers in 2005; her final year working as an in-house Hospital Resident in Cardiothoracic Surgery at St. Vincent's Hospital, Sydney. Simone resigned from the Board on 6 September 2023.

---

#### Rodney D. Cocks CSM

<i>Position:</i>	Chief Executive Officer and Executive Director
<i>Qualifications:</i>	BCom (Melbourne), LLB (QUT), MBA (Wharton), MPA (Harvard), GAICD
<i>Other responsibilities:</i>	None
<i>Other Directorships:</i>	None

Rodney Cocks CSM is a founding Director of Vitura and was appointed Executive Director and Chief Executive Officer on 27 September 2018. He is a Director of NewSouthern Capital Pty. Ltd., a private equity firm he co-founded. Prior to joining Vitura, he was a member of the Senior Leadership Team at Linfox and was a Consultant at the Boston Consulting Group. Rodney served on the Counter Narcotics Team of the British Embassy in Afghanistan and with the United Nations in Afghanistan, Sri Lanka, Pakistan and Iraq and started his career as an Infantry Officer in the Australian Army. Rodney holds a BCom from the University of Melbourne, LLB from the Queensland University of Technology, MBA from the Wharton School, University of Pennsylvania, MPA from the Harvard Kennedy School, Harvard University and is a Graduate of the Australian Institute of Company Directors and the Royal Military College, Duntroon. He is an admitted Lawyer to the Supreme Court of New South Wales, was a Fellow at Harvard University and named the 2005 Victorian Australian of the Year. In 2003, Rodney was awarded a Conspicuous Service Medal for his actions in the aftermath of the 2002 Bali bombings.

---

---

### Jenelle L. Frewen

<i>Position:</i>	Independent Non-Executive Director
<i>Qualifications:</i>	BEC (Monash), BA (Hons) (Monash), Grad Dip Gov. and Public Policy (UQ)
<i>Other responsibilities:</i>	Chair of Nomination and Remuneration Committee Member of Audit and Risk Committee
<i>Other Directorships:</i>	None

Jenelle Frewen was appointed as an Independent Non-Executive Director of Vitura on 12 September 2022. Jenelle is an accomplished government strategist and adviser with more than two decades' experience spanning complex policy development and implementation in highly regulated industries. She has led several federal and state political campaigns, and advised a range of business clients on public affairs and regulatory policy. She has experience working at all three levels of government in Australia and in new areas of policy-making in technology, broadband and cyber safety. Jenelle also spent time in her early career working as a communications and media adviser in the private sector in Australia, and was a senior aide in municipal government in the United States. She is currently Principal Consultant with the Canberra-based advisory firm, Precision Public Affairs. Jenelle obtained a Bachelor of Economics and a Bachelor of Arts with Honours from Monash University and holds a post-graduate diploma in Governance and Public Policy.

---

### Guy R. Headley

<i>Position:</i>	Chief Commercial Officer and Executive Director
<i>Other responsibilities:</i>	None
<i>Other Directorships:</i>	None

Guy Headley was appointed as an Executive Director and Chief Commercial Officer of Vitura on 16 December 2021. Guy has operated in the Australian Medicinal Cannabis space since 2016. He is a founding director of CDA Health Pty. Ltd. and has acted as a director of Burleigh Heads Cannabis Pty. Ltd. over the last seven years. He brings a wealth of knowledge regarding medicinal cannabis sales, distribution and compliance in the heavily regulated industry. Prior to working in the cannabis space, Guy spent more than 15 years in the construction and development sector overseeing the procurement and management of multimillion dollar projects across New Zealand, Australia and the United Kingdom. Guy is also a founding Director and Chairman of the Emerging Therapeutics Association of Australia.

---

### Dr. Marcia A.M. Walker

<i>Position:</i>	Independent Non-Executive Director
<i>Qualifications:</i>	BHB (Auckland), MBChB (Auckland), FRNZCGP
<i>Other responsibilities:</i>	Chair of Audit and Risk Committee Member of Nomination and Remuneration Committee
<i>Other Directorships:</i>	None

Dr. Marcia Walker was appointed as an Non-Executive Director of Vitura on 16 December 2021 and served as Acting Chair from 11 April 2022 until 24 February 2023 and again from 6 September 2023 onwards. Marcia brings significant experience in Medical Governance and formerly served on the board of the New Zealand Medical Association and as a member of the General Practitioner Council of the NZMA, a member of the Medicines Classifications Committee for the Ministry of Health NZ and acts as a Medical Examiner for the Royal New Zealand College of General Practitioners. Previously, she acted as a Medical Advisor to the Rua BioScience (formerly Hikurangi Hemp Company) and Treasurer for the New Zealand Resident Doctors Association. Marcia received a Bachelor of Medicine and a Bachelor of Surgery / Chirurgery from the University of Auckland and is a fellow of the Royal New Zealand College of General Practitioners. She also acts as the Medical Director of The Cosmetic Clinic New Zealand.

## Company Secretary

### Thomas G. Howitt

*Position:* Chief Financial Officer and Company Secretary

*Qualifications:* BCom (Western Australia), CA, AICPA, AGIA, ACIS, CTA

*Other responsibilities:* None

*Other Directorships:* None

Tom Howitt was appointed as the first Chief Financial Officer of Vitura on 3 December 2018 and as Company Secretary on 14 August 2020. Prior to joining the Company, he was Chief Financial Officer of Global Kinetics Corporation, a pre-IPO life sciences company, Chief Financial Officer/Company Secretary of Simavita Limited (ASX:SVA, TSX-V:SV) a digital healthcare company, Chief Financial Officer/Company Secretary of Genetic Technologies Limited (ASX:GTG, NASDAQ:GENE) a large genetics company, and several other ASX-listed companies. Prior to that, Tom worked in the investment banking industry and was a Taxation Manager at EY. Tom is a Chartered Accountant, a ten-year member of the Victorian Branch Committee of AusBiotech and a member of the CCRM Australia Industry Interface Committee at Monash University.



## FORMER DIRECTORS WHO SERVED DURING THE YEAR

Dr. Benjamin D.N. Jansen also served as a Director of the Company from 1 July 2022 to 22 September 2022.

## INTERESTS IN THE SECURITIES OF THE COMPANY

As at the date of this Report, the following Directors held beneficial interests in the Company's securities:

Name of Director	Number and nature of beneficial interest in securities
Rodney D. Cocks CSM	21,000,000 ordinary shares (via NewSouthern Investment Holdings 1 Trust) 4,500,000 options over ordinary shares (via NewSouthern Investment Holdings 1 Trust)
Guy R. Headley	112,202,151 ordinary shares (direct interest and via Jessimine C.K. Jansen) 7,500,000 options over ordinary shares (direct interest and via Jessimine C.K. Jansen)

## OPERATING AND FINANCIAL REVIEW

### Corporate structure

Vitura Health Limited is a public company limited by shares that is incorporated and domiciled in Australia. The Company has prepared a consolidated financial report incorporating the entities that it controlled during the year ended 30 June 2023 which are collectively referred to in this Report as the “Group”. The structure of the Group at the date of this Report is represented in the diagram included in *Note 36*.

### Overview

The Company was incorporated in Victoria, Australia on 27 September 2018 under the name of Cronos Australia Limited and was admitted to the Official List of the Australian Securities Exchange on 7 November 2019. On 6 February 2023, the Company changed its name to Vitura Health Limited (“Vitura”).

Subsequent to the IPO, the Company created and sold a number of medicinal cannabis products under the Adaya brand that was launched by the Company in Australia in early July 2020. In addition to the sale of these products, Vitura purchased a 75.5% interest in Cannadoc Health Pty. Ltd., a business operating a medical practice specialising in the provision of cannabinoid-based therapies and treatments via both face to face and telehealth consultations with patients across Australia.

In December 2020, the Company’s first range of premium hemp seed oil personal care consumer products, Bathing Shed, was launched in certain North Asian markets, as well as in Australia. During 2021, the FCTR and Saiph ranges of CBD-based products were also introduced and launched in Hong Kong and Japan. Following the Company’s merger with CDA Health Pty. Ltd. (“CDA”), as described below, the Company conducted a strategic review into the future of its international consumer business given that it was not a core part of the enlarged Group’s operations. As a result, the Group is no longer pursuing those consumer markets.

On 16 December 2021, the Company acquired 100% of the issued capital of CDA. Based on the Gold Coast in Queensland, CDA was founded in 2018 and has since cemented itself as a market leader in the Australian medicinal cannabis sector. CDA (and later Vitura) recorded significant growth over the last three financial years, while at the same time generating a profit in the 2021, 2022 and now 2023 financial years.

CDA’s operations cover two key areas of the Australian medicinal cannabis industry:

- **Nationwide sale and distribution of medicinal cannabis products - via BHC’s CanView**

CDA’s wholly-owned subsidiary Burleigh Heads Cannabis Pty. Ltd. (“BHC”) operates a successful online digital marketplace “CanView” which sells and distributes Australia’s largest range of more than 260 medicinal cannabis products, together with a number of devices, under 39 different brands from well-known international and domestic suppliers. CanView provides efficient and compliant access to medicinal cannabis and streamlines the process for suppliers, prescribers, pharmacies and patients.

- **Medicinal cannabis clinics - via CDA Clinics**

CDA, via its subsidiary Cannabis Doctors Australia Pty. Ltd., operates a medicinal cannabis clinic business (“CDA Clinics”) providing a range of nationwide telehealth services, similar to those provided by Cannadoc Health. Since launching in 2018, CDA Clinics has developed into one of the most highly-regarded medicinal cannabis clinic brands in Australia.

On 2 May 2023, the Company announced that it had entered into a joint venture with a Canadian company, PharmAla Biotech Holdings Inc. Under the 50:50 joint venture, named Cortexa Pty. Ltd., the Company will sell and distribute MDMA and synthetic Psilocybin in Australia as from 1 July 2023.

### Principal activities

The principal activities of the entities within the Group during the year ended 30 June 2023 were the operation of its digital health platform, CanView, the sale and distribution of medicinal cannabis products and the operation of its medicinal cannabis clinic businesses. Apart from the closure of its Asian consumer business and the establishment of the Cortexa psychedelics joint venture, there were no significant changes in the Group’s activities during the year under review.

## Result

During the year ended 30 June 2023, the Company and its subsidiaries generated a consolidated profit after income tax of \$13,750,318 (2022: \$6,012,509). Details relating to the Company's financial results for the year under review are included below under the heading *Financial analysis*.

## Dividends and distributions

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 and reflected the improved profitability and cash flow of the combined group since the Company merged with CDA Health Pty. Ltd.

During the year ended 30 June 2023, the Company also 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. 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.

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 DRP will occur on, or around, 28 September 2023.

## Review of operations

### A leading digital health platform business

During the 2023 financial year, Vitura continued to develop and improve the efficiency and functionality of its market-leading online digital marketplace platform, CanView. The multisided platform business model operated by the Company facilitates the exchange of information, products and services between four key user groups, being suppliers, prescribers, pharmacies and patients. The business model, which is both scalable and flexible, generates tangible "network effects", whereby the more people that use the platform, the more its utility and value increases for all users, including Vitura. In turn, this network effect provides the Company with a significant moat around the business model driving competitive advantages, other potential revenue streams and valuable barriers to entry.

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. It also provides the numerous companies that supply products to the platform with additional sales of products and revenues.

The CanView system is based on a medicines wholesaling platform which seamlessly brings together a number of 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 a number of bespoke, internally-generated operating procedures and intellectual property assets, supported by the CanView customer support and infield customer engagement teams. Through the sophisticated integration of the different elements which together make up CanView, the platform provides the best user experience in the industry.

Through the Company's exclusive 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 secure CanView platform, without the need to input the patient's details. Prescriptions are then sent directly to the CanView patient app where patients can view their treatment history and submit the prescription and subsequent repeats to one of the 4,000+ 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 medicines containing psychedelic substances, 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.

## Medicinal cannabis sales and distribution

Vitura's wholly-owned subsidiary, Burleigh Heads Cannabis Pty. Ltd. ("BHC"), via its online digital marketplace platform CanView, continued to deliver significant growth during the 2023 financial year, again well exceeding the Group's internal forecasts. During the year, BHC sold more than 945,000 medicinal cannabis units, representing an increase of 94% as compared to previous corresponding year, with a peak of nearly 90,000 units sold in the month of May 2023 alone.

In what was a significant milestone for the Group, the Company announced on 5 December 2022 that the 1,000,000<sup>th</sup> unit of medicinal cannabis to be sold through the Company's CanView marketplace platform had been shipped to one of the Company's 4,000+ pharmacist / prescriber customers. On 13 June 2023, less than six months later, the Company then announced the shipment of the 1,500,000<sup>th</sup> unit through CanView. The CanView platform was launched in June 2020 and, in only three years, has sold increasing numbers of units representing half-yearly compound average growth of more than 66% (refer graphs below).

BHC executed four agreements with leading suppliers of medicinal cannabis products during the year under review and added an additional 81 unique product SKUs to the CanView online platform. BHC now offers a portfolio of more than 260+ product lines on the CanView platform under 39 different brands from leading suppliers, representing a significant proportion of the medicinal cannabis products currently available in Australia.

A total of 841 new pharmacy purchasing accounts were established on CanView during the year, bringing the total number to 3,649 registered accounts nationally. Subsequent to balance date, further pharmacies have established accounts on the platform, taking the total as at the date of this Report to in excess of 4,000. The average monthly spend of pharmacy accounts through CanView remains strong as the Company's education courses and engagement programs help pharmacies to confidently dispense medicinal cannabis thereby providing dispensing services to a greater number of patients.

A total of 257 new doctor accounts were established on CanView during the year, increasing the total number of doctors with accounts on the platform at year end to 978 nationally. As a key part of the Company's current "Vision 26" strategy, Vitura has a clear focus to increase the number of doctors using the CanView platform further and, in order to achieve that goal, has appointed additional Medical Science Liaisons (healthcare consulting professionals providing medical and scientific information to other healthcare professionals) and Key Account Managers, covering all states and territories in Australia. This growing team of professionals, which now numbers 13, actively engages and onboards prescribers to the CanView platform, also providing them with education and support to further increase the Company's prescriber base.

The CanView platform's user-friendly design is being further developed to ensure the prescribing journey is as simple as possible for the clinician which, in turn, the Company believes will open the door to a larger number of prescribers who are considering using medicinal cannabis treatments in their practices.

With the successful introduction of the CanView patient app in February 2023, the number of patients formerly using the CanView platform have been progressively transitioned across to the app. As a result, the number of patients using CanView, as previously reported, appears to have fallen, with the total number of patients using the app as at 30 June 2023 sitting at 5,683.

Importantly, notwithstanding the growing numbers of patients using the new app, the Company, through CanView, has supplied medicinal cannabis products to tens of thousands of patients across Australia since it was launched. As these thousands of patients accessing medicinal cannabis through the CanView platform progressively access the benefits of CanView via the app, it is anticipated that the patient numbers reported will increase significantly over the coming periods. As at the date of this Report, the number of patients using the app had increased from 5,683 at 30 June 2023 to more than 8,000.

## Review of operations (CONT.)

### Continued growth in all key metrics

BHC's CanView platform was launched on 11 June 2020. During the six completed financial half-years since the launch of the platform, the growth achieved across all key performance metrics has been strong and the underlying numbers continue to increase, as illustrated in the graphs below.

Gross sales generated through CanView (\$ '000s)



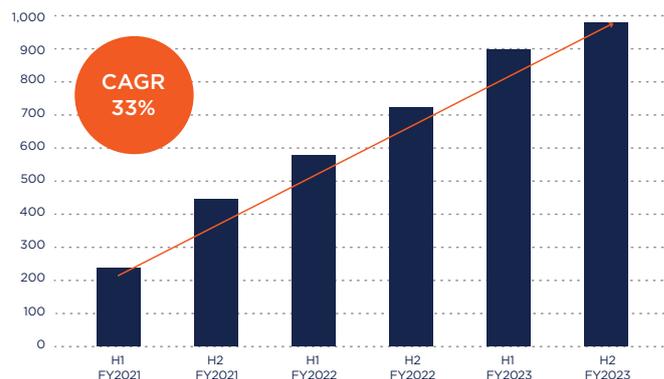
Units sold through CanView



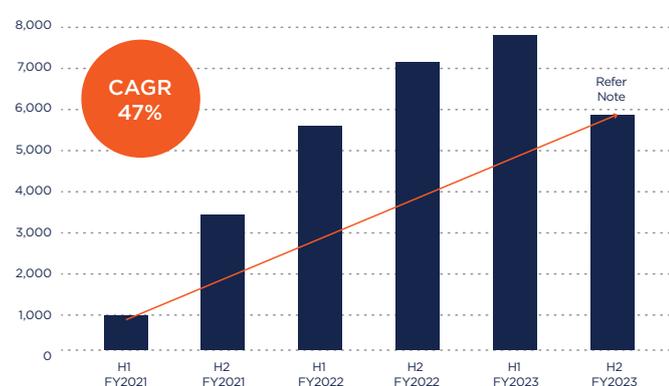
Cumulative pharmacy accounts on CanView



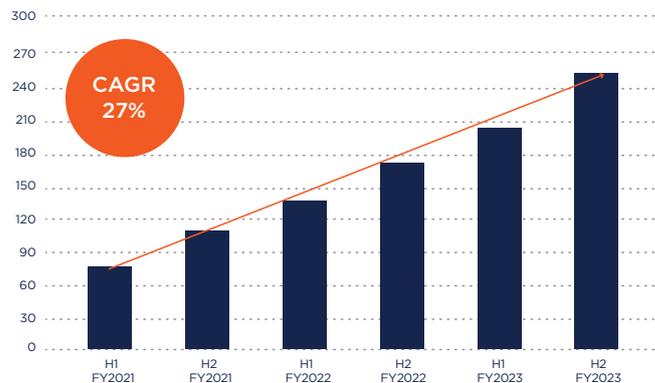
Cumulative doctor accounts on CanView



Cumulative patients registered on CanView



Number of SKUs available on CanView



Note: As described above, during the second half of the 2023 financial year, the number of patients using the CanView platform have been progressively transitioned across to the new app. Importantly, notwithstanding the growing numbers of patients using the app, the Company, through CanView, has supplied medicinal cannabis products to tens of thousands of patients across Australia since it was launched. As these thousands of patients accessing medicinal cannabis through the platform progressively access the benefits of CanView via the app, it is anticipated that the patient numbers reported will increase significantly over the coming periods. As at the date of this Report, the number of patients using the app had increased from 5,683 at 30 June 2023 to more than 8,000.

## Deployment of CanView 2.0

Considerable progress was made during the year under review in rolling out the numerous improvements that are being made to the CanView platform, collectively known as “CanView 2.0”. The additional features of CanView 2.0, which are being developed in conjunction with specialist third party developers and licensed exclusively to the Company, are being progressively rolled out in six separate stages, the status of which are summarised below:

- **Stage One:** Distribution (DELIVERED)
- **Stage Two:** Pharmacy (DELIVERED)
- **Stage Three:** Prescriber and patient mobile apps (DELIVERED)
- **Stage Four:** Supplier app (DELIVERED)
- **Stage Five:** Prescriber marketplace and patient onboarding (UNDER DEVELOPMENT)
- **Stage Six:** Patient treatment tracker (UNDER DEVELOPMENT)

**Stage One**, which provides a number of order fulfilment upgrades, process improvements and other efficiencies, was deployed internally within the Group in May 2022. The Vitura distribution team continues to benefit from the upgraded platform enhancements, significantly increasing the speed and accuracy of order processing enabling rapid scalability.

**Stage Two**, being the upgraded pharmacy ordering platform, was successfully launched to market in September 2022 and all pharmacy accounts on CanView at that time have now transitioned to the new software. This well-planned transition took place seamlessly, with no interruption to regular operations, and the Company has since received minimal support requests relating to the use of the new platform, highlighting the success of the transition and the importance of the pilot program and in-depth user testing provided by the Company. In addition to demonstrating the new user interface and seamless ordering flow design, the process also shows that the new features are fit for purpose.

The Company has also now completed the **Stage Three** (prescriber and patient mobile apps) elements of the platform which was rolled out following the completion of the successful pilot program in January this year. The Company’s national MSL team, which is now actively recruiting medical practitioners on to the platform, is leveraging its existing relationships by meeting with clinical groups as well as individual doctors to offer CanView as the “all in one” education, prescribing and compliance tool for use in clinical settings, all at no cost to the practitioner.

With the prescriber and patient apps being in market for a number of months, there has been a significant focus by the Company to iterate and refine the user experience to further embed the platform into existing clinical workflows and the daily lives of patients. In line with the Company’s underlying platform strategy, these important elements of the platform have also now been shown to create increased value for the pharmacies listed on CanView who can grow their businesses by receiving patient orders/scripts from the patient mobile app directly into their CanView pharmacy accounts. This key connection point enables new and further interactions between the various user groups on CanView which, in turn, increases the cross-side network effects of the platform for the benefit of all users.

**Stage Four**, being the supplier app, was delivered during May 2023 and offers the suppliers on CanView access to live and historical sales and inventory data to better inform product decisions and planning which provide further internal efficiencies and cost savings. Accurate, complete, and transparent data is important to Vitura’s supply partners and the Company aims to expand this value offering to leverage its large and growing dataset over time.

## Review of operations (CONT.)

**Stage Five** (prescriber marketplace and patient onboarding) is currently under development and, once complete, will enable the user base to increase towards critical mass. As above, this functionality will enable further interaction between users, providing the opportunity for value creation and capture. With the Company's continued focus on delivering a world class and seamless experience for each and every group using the CanView platform, as well as building on the technical aspects of each part of CanView to enable future portfolio expansion, Vitura is confident that, when the new features are released into pilot program and beyond, the high rate of adoption will increase the growth of its multi-channel sales and partnership channels. Among other benefits for the Company, Stage Five will bring with it new, higher-margin, platform derived revenue streams which have the ability to compound as the user base continues to grow. In turn, this will diversify the Company's revenue streams while at the same time further growing the businesses of the users on the platform, including prescribers, pharmacies and suppliers.

The final stage in the current CanView development, **Stage Six** (patient treatment tracker), is also well underway and will provide another key value creation point and unique offering for both prescribers and patients through the medication management and monitoring features of the apps. Vitura aims to have this final stage tested, completed and rolled out towards the end of the 2023 calendar year.

While each separate and distinct part of the platform is highly valuable to the relevant user, the true power of the CanView platform comes in the form of its ecosystem when all of the constituent parts are brought together. The Company views the completion of these final stages of the CanView 2.0 roll out as a critical timepoint in its midterm strategy framework as it transitions from its initial focus on conceptualisation, design and building of the highly integrated ecosystem, to leveraging the many benefits of the CanView ecosystem as a whole to create sustained value for all stakeholders at scale.

## Establishment of joint ventures

### *Cortexa JV with PharmAla Biotech (CSE: MDMA)*

On 2 May 2023, Vitura announced the establishment of a 50:50 joint venture, Cortexa, with Canadian-based PharmAla Biotech Holdings Inc. (CSE: MDMA) ("PharmAla"), a biotechnology company focused on the research, development and manufacture of MDXX class molecules (including MDMA) which is expected to become the first company in the world able to supply both MDMA and synthetic Psilocybin that meet an acceptable standard of good manufacturing practice ("GMP") and ready for prescription use in Australia. A joint venture vehicle, Cortexa Pty. Ltd. ("Cortexa"), which is owned equally by Vitura and PharmAla, has been established to become the leading supplier of psychedelics for research and therapeutic use in Australia following the announcement by the Therapeutic Goods Administration in February 2023 that, as from 1 July 2023, it will down-schedule MDMA and Psilocybin from Schedule 9 to Schedule 8 and permit the prescribing, under the Authorised Prescriber Scheme by authorised Psychiatrists, of MDMA for the treatment of post-traumatic stress disorder and Psilocybin for treatment-resistant depression.

Cortexa capitalises on the market-leading distribution and industry relationships of Vitura and the proven GMP manufacturing technologies of PharmAla and has already benefitted from existing orders for MDMA and Psilocybin generated by PharmAla. Cortexa also has exclusive rights to purchase GMP MDMA and GMP Psilocybin from PharmAla for distribution in Australia and is the exclusive licence holder in Australia for PharmAla's manufacturing technology and intellectual property assets ("IP") relating to MDMA which, in time, will enable the onshore manufacture of MDMA. In early July 2023, Cortexa placed its first order of psychedelic products from PharmAla with delivery expected in early September 2023. The Company anticipates that the first prescriptions for these products will be received from late September 2023.

Pursuant to the terms of Cortexa's licence to PharmAla's owned and licensed IP, Cortexa will pay PharmAla a licence fee of \$250,000 per annum for three years on and from the date the joint venture is unconditional. Cortexa will also pay PharmAla a royalty equal to 5% of the net profit generated by Cortexa. In order to provide Cortexa with sufficient working capital in its initial stage of development, Vitura has agreed to advance loan funds to Cortexa of up to \$2,200,000 at an interest rate equal to the official cash rate +5% per annum, should such funds be required.

### ***Unincorporated JV with Releaf Group***

Following on from the Cortexa announcement, on 16 May 2023, the Company announced the establishment of a second, unincorporated, joint venture with Australian-based Releaf Group which combines the leading technology and distribution capabilities of Vitura through the CanView platform and the large network of franchise medical cannabis clinical services of Releaf. The joint venture is expected to increase the volume of medicinal cannabis products prescribed and distributed through the CanView platform, and the number of patients and prescribers registered and using the platform. A Releaf-branded version of Vitura's CanView platform has now been developed for use by Releaf's prescribing doctors, dispensaries and patients.

### **Expansion of distribution capacity - Melbourne Distribution Centre**

On 12 October 2022, the Company announced that it had secured Victorian Government licences to enable the operation of its newly-commissioned Melbourne Distribution Centre ("MDC") at an undisclosed location. The licences permit the supply of products under Schedules 2, 3, 4, 8 and 9 to customers from the MDC. The MDC facility supports the Company's market leading CanView platform and facilitates a significant uplift of the Company's medicinal cannabis sales volume.

The highly secure, state-of-the-art MDC facility augments the existing storage and distribution capability of the Company's distribution facility on the Gold Coast and is approximately twice as large as the Gold Coast facility and includes productivity improvements from lessons learned in the operation of the first warehouse. The MDC puts medicinal cannabis products closer to pharmacies and patients and covers distribution in Victoria, parts of New South Wales, South Australia, Western Australia and Tasmania, while the Gold Coast facility covers the remainder of New South Wales, Queensland, Northern Territory and the Australian Capital Territory. This arrangement results in quicker delivery times to patients and reduced costs, with some larger pharmacies in Melbourne receiving their orders on the same day. The MDC, which is now fully operational, also underpins the Company's business continuity contingency planning, with products now being held in two locations between the Gold Coast and Melbourne under separate state licences.

### **Clinic operations - CDA Clinics and Cannadoc**

During the year ended 30 June 2023, Vitura's two medical clinic businesses, operating under the CDA Clinics and Cannadoc Health banners, continued to provide consultation services and access to medicinal cannabis products for patients across Australia.

On 16 January 2023, the Company announced that it had decided to close its three physical medicinal cannabis clinic locations on the Gold Coast, Brisbane and Sunshine Coast and to provide its clinical services to patients nationwide solely via telehealth which was widely adopted during the COVID-19 pandemic and has emerged as an important pathway for patients to access their medical care. The last of the Group's clinics was closed in March 2023.

A number of additional doctors and nurses have been recruited by the clinic businesses during the year to meet the needs of patients. The Company also announced in January 2023 that the CDA Dispensary, which had previously operated from the Gold Coast clinic, would cease operations as part of the transition to 100% telehealth. Patients who were being dispensed medicinal cannabis products at that location now have their prescriptions dispensed by one of the 4,000+ pharmacies with accounts on the CanView platform. These changes have since delivered a significant reduction in overhead costs and further operational efficiencies, while at the same time continuing to provide quality of care to the Group's patients across Australia.

Further work continues to integrate the Group's two clinic businesses under the new Vitura banner, so as to harmonise the various back-office systems and processes to create operational efficiencies and cost savings, while at the same time retaining and promoting the strong brand identities of the two businesses. Moreover, the two businesses will share anonymised clinical data to help support improved patient outcomes.

The CDA Clinics operation has provided Vitura with the opportunity to refine its CanView 2.0 platform and patient app before they were released to market. The new functionality of CanView that was introduced in February 2023 to CDA Clinics enabled its doctors to access e-scripting and improve treatment outcomes and experience for patients. The inclusion of embedded six-monthly reporting to the Therapeutic Goods Administration has further streamlined processes for CDA doctors and led to increased accuracy of reporting.

## Review of operations (CONT.)

Following the closure of the Company's three physical clinics, the stabilisation of the Group's medical clinic operations has been a focus during the second half of the 2023 financial year. This work has delivered an improved culture leading to greater staff retention and streamlining of procedures which, in turn, has resulted in enhanced patient care. Further work is now underway to forge affiliations with external providers to create new revenue streams and additional opportunities to increase patient access to treatment. The planned introduction of a Concession program, with discounted consultations and a compassionate program in which patients would be eligible to purchase discounted products, is also expected to increase clinic activity and has been based on feedback aimed at better serving the needs of patients.

Vitura has also placed an emphasis on staff training and upskilling, offering suitable courses to clinic staff which have delivered opportunities to learn new skills and gain confidence with managing interactions with patients. Onboarding of a number of preferred pharmacies, giving patients increased choice and ensuring the whole experience is seamless from the time of the initial consultation to receiving the product from the pharmacy, has also been well received by patients.

## Consumer business

Following a review into the future of its consumer business in Asia during the year under review, the Company decided that the business no longer formed a core part of the Group's operations and, as a result, decided to wind up the business. The Company has since sold the majority of its remaining inventory of consumer products and is in the process of preparing the financial statements of its two Asian subsidiaries, Personal Care Asia Limited and Personal Care Asia GK, in readiness for their deregistration or liquidation.

While a modest loss was incurred by the Company during the year from the winding up of its consumer business, the Company is confident that the changes made will deliver improved profitability for the business overall and ensures that Management attention is focused on the continued growth and expansion of its digital health platform business and its medicinal cannabis sale and distribution operations.

## Legal matters

There were no legal matters affecting the Company as at the date of this Report.

## Profit per share

The basic profit per share for the year ended 30 June 2023 was 2.49 cents (2022: 1.25 cents). The diluted profit per share for the year ended 30 June 2023 was 2.42 cents (2022: 1.24 cents).

## Financial analysis

### 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 brands such as Adaya which are directly owned by the Company. Importantly, however, gross profit 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 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, was well contained during the year, as compared to growth in total revenues. Personnel expenses during 2023 were \$13,776,455, being an increase of less than 20% on the prior year figure of \$11,510,491. By comparison, total revenue growth during the same period was more than 75%. 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 significant leverage as its 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, compared to 104 at the end of the previous financial 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 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 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 drove an increase in cash and cash equivalents 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 at 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 at 30 June 2023 which partially related to stock held in the Group's consumer operations, while the Company evaluates options relating to the disposal of remaining 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 (refer *Notes 19 and 21*). With the execution of a new lease post balance date, it is anticipated that the balances of such liabilities 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 almost 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 the material increase in stock purchases required to stock MDC which is reflected in the significant increase in the balance of inventory held by the Group at 30 June 2023.

Cash outflows from financing activities totaling \$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.

## Business strategy, future developments and prospects

Vitura continues to develop and improve the efficiency and functionality of its market-leading online digital marketplace platform, CanView. The Group has adopted an “asset light” business model in which it has outsourced the cultivation and manufacture of the medicinal cannabis products it sells and distributes on the platform to selected leading third-party manufacturers and suppliers.

The Group’s primary strategy, which has been articulated in its three-year “Vision 26” plan, focusses on the further expansion of its digital health platform business and increasing its revenues via the sale and distribution of medicinal cannabis products and other product lines, including psychedelic products, and the integration and growth of its two medicinal cannabis clinic businesses, CDA Clinics and Cannadoc.

In addition to driving organic growth, the Group continues to review and evaluate potential opportunities for the acquisition of complementary businesses and assets in line with its agreed strategy.

## Material business risks

The Group operates a digital health business with a current focus on the medicinal cannabis industry. Given the still relatively early stage of the medicinal cannabis industry in Australia as a whole, any investment in companies such as Vitura should be considered relatively high-risk notwithstanding the Company’s continued growth and profitability. The Group is subject to a range of normal business risks including, but not limited to, its ability to recruit and retain high quality, experienced personnel in what is currently a tight labour market, government policies, regulations and legislative changes, the state of domestic and international securities markets generally, exchange rate fluctuations, inflationary pressures, global supply chain challenges and a range of other factors which remain outside the control of the Company’s Board and Management.

More specific material risks that are applicable to the industry and the Group include, but are not limited to:

- **Medicinal cannabis industry in Australia.** An investment in any industry in the relatively early stages of development, such as the Australian medicinal cannabis and, more recently, psychedelics, industries, should be considered speculative and involves risks, including obstacles or delays in the implementation of business plans and changes to the legislative regime. Given the evolving nature of the industry and the continuing developments in the relevant laws and regulations, there is a risk that government policy decisions or regulatory reforms, in future, may adversely impact the Group and its activities.
- **Regulatory/licences.** The Group’s ability to sell and distribute medicinal cannabis and psychedelic products in Australia is reliant on the renewal of licences that have been granted to it by Federal and State Government authorities. While the Group submits renewal applications by the required dates and is not aware of any reason why the relevant Government authorities would refuse to grant it such renewals, the Company cannot guarantee that its licences will be renewed in future. Failure to comply with licence conditions may result in one or more of the Company’s licences being suspended or revoked, which could prevent the Group from carrying out its activities.
- **Future revenue and profitability.** Future sales of products by the Group and its continued profitability are contingent on, amongst other things, its ability to maintain the required licences and permits, secure access to new or popular products for treatment, enter into favourable supply and distribution arrangements, as well as the increasing demand for medicinal cannabis products and broader market conditions more generally. Consequently, the level of future sales of products by the Group cannot be accurately determined and Vitura cannot provide any guarantee that sales will grow in future and, even if future sales are achieved, they may not necessarily result in the Group being profitable.
- **Product supply.** As the Company’s business involves the sale and distribution of more than 260 discrete products, the Group must maintain an uninterrupted supply of high-quality products from a variety of producers and suppliers whose production is susceptible to various risks. In the case of producers, such risks include insects, disease, storm, fire, frost, flood, drought, water availability and salinity, pests and force majeure events, including the impacts of climate change generally. Any adverse outcomes in relation to these matters may affect the Group’s ability to source suitable products in a timely fashion which, in turn, could adversely impact its activities, operations and financial performance.

- Growth prospects and expansion plans.** Vitura's prospects depend on various factors, including brand and product acceptance, growing demand for medicinal cannabis products and prescribers, pharmacies and patients establishing, and using, new accounts on the CanView platform. If Vitura fails to execute on its current Vision 26 strategic plan, its financial performance is likely to be affected. The Company's prospects are dependent on there being sufficient demand for the products it sells and a consistent supply of those products from its suppliers. The Company's ability to achieve its growth strategy is also dependent on it being able to sell its products at acceptable margins and its ability to attract and retain enough suitably-qualified and experienced employees to manage its operations efficiently. Further, the Group may decide to sell additional products and services to its customers or expand into new markets in the future. If these products and services are regulated, the Group may be subject to additional legal and compliance requirements which may be difficult or expensive to comply with and, if not complied with, may have an adverse impact on the Group's business or reputation, which could in turn adversely impact the Company's financial performance. Additional regulatory requirements relating to new products and services could also subject the Group to legal enforcement and heightened regulatory scrutiny. Finally, expansion into new markets may see the Group having to comply with the laws of different jurisdictions and could see the Company's business adversely impacted by local events and political issues.
- Future acquisitions.** Vitura may seek to acquire new businesses or companies to achieve its objectives. Although Vitura will undertake appropriate due diligence investigations in relation to each acquisition and seek to ensure that certain standard warranty and indemnity protections are contained in the relevant agreements, there is a risk that those due diligence investigations will not identify all of the issues which are material to the acquisition and which could result in additional liabilities affecting the Group.
- Competition.** The Australian medicinal cannabis market is becoming increasingly more competitive and is subject to rapid ongoing development. There can be no assurances that the competitive environment will not change adversely due to the actions of governments or competitors or changes in customer preferences. The actions of an existing competitor or the introduction of a new competitor may make it difficult for the Group to increase its revenue which, in turn, may have an adverse effect on its profitability. To the extent that the Group seeks to enter new markets outside of Australia, the competitive landscape is less clear and may pose further risks when launching additional products in those markets.
- Technology/cyber.** The Company's digital health business and operations rely heavily on its CanView marketplace platform. While the Company ensures that it has appropriate security arrangements in place, there will always exist a degree of cyber security risk of hacking and data theft. Furthermore, as the Company relies on external third parties (who hold and licence to the Company certain intellectual property rights in relation to the underlying software code forming part of the CanView platform) to develop and improve the functionality of the CanView platform, there exist risks of the Company being unable to customise or modify the software, delays, programming errors and defects, decreased efficiency, temporary inability to distribute products, cost overruns, contractual disputes, disruptions in the Company's relationship with the external third parties and termination of licence that could seriously impact the operation and/or development of the CanView platform and the Company's profitability. Finally, the Company maintains the detailed medical records of thousands of patients which must be protected. Again, cyber security risks exist of potential theft or manipulation of this information.
- Product failure.** In the event that any of the Group's products cause serious side effects, or are misused, abused or diverted, Vitura may be exposed to increased compliance costs in carrying out trials or testing, or regulatory authorities may revoke approvals or licences granted to the Company, impose more onerous standards or product labelling requirements or require it to conduct a product recall. In these circumstances, Vitura could also be subject to regulatory action or be found liable for harm caused which could have an adverse effect on its business, results of operations, financial condition and reputation.

In accordance with good business practice in the medicinal cannabis industry, the Group's Management actively and routinely employs a variety of risk management strategies which are broadly described in the Corporate Governance Statement under the heading *Principle 7: Recognise and manage risk* and maintains a Risk Register which is reviewed and updated periodically. The Board believes that the Group is not yet sufficiently large to warrant the appointment of an internal auditor.

## Significant changes in the state of affairs

- On 26 August 2022, the Directors of the Company 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. The Company also introduced a Dividend Reinvestment Plan (“DRP”) for all shareholders who wish to receive some or all of their dividend in the form of shares in the Company rather than cash. 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.
- On 12 September 2022, Dr. Simone Scovell and Jenelle Frewen were each appointed as Independent, Non-Executive Directors of Vitura Health Limited. Dr. Scovell and Ms. Frewen were also both appointed as members of the Company’s Audit and Risk Committee and Nomination and Remuneration Committee on that date.
- On 22 September 2022, Dr. Benjamin Jansen ceased his position as Chief Medical Officer of the Company. In accordance with the Company’s Constitution, Dr. Jansen’s office as a Director of the Company was also vacated effective from 5.00 pm on that date.
- On 12 October 2022, the Company announced that it had secured Victorian Government licences to enable the operation of its newly-commissioned Melbourne Distribution Centre (“MDC”) at an undisclosed location. The licences permit the supply of Schedule 2 (all products), Schedule 3 (all products), Schedule 4 (all products), Schedule 8 (cannabis, THC products) and Schedule 9 (MDMA and Psilocybin) products to pharmacies from the MDC, with significant volumes of products now being shipped from that facility.
- On 28 October 2022, the Company released the Notice for its 2022 Annual General Meeting which was subsequently held on 29 November 2022. Of the six resolutions that were considered by the Company’s shareholders at the Meeting, resolutions 1, 2, 3 and 4 were all passed on a poll. Resolutions 5 and 6, which were not endorsed by the Board and requisitioned by Dr. Matua Jansen as trustee for Whanau Family Trust in respect of the removal as Directors of Rodney Cocks and Guy Headley respectively, were defeated, with more than 87% of the votes cast against both resolutions.
- On 7 November 2022, the Company announced that, on the basis of its history of sustained profitable trading and positive net cash flows from operations, the ASX had exercised its discretion to allow the Company to be relieved of its obligations under Listing Rules 4.7B and 4.7C to file further ASX Quarterly Reports. The Company also confirmed that it will continue to file ASX Appendices 4D and 4E in respect of its half-year and full year financial results, respectively.
- On 28 November 2022, the Company announced that it had met with shareholder and former Director Dr. Benjamin Jansen and that the parties had reached a positive resolution in respect of historic issues between them, enabling the Board and Management to focus on executing the Company’s strategic objectives.
- On 2 December 2022, the Company, Cronos Australia - Operations Pty. Ltd. and Cronos Group Inc. terminated, by mutual agreement, the Intellectual Property Licence Deed between the three parties, pursuant to which the Company and its subsidiaries were granted rights to use various aspects of intellectual property owned by Cronos Group Inc., including the “Cronos” name. Following the approval of the shareholders at the Company’s 2022 AGM to change the Company’s name to Vitura Health Limited, the IP Licence was less relevant to the Group going forward.
- On 16 December 2022, being the anniversary of the completion of the merger between the Company and CDA Health Pty. Ltd., a total of 407,052,727 fully paid ordinary shares in the Company, which were subject to voluntary escrow, were released from escrow. There are no further shares in the Company that are subject to escrow as at 30 June 2023.
- On 13 January 2023, ahead of the Company’s name change to Vitura Health Limited, the names of two of the Company’s wholly-owned subsidiaries were also changed. As a result, Cronos Australia Group Pty. Ltd. became Vitura Health Group Pty. Ltd. and Cronos Australia - Operations Pty. Ltd. became Vitura Health - Operations Pty. Ltd.

- On 16 January 2023, the Company announced that it had decided to close its three physical medicinal cannabis clinic locations on the Gold Coast, Brisbane and Sunshine Coast and to provide its clinic services to patients nationwide solely via telehealth. The Company also announced that the CDA Dispensary at the Gold Coast clinic would cease operations as part of the transition. The changes have since delivered a significant reduction in overhead costs and improved operational efficiencies, while at the same time providing continued quality of care to patients.
- On 6 February 2023, the Company changed its name to Vitura Health Limited. On 8 February 2023, the Company's ASX code changed from CAU to VIT to reflect the new name.
- On 24 February 2023, Dr. Simone Scovell was appointed as permanent Chair of the Board of Vitura Health Limited, replacing Dr. Marcia Walker who had been serving as Acting Chair of the Board.
- On 3 March 2023, the Company announced that it had been admitted to the S&P ASX All Ordinaries Index as from 20 March 2023.
- On 30 April 2023, the Company disposed of its 50% indirect beneficial interest in CBD Joint Venture Pty. Ltd. The sale, which was made for nil consideration, resulted in a gain on disposal of \$8,708.
- On 2 May 2023, the Company announced the establishment of a 50:50 incorporated joint venture, called Cortexa Pty. Ltd., with Canadian-based PharmAla Biotech Holdings Inc. (CSE:MDMA) which aims to become the leading supplier of psychedelics for research and therapeutic use in Australia.
- On 16 May 2023, the Company announced the establishment of a 50:50 unincorporated joint venture with Releaf Group Limited ("Releaf") to combine the leading technology and distribution capabilities of Vitura Health through the CanView platform and the large network of franchise medical cannabis clinical services of Releaf.
- During the year ended 30 June 2023, a total of 3,666,668 executive performance rights and 2,113,724 employee performance rights which had been granted as part of the Company's merger with CDA Health Pty. Ltd. were converted into ordinary shares. A total of 458,683 performance rights were also cancelled during the year as the vesting conditions had not been met. There are no performance rights outstanding as at balance date. Also during the year ended 30 June 2023, a total of 4,500,000 options over the Company's ordinary shares were cancelled as the vesting conditions had not been met.

Apart from these events, there have been no other significant changes which have not been described elsewhere in this Financial Report.

### Significant events after balance date

- The Company's current lease over premises in Varsity Lakes, Queensland will expire on 31 August 2023. On 7 July 2023, the Company entered into a new lease, which commenced on 15 August 2023, with the same landlord in respect of larger premises in the same building on essentially the same commercial terms. It is anticipated that the Company will move into the new premises by September 2023.
- On 21 July 2023, a total of 1,500,000 options over the Company's ordinary shares were cancelled as the vesting conditions had not been met.
- 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 (refer *Note 8*).

Apart from these events, there have been no other significant events which have occurred after balance date.

## SHARE OPTIONS AND PERFORMANCE RIGHTS

### Unissued shares under option

- As at 30 June 2023, the Company had a total of 18,565,000 ordinary shares under option (refer *Note 27*). No shares were issued as a result of the exercise of any options during the year ended 30 June 2023.
- During the year ended 30 June 2023, a total of 4,500,000 options were cancelled. Subsequent to balance date, a further 1,500,000 options were cancelled.

### Performance rights

- As at 30 June 2023, all of the performance rights which had been granted to executives and employees of the Group on 16 December 2021 as part of the Company's merger with CDA Health Pty. Ltd. had either been converted into ordinary shares or cancelled as the vesting conditions had not been met. As a result, there were no performance rights on issue as at balance date.
- During the year ended 30 June 2023, a total of 5,780,392 performance rights were converted into ordinary shares and 458,683 performance rights were cancelled.

## REMUNERATION REPORT (AUDITED)

### Introduction

This Remuneration Report outlines the Director and Executive remuneration arrangements of Vitura Health Limited ("Vitura" and the "Company") and its subsidiaries (collectively, the "Group") as at 30 June 2023 in accordance with the requirements of the *Corporations Act 2001* and its Regulations. The information included in this Remuneration Report has been audited by the Company's auditor, Pilot Partners.

This Remuneration Report outlines the remuneration strategies and arrangements for the Key Management Personnel ("KMP") of the Group who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or not) of the parent company, and includes the executives in the Group, as set out below.

The term "Executive", as used in this Report, encompasses the Group's Chief Executive Officer, Chief Commercial Officer, Chief Financial Officer / Company Secretary, Chief Revenue Officer and Chief Operating Officer. Each Director and Executive served in office for the periods detailed below during the year ended 30 June 2023.

### Details of KMP during the year ended 30 June 2023

Non-Executive Directors	Period in office during the year
Dr. Simone L. Scovell (Non-Executive Chair) <sup>1</sup>	12 September 2022 to 30 June 2023
Jenelle L. Frewen (Non-Executive Director)	12 September 2022 to 30 June 2023
Dr. Marcia A.M. Walker (Non-Executive Director) <sup>2</sup>	1 July 2022 to 30 June 2023
Executives	Period in office during the year
Rodney D. Cocks CSM (Executive Director/Chief Executive Officer)	1 July 2022 to 30 June 2023
Guy R. Headley (Executive Director/Chief Commercial Officer)	1 July 2022 to 30 June 2023
Thomas G. Howitt (Chief Financial Officer/Company Secretary)	1 July 2022 to 30 June 2023
Ryan J. Tattle (Chief Revenue Officer) <sup>3</sup>	1 January 2023 to 30 June 2023
Jessimine C.K. Jansen (Chief Operating Officer) <sup>4</sup>	29 November 2022 to 30 June 2023
Dr. Benjamin D.N. Jansen (Executive Director/Chief Medical Officer) <sup>5</sup>	1 July 2022 to 22 September 2022
Raymond J. Deetlefs (Acting Chief Operating Officer) <sup>6</sup>	1 July 2022 to 25 November 2022

Notes:

1. On 24 February 2023, Dr. Simone Scovell was appointed as Chair of the Board.
2. On 24 February 2023, Dr. Marcia Walker ceased to be Acting Chair of the Board.
3. On 1 January 2023, Ryan Tattle was appointed as Chief Revenue Officer. Prior to that date, Mr. Tattle was employed as the Company's Commercial Operations Manager.
4. The Company's Chief Operating Officer, Jessimine Jansen, took maternity leave on 25 March 2022 and returned to the role on 29 November 2022. Ms. Jansen subsequently resigned as Chief Operating Officer on 30 June 2023.
5. On 22 September 2022, Dr. Benjamin Jansen ceased his role as Chief Medical Officer. In accordance with the Company's Constitution, Dr. Jansen's office as a Director of the Company was also vacated effective immediately with the cessation of his employment at 5.00 pm on 22 September 2022.
6. On 21 February 2022, Raymond Deetlefs was appointed as Acting Chief Operating Officer, while Ms. Jansen was on maternity leave. Mr. Deetlefs resigned from that role on 25 November 2022.

### Changes to remuneration arrangements made during the year ended 30 June 2023

As the scale and complexity of the Vitura Group continued to increase during the year ended 30 June 2023, the Company's reconstituted Nomination and Remuneration Committee (the "Committee") undertook a thorough review of the Group's remuneration arrangements during the year, being the first full financial year since the Company's merger with CDA Health Pty. Ltd. in December 2021. The review also included the commissioning of two comprehensive reports from independent remuneration experts to inform the recommendations made by the Committee and the processes undertaken by it to arrive at them.

The primary objectives of the Committee's review during the 2023 financial year were to ensure that the Company's remuneration arrangements are in line with current market best practice, are fair and reasonable to the Company, its shareholders and Executives, and that the interests of the Executives are aligned with those of the shareholders. The nature and outcomes of this detailed review are set out below.

In September 2022, Vitura commissioned independent remuneration expert Loftswood to prepare a report detailing the remuneration arrangements of Key Management Personnel in comparable listed public companies as part of a thorough benchmarking analysis. The 25-page report prepared by Loftswood, entitled *Executive Remuneration Benchmarking Report*, ("ERB Report") recognised the significant increase in Vitura's market capitalisation since the date on which the Company's 2022 Remuneration Report was prepared and included extensive remuneration data from more than 70 listed companies deemed to be comparable to Vitura based on market capitalisation ranges, industry sectors, and other relevant factors.

In addition to the remuneration data, Loftswood made the following observations in its report:

- A number of factors should be considered when setting Executive remuneration, including the stage of the Company's development, its objectives and strategic direction, market conditions and the need to attract and retain appropriately skilled and experienced personnel to enable the Company to achieve those strategic objectives;
- Prevailing tight labour market conditions are driving higher than normal increases in Executive salaries;
- Vitura's historical "egalitarian" remuneration structure is out of step with market norms, where the greater accountabilities and responsibilities of the Chief Executive Officer sets that role apart from other executives, including with regard to the rewards that he/she receives in that capacity;
- A listed company Chief Executive Officer would typically have a substantial proportion of his/her total remuneration package "at risk"; and that
- The "at risk" components of an Executive's remuneration package generally contain a combination of short-term incentives, typically paid in cash or rights, and long-term incentives, typically in the form of options vesting over a period of future years that are conditional on the achievement of company performance hurdles that delivers increasing shareholder value.

## Changes to remuneration arrangements made during the year ended 30 June 2023 (CONT.)

In its report, Loftswood provided a summary of current market trends impacting the setting of Executive remuneration both now and in the near future. Loftswood then analysed the market data for each of four of the Company's Executive roles, encompassing the Chief Executive Officer, Chief Commercial Officer, Chief Financial Officer / Company Secretary and Chief Operating Officer. The data provided was split according to relevant peer groups and included the 25<sup>th</sup>, median and 75<sup>th</sup> percentile ranges.

Based on the data presented in the ERB Report, Loftswood provided further observations regarding the relativities of Vitura's Executive remuneration to that of the Chief Executive Officer, but stopped short of making any specific recommendations as to changes which may be appropriate to the Company's previous remuneration arrangements.

The Committee met several times during the review process to evaluate the data provided by Loftswood and other relevant considerations. The Committee then prepared a detailed analysis of the information and other issues relevant to the setting of Executive remuneration for the year ending 30 June 2024. As a further step in the remuneration review process, the Committee sought and received an independent report from major accounting firm BDO Services Pty. Ltd. ("BDO") to ensure that the scope of work and processes followed by the Committee in determining the new remuneration settings were independently considered.

In its summary, BDO concluded that "the approach, inputs, and methodology applied by Loftswood are reasonable and appropriate". Furthermore, BDO confirmed that "the benchmarking approach taken to comparable peer group companies in terms of sector, size, and stage of growth, align with the approach BDO would take in order to complete similar work".

The Loftswood ERB Report, together with the BDO Review Report and the Committee's recommendations, were subsequently reviewed by the full Board and the recommendations approved, noting that Executive Directors excused themselves from voting on remuneration changes in which they had a beneficial interest. The nature of the changes that were approved in respect of Executive remuneration for the year ending 30 June 2024 are detailed below under the heading *Executive employment contracts*.

In addition, the Committee has resolved to work with independent consultants to design and implement a future-focussed scheme to further incentivise the Company's current Executive Team and, potentially, other senior employees of the Group to deliver long-term growth and business sustainability in the interests of shareholder value creation. It is anticipated that the final terms and conditions of the new scheme will be put before the shareholders for consideration at the Company's 2023 Annual General Meeting.

## Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("Committee") of the Board of Directors of the Company was established in February 2019 and is, amongst other things, responsible for determining and reviewing the remuneration arrangements of the Directors, the Chief Executive Officer and the Executive Team. Refer also to the section entitled *Nomination and Remuneration Committee* in the Corporate Governance Statement on pages 64 and 73 of this Annual Report.

During the year ended 30 June 2023, Jenelle Frewen (Chair), Dr. Simone Scovell and Dr. Marcia Walker all served as members of the Committee. All three Committee members were independent directors during that time.

The Committee was established to assess, among other things, the appropriateness of the nature and amount of remuneration paid to Directors and Executives on a periodic basis by reference to relevant employment market conditions (as described elsewhere in this Remuneration Report), with the overall objective of ensuring maximum shareholder benefit from the retention and incentivisation of a high-quality Board and Executive Team.

## Remuneration strategy

The performance of the Company depends to a large extent upon the quality and effectiveness of its Directors and Executives. To prosper, the Company must attract, incentivise and retain appropriately-skilled and experienced Directors and Executives. The Company's remuneration strategy is approved each year by the Nomination and Remuneration Committee and the Company's Board.

As part of this strategy, the Company embodies the following principles in its remuneration framework:

Principle	Design and operational implications of remuneration framework
<b>Align remuneration to Vitura's strategy and business priorities</b>	<ul style="list-style-type: none"> <li>• Remuneration framework will ensure alignment with the overall business strategy and ensure all policies and processes are observed to enable the attraction and retention of Key Management Personnel (KMP) who create value for shareholders within an appropriate risk management framework</li> <li>• Operates in support of the Company's vision and principles and aligns with, and helps to achieve, Vitura's desired culture</li> </ul>
<b>Market competitive</b>	<ul style="list-style-type: none"> <li>• Ensure all employees, including KMP, are rewarded fairly and competitively according to role accountability, market positioning, skills, experience and performance</li> <li>• Remuneration decisions are to be informed by periodic market benchmarking</li> </ul>
<b>Rewards performance</b>	<ul style="list-style-type: none"> <li>• Remuneration to include variable short-term and long-term performance-related elements which are "at risk" for those employees who have an ability to impact the overall performance of the Company</li> <li>• Ensure that performance targets are met (at threshold or target) before any "at-risk" payments are made, after considering individual and Group performance, achievement of KPIs, and actual results as compared to budgets</li> </ul>
<b>Equitable, transparent and flexible</b>	<ul style="list-style-type: none"> <li>• Remuneration framework to be simple, flexible, consistent and scalable and used to enable sustainable business growth</li> <li>• The structure must be easily communicated and must reinforce Vitura's mission, principles and culture, having regard to equitable outcomes</li> </ul>
<b>Effective governance</b>	<ul style="list-style-type: none"> <li>• The Nomination and Remuneration Committee and Board must ensure that remuneration outcomes reflect both risk and performance and are reviewed regularly to ensure employees act ethically and responsibly</li> <li>• They must comply with all relevant legal and regulatory provisions, as well as meeting internal policy objectives</li> </ul>

## Remuneration structure

In accordance with best practice corporate governance, the structure of the remuneration paid to both Non-Executive Directors and Executives is both separate and distinct.

The key performance indicators ("KPIs") applicable for Executives are quantifiable and the methods of evaluation are robust. Potential levels of remuneration are linked to key performance indicators based on the pretext that, if KPIs are set and met, then the business will have more than likely achieved its key financial and/or strategic objectives. In addition to individual performance and accountabilities of each Executive, the overall financial performance of the Company is also a key consideration when determining remuneration that may be paid to an individual in respect of a given financial year.

## Remuneration structure (CONT.)

The structure and effectiveness of the Company's remuneration arrangements are reviewed annually by the Nomination and Remuneration Committee and the Board to ensure that they align with Vitura's strategy.

The composition of such remuneration arrangements may be summarised as follows:

Total Fixed Remuneration ("TFR")	Short-Term Incentive (At Risk)	Long-Term Incentive (At Risk)
To attract and retain high-performing employees, paying competitively, reflecting the individual's accountability, position requirements, skills and relevant experience	Rewards performance for achieving KPIs and stretch targets and further rewards the achievement of both financial and non-financial goals	Rewards and retains key employees by creating alignment with the long-term interests of the Company's shareholders and rewarding the creation of sustainable shareholder wealth
TFR is determined as base salary and is inclusive of all standard leave provisions and statutory superannuation contributions	Achievement is measured against annual company performance targets and non-financial objectives aligned to Vitura's strategy	

## Non-Executive Director remuneration

### Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

### Structure

The Company's Constitution and the Listing Rules of the Australian Securities Exchange specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a General Meeting of shareholders. An amount not exceeding the amount so determined is then divided between the Directors, as agreed. The most recent determination of the Company's shareholders was made on 4 September 2019, when an aggregate remuneration amount not exceeding \$400,000 per annum was approved by shareholders. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst the Directors are reviewed periodically.

Each Non-Executive Director receives a fee for serving as a Director of the Company. No additional fees are paid to any Director for serving on either of the two sub-committees of the Board. The Chair and Non-Executive Directors are paid a fixed remuneration only, in line with wider market practice, which may be paid in cash or via the issue of shares in the Company.

## Executive remuneration

### Objective

The Group aims to reward its Executives with a level and mix of remuneration which is commensurate with their respective positions and responsibilities within the Group so as to:

- reward Executives for Group and individual performance which creates value for shareholders within an appropriate risk management framework;
- align the interests of Executives with those of the Company's shareholders, including ensuring that a meaningful proportion of the remuneration paid to executive directors and senior executives is "at risk", being directly linked to the short- and long-term performance objectives appropriate to the Company's circumstances and goals; and
- ensure that the total remuneration paid is equitable and externally competitive.

## Structure

The remuneration paid to Executives is set with reference to prevailing market levels and conditions and amounts paid by companies deemed comparable to Vitura. The total remuneration paid includes a fixed remuneration component comprising base salary and statutory superannuation contributions, together with a variable remuneration component (which is linked to Key Performance Indicators and financial results) as described below, being both short-term incentive payments which are typically paid in cash, and the granting of equity securities as part of a long-term incentive arrangement.

The average remuneration mix for all Executive members of KMP can be summarised as follows:

Component	FY2022 (actual)	FY2023 (actual)	FY2024 (forecast)
Fixed	39.9%	55.5%	55.0%
Variable	60.1%	44.5%	45.0%
Short-term	7.6%	18.2%	22.5%
Long-term	52.5%	26.3%	22.5%

## Fixed remuneration

### Objective

The Nomination and Remuneration Committee oversees the setting of fixed remuneration for KMP on an annual basis, with all recommendations made subsequently approved by the Board, with Executive Directors not voting on changes in which they have a beneficial interest. The process consists of a review of Company, divisional and individual performance, relevant comparable remuneration being paid in the broader labour market (as detailed above) and internally and, where appropriate, external advice on both policies and practices. The members of the Committee have access to external advice independent of Management, if required, which the Committee sought and received during the 2023 financial year, as described above.

### Structure

Fixed remuneration consists of some or all of the following components:

- base salary;
- non-monetary benefits which may include costs associated with novated motor vehicle leases, vehicle parking, private insurance policies etc. (together with associated fringe benefits tax, if applicable); and
- superannuation benefits, which includes statutory employer contributions made by the Company.

With the exception of the employer contributions to superannuation, Executives are given some flexibility to decide the composition of their total fixed remuneration and the allocation of it between cash and other benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating any additional cost for the Group.

Fixed remuneration is reviewed annually with reference to individual performance and accountabilities, market benchmarks for individual roles and the overall financial performance of the Group. Any changes to the fixed remuneration of Executives are first approved by the Nomination and Remuneration Committee and then by the Board.

Annual performance reviews with each member of KMP are typically undertaken at the end of the financial year to inform decisions regarding salary increases. Other factors, including the specialised knowledge, skills and experience of the individual, changes to accountabilities, prevailing labour market conditions and the perceived potential difficulty of replacing that person, are also taken into account when considering remuneration adjustments.

## Fixed remuneration (CONT.)

Following the completion of performance reviews and external benchmarking analysis, the Committee considered all relevant factors when deciding on increases in remuneration for the following year, including:

- increased business complexity and scale of post-merger operations, including the significant growth and profitability achieved in respect of the 2023 financial year, as detailed below;
- information received through the remuneration benchmarking review that was undertaken during the year, as detailed above;
- prevailing economic conditions, including the tight state of the local labour market and the historically low current rate of unemployment; and
- other related factors, including both internal and external relativities.

## Non-KMP employees

All employee remuneration is evaluated on a regular basis using a set of variables and taking into account the addition of statutory superannuation contributions. A comprehensive review of existing base salaries for all employees is made at the end of each financial year using comparisons against independent market data which provides information on salaries and other benefits paid for comparable roles in comparable companies, together with other macroeconomic data, including the rates of inflation and unemployment.

Following these reviews, and considering wider retention challenges in the economy, the Board resolved to increase the aggregated base salaries for all employees across the Group by approximately 6.3% in respect of the year ending 30 June 2024, with salary increases, where applicable, taking effect from 1 July 2023.

## Variable remuneration

### Objective

The objective of variable remuneration is to:

- align the interests of Executives with those of the shareholders;
- link Executive rewards to the achievement of strategic goals and performance of the Company; and
- ensure that the total remuneration paid is both equitable and competitive by market standards.

### Short-Term Incentive (“STI”) plan

The STI plan is an annual plan that is available to Executives and other senior employees and is based on the performance of both the Company and the respective individual during a given financial year. The levels of STI payments made vary depending on the nature of the role and the responsibilities of, and deliverables achieved by, each individual during the year under review. The amount of actual STI payments made to the relevant employee depends on the extent to which KPIs and targets are achieved within a given financial year. Specific targets are quantifiable and aligned to the Company’s financial budget and overall strategy. The ongoing performance of the Executive or senior employee is monitored during the annual cycle.

Group objectives, and their relative applicability, vary depending on the position and responsibility of the respective individual but, in respect of the year ended 30 June 2023, they included, amongst other things, the achievement of:

- revenue targets, on both a divisional and Group basis;
- earnings before interest, tax, depreciation and amortisation (“EBITDA”);
- profit after tax targets, where an individual has capacity to impact this result;
- performance targets for the Group’s various business divisions;
- continued development of the Company’s CanView platform;
- other business expansion objectives, including through organic and inorganic growth; and
- targets for cost reduction and efficiency gains.

These measures were chosen as they represent the key drivers for the short-term success of the business and provide a framework for delivering long-term value for shareholders. Personal and operating objectives vary according to the role and responsibility of the Executive and may also include a number of non-financial objectives such as progress made in respect of project delivery, sales expansion, business development, joint ventures, mergers and acquisitions, capital management, intellectual property management, regulatory and compliance/reporting outcomes, and staff and other leadership objectives, as agreed with the Chief Executive Officer.

As the Company continues to expand its operations, future STI payments will also be based on other factors that may be relevant to the Group's operations at that time and best reflect the overall performance of the Group.

Achievement of an individual's targets and objectives is assessed by both the individual and his or her direct manager. Each individual participates in an annual performance review shortly after the end of the financial year during which the individual must provide evidence of the objectives that he or she has delivered during the period under review. Each objective is then rated on an agreed achievement scale. Depending on the total ratings achieved, the individual may then be eligible to receive an STI payment.

STI payments, if any, are typically made in July/August of each year in relation to the previous financial year, subject to the completion of the performance review process, the receipt of a satisfactory rating and the approval of both the Nomination and Remuneration Committee and the Board. The Board, via its Chair, conducts this process in the case of the Chief Executive Officer. Any STI payments which may be made are delivered during the following reporting period generally in the form of cash payments or the possible granting of equity securities pursuant to the Company's Equity Incentive Plan. The most recent performance appraisals took place in July 2023 in respect of the year ended 30 June 2023.

As detailed above, in assessing the achievement of the various KPIs set for Executives as part of the 2023 review process, the following metrics were assessed which demonstrated that the Company generated significant year-on-year growth across key financial metrics during the year ended 30 June 2023, including:

Financial metric	Financial years ended 30 June			Change (2023 v 2022)	
	2021	2022	2023	\$	%
Revenue	\$21,712,166	\$66,991,732	\$117,343,633	+\$50,351,901	+75%
Gross profit	\$6,655,596	\$25,427,228	\$40,541,214	+\$15,113,986	+59%
EBITDA	\$2,135,859	\$10,460,924	\$20,742,314	+\$10,281,390	+98%
Profit after tax	\$1,417,448	\$6,012,509	\$13,750,318	+\$7,737,809	+129%
Basic profit per share	0.35 cents	1.25 cents	2.49 cents	+1.24 cents	+99%
Cash balance (year end)	\$2,079,307	\$16,077,031	\$18,849,050	+\$2,772,019	+17%
Net tangible assets (year end)	\$3,805,769	\$18,916,451	\$27,798,465	+\$8,882,014	+47%
Company share price (year end)	10.5 cents	25.0 cents	52.0 cents	+27.0 cents	+108%
Market capitalisation (year end)	\$42 million	\$138 million	\$289 million	+\$151 million	+109%

In light of the above results, payments totalling \$581,091 were accrued as at balance date for STI payments due to Executive members of KMP and other senior employees in respect of the 2023 financial year following the successful achievement of the targets outlined above and the completion of the annual performance appraisal process.

## Variable remuneration (CONT.)

### Long-Term Incentive (“LTI”) plan

LTI grants made to Executives and senior employees are typically delivered in the form of a combination of performance rights and premium priced options over unissued ordinary shares in the Company which are granted under the terms and conditions of the plan and subject to vesting conditions as set by the Board from time to time. In general, only Executives and senior employees who are able to influence the generation of shareholder wealth and have a material impact on the long-term profitability of the Group are invited to participate in the plan.

The total value of the LTI grants made to a given Executive varies and is determined with reference to the nature of the individual’s role, as well as his or her future potential and specific individual and Company performance. Historically, the value of the grants is generally calculated with reference to their roles and base salaries and the contribution that the Executive is expected to make to the collective success of the organisation.

In cases where an Executive ceases employment with the Company prior to the vesting of his or her performance rights or options, the related securities are generally forfeited. In cases where the relevant securities have vested, the prescribed period during which the securities may be exercised ranges from two to twelve months, depending on the circumstances under which the employee left the Company, e.g. resignation, retirement, termination or death. In the event of a change of control of the Company, the performance period end date will be brought forward to the date of the change of control and all awards will vest over this shortened period.

In order to attract, retain and incentivise high-performing senior executives and to align their overall remuneration with the creation of shareholder wealth, the Company implemented an Equity Incentive Plan (the “Plan”) in 2019. As part of the Company’s merger with CDA Health Pty. Ltd. in December 2021, performance rights and options over the Company’s ordinary shares were granted to Executives of the Company to incentivise the retention of Executives after the merger and the delivery of merger-related strategic objectives.

During the prior year ended 30 June 2022, a total of 6,000,000 performance rights and 22,500,000 options over unissued ordinary shares in the Company were granted by the Company to members of KMP. All of these securities were granted in connection with the Company’s successful merger with CDA Health Pty. Ltd. which was completed on 16 December 2021. Refer to *Note 27* of this Financial Report for details of the outstanding options that have been granted to KMP as at 30 June 2023. The final tranche of options granted as part of the merger are due to vest on 30 June 2024, subject to specified performance hurdles.

As detailed above, the Company’s Nomination and Remuneration Committee has resolved to work with independent consultants to design and implement an appropriate LTI scheme for future years to continue incentivising the Company’s Executive Team and, potentially, other senior employees to deliver long-term shareholder value. It is anticipated that the final terms of the new scheme will be put before the shareholders for consideration at the Company’s 2023 Annual General Meeting.

### Valuation of LTI grants

As stated above, the Company uses a variety of methods to calculate the percentage of a given Executive's base salary that could be potentially made available in the form of LTI grants. Specifically, the Company considers industry-accepted rates for comparable listed companies to arrive at percentages that meet the objectives of the Plan (i.e. that they provide suitable reward, retention and incentive characteristics), while at the same time being fair and reasonable for the Company, its shareholders and the Executives.

In respect of the prior year ended 30 June 2022, being the year in which the Company completed its merger with CDA and which delivered triple-digit percentage growth across all key financial metrics and in turn significant shareholder value, the Company granted a combination of performance rights and premium priced options to Executives as part of its LTI program. All securities granted are subject to material vesting hurdles which must be met before the recipient derives any benefit from them.

The performance rights that were granted rewarded those Executives for successfully completing the merger with CDA which has since delivered a significant increase in the Company's share price and market capitalisation. Under the terms of the rights, no benefit would have been derived by the recipient had the merger not been successfully completed. The premium priced options were granted to incentivise the respective Executives to remain with the Group to ensure the successful integration of the two businesses after the merger and to drive further long-term growth and shareholder value. Apart from the passing of time and the exercise price, the options granted have a further vesting condition requiring that the revenues generated by the Company must increase by at least 25% year-on-year before any benefit can be derived by the holder of the options.

The valuation for accounting purposes of equity securities granted under the EIP Plan is calculated by an independent financial expert using appropriate option-pricing models that take into account a number of variables including exercise price, term, volatility, dividend payments, interest rates etc. Given the time value of an option, the longer the term of an option, the greater its value, all other terms being constant. For accounting purposes, in accordance with AASB 2 *Share-based payments*, the total share-based payments expense attributable to such performance rights and options is recognised evenly on a monthly basis over the vesting period applicable to the relevant security.

The total share-based payments expense recognised during the 2023 financial year in respect of the securities granted to members of Key Management Personnel was \$745,194, being a fall of \$1,354,325, or 65%, as compared to figure for the corresponding period of \$2,099,519.

### Payments made to members of KMP

As detailed in *Note 2(a)* on page 80 of this Annual Report, the Company's financial statements for the year ended 30 June 2022 were prepared in accordance with AASB 3 Business combinations, as the Merger between the Company and CDA Health Pty. Ltd. ("CDA") resulted in the combined group being identified as a Business Combination under Australian Accounting Standards. As a result, the comparative figures in the financial statements include the financial results of CDA for the period from 1 July 2021 to 30 June 2022 and the results of the pre-Merger Cronos Australia entities for the period from the date of the Merger (16 December 2021) to 30 June 2022.

Notwithstanding the above, in order to provide a true and fair view of the payments received by members of KMP during the comparative year ended 30 June 2022, the remuneration figures provided below include all payments received by the respective individuals, irrespective of whether the amounts were paid by the Company or by CDA prior to the merger. As a result, for the reasons outlined above, the remuneration figures provided below in respect of the year ended 30 June 2022 may not necessarily reconcile directly to the comparative financial statements contained in this Annual Report.

In respect of the years ended 30 June 2023 and 30 June 2022, the payments set out in the tables below were made to current and former Executives, as well as the percentages that each payment represents as a proportion of their total remuneration.

## Payments made to members of KMP (CONT.)

Name and title of Executive	Fixed	At risk		Post-employment	Totals
	Base salary (% of total) \$	STI (% of total) \$	LTI (% of total) \$	Superannuation (% of total) \$	
Year ended 30 June 2023					
Rodney D. Cocks CSM <i>Chief Executive Officer</i>	320,000 (46%)	160,000 (23%)	191,453 (27%)	25,292 (4%)	696,745 (100%)
Guy R. Headley <i>Chief Commercial Officer</i>	320,000 (48%)	128,000 (19%)	191,453 (29%)	25,292 (4%)	664,745 (100%)
Thomas G. Howitt <i>Chief Financial Officer / Company Secretary</i>	320,000 (48%)	128,000 (19%)	195,684 (29%)	25,292 (4%)	668,976 (100%)
Ryan J. Tattle <sup>1</sup> <i>Chief Revenue Officer</i>	250,000 (72%)	75,000 (22%)	- -	22,789 (6%)	347,789 (100%)
Jessimine C.K. Jansen <sup>2</sup> <i>Chief Operating Officer</i>	75,303 (32%)	22,591 (9%)	132,437 (56%)	7,907 (3%)	238,238 (100%)
Dr. Benjamin D.N. Jansen <sup>3</sup> <i>Ex. Chief Medical Officer</i>	80,464 (67%)	- -	34,167 (28%)	6,323 (5%)	120,954 (100%)
Raymond J. Deetlefs <sup>4</sup> <i>Ex. Acting Chief Operating Officer</i>	82,278 (92%)	- -	- -	7,608 (8%)	89,886 (100%)
<b>Totals</b>	<b>1,448,045</b>	<b>513,591</b>	<b>745,194</b>	<b>120,503</b>	<b>2,827,333</b>
Year ended 30 June 2022					
Rodney D. Cocks CSM <i>Chief Executive Officer</i>	306,806 (38%)	92,040 (12%)	378,764 (47%)	23,568 (3%)	801,178 (100%)
Guy R. Headley <i>Chief Commercial Officer</i>	257,214 (34%)	92,040 (12%)	378,764 (51%)	22,165 (3%)	750,183 (100%)
Thomas G. Howitt <i>Chief Financial Officer / Company Secretary</i>	306,806 (38%)	92,040 (11%)	395,900 (48%)	23,568 (3%)	818,314 (100%)
Jessimine C.K. Jansen <sup>2</sup> <i>Chief Operating Officer</i>	148,086 (27%)	- -	378,764 (70%)	14,093 (3%)	540,943 (100%)
Dr. Benjamin D.N. Jansen <sup>3</sup> <i>Ex. Chief Medical Officer</i>	257,214 (39%)	- -	378,764 (58%)	22,165 (3%)	658,143 (100%)
Raymond J. Deetlefs <sup>4</sup> <i>Ex. Acting Chief Operating Officer</i>	64,154 (91%)	- -	- -	6,415 (9%)	70,569 (100%)
<b>Totals</b>	<b>1,340,280</b>	<b>276,120</b>	<b>1,910,956</b>	<b>111,974</b>	<b>3,639,330</b>

### Notes:

- On 1 January 2023, Ryan Tattle was appointed as Chief Revenue Officer. Prior to that date, Mr. Tattle was employed as the Company's Commercial Operations Manager.
- The Company's Chief Operating Officer, Jessimine Jansen, took maternity leave on 25 March 2022 and returned to the role on 29 November 2022. Ms. Jansen subsequently resigned as Chief Operating Officer on 30 June 2023.
- On 22 September 2022, Dr. Benjamin Jansen ceased his role as Chief Medical Officer. In accordance with the Company's Constitution, Dr. Jansen's office as a Director of the Company was also vacated effective immediately with the cessation of his employment at 5.00 pm on 22 September 2022.
- On 21 February 2022, Raymond Deetlefs was appointed as Acting Chief Operating Officer, while Ms. Jansen was on maternity leave. Mr. Deetlefs resigned from that role on 25 November 2022.

## Remuneration of all Key Management Personnel (“KMP”) - years ended 30 June 2023 and 30 June 2022

		Short-term		Post-	Share-based	Totals
		Salary/fees	STI	employment	LTI	
Non-Executive Directors		\$	\$	\$	\$	\$
Dr. Simone L. Scovell <sup>1</sup>	<b>2023</b>	<b>57,260</b>	-	-	-	<b>57,260</b>
<i>Non-Executive Chair</i>	2022	-	-	-	-	-
Jenelle L. Frewen <sup>2</sup>	<b>2023</b>	<b>40,069</b>	-	<b>4,207</b>	-	<b>44,276</b>
<i>Non-Executive Director</i>	2022	-	-	-	-	-
Dr. Marcia A.M. Walker <sup>3</sup>	<b>2023</b>	<b>82,534</b>	-	-	-	<b>82,534</b>
<i>Non-Executive Director</i>	2022	28,356	-	-	-	28,356
Daniel E. Abrahams <sup>4</sup>	<b>2023</b>	-	-	-	-	-
<i>Ex. Non-Executive Director</i>	2022	23,048	-	-	-	23,048
Jason M. Adler <sup>5</sup>	<b>2023</b>	-	-	-	-	-
<i>Ex. Non-Executive Director</i>	2022	23,048	-	-	-	23,048
Anna E. Burke AO <sup>6</sup>	<b>2023</b>	-	-	-	-	-
<i>Ex. Non-Executive Director</i>	2022	23,048	-	2,305	-	25,353
Michael R. Gorenstein <sup>7</sup>	<b>2023</b>	-	-	-	-	-
<i>Ex. Non-Executive Director</i>	2022	23,048	-	-	-	23,048
Kurt T. Schmidt <sup>8</sup>	<b>2023</b>	-	-	-	-	-
<i>Ex. Non-Executive Director</i>	2022	13,973	-	-	-	13,973
Shane F. Tanner <sup>9</sup>	<b>2023</b>	-	-	-	-	-
<i>Ex. Non-Executive Chair</i>	2022	100,000	-	-	173,680	273,680
<b>Sub-total for Non-Executive Directors</b>	<b>2023</b>	<b>179,863</b>	-	<b>4,207</b>	-	<b>184,070</b>
	2022	234,521	-	2,305	173,680	410,506
<b>Executives</b>						
Rodney D. Cocks CSM	<b>2023</b>	<b>320,000</b>	<b>160,000</b>	<b>25,292</b>	<b>191,453</b>	<b>696,745</b>
<i>Executive Director / CEO</i>	2022	306,806	92,040	23,568	378,764	801,178
Guy R. Headley	<b>2023</b>	<b>320,000</b>	<b>128,000</b>	<b>25,292</b>	<b>191,453</b>	<b>664,745</b>
<i>Executive Director / COO</i>	2022	257,214	92,040	22,165	378,764	750,183
Thomas G. Howitt	<b>2023</b>	<b>320,000</b>	<b>128,000</b>	<b>25,292</b>	<b>195,684</b>	<b>668,976</b>
<i>CFO / Company Secretary</i>	2022	306,806	92,040	23,568	395,900	818,314
Ryan J. Tattle <sup>10</sup>	<b>2023</b>	<b>250,000</b>	<b>75,000</b>	<b>22,789</b>	-	<b>347,789</b>
<i>Chief Revenue Officer</i>	2022	144,943	-	14,494	14,883	174,320
Jessimine C.K. Jansen <sup>11</sup>	<b>2023</b>	<b>75,303</b>	<b>22,591</b>	<b>7,907</b>	<b>132,437</b>	<b>238,238</b>
<i>Chief Operating Officer</i>	2022	148,086	-	14,093	378,764	540,943
Dr. Benjamin D.N. Jansen <sup>12</sup>	<b>2023</b>	<b>80,464</b>	-	<b>6,323</b>	<b>34,167</b>	<b>120,954</b>
<i>Ex. Exec. Director / CMO</i>	2022	257,214	-	22,165	378,764	658,143
Raymond J. Deetlefs <sup>13</sup>	<b>2023</b>	<b>82,278</b>	-	<b>7,608</b>	-	<b>89,886</b>
<i>Ex. Acting COO</i>	2022	64,154	-	6,415	-	70,569
<b>Sub-total for Executives</b>	<b>2023</b>	<b>1,448,045</b>	<b>513,591</b>	<b>120,503</b>	<b>745,194</b>	<b>2,827,333</b>
	2022	1,485,223	276,120	126,468	1,925,839	3,813,650
<b>Totals for KMP</b>	<b>2023</b>	<b>1,627,908</b>	<b>513,591</b>	<b>124,710</b>	<b>745,194</b>	<b>3,011,403</b>
	2022	1,719,744	276,120	128,773	2,099,519	4,224,156

## Payments made to members of KMP (CONT.)

### Notes:

1. Dr. Scovell was appointed as a Non-Executive Director of the Company on 12 September 2022. On 24 February 2023, she was appointed as Non-Executive Chair of the Board.
2. Ms. Frewen was appointed as a Non-Executive Director of the Company on 12 September 2022.
3. Dr. Walker ceased to be Acting Non-Executive Chair of the Board on 24 February 2023.
4. Mr. Abrahams resigned as a Non-Executive Director of the Company on 16 December 2021.
5. Mr. Adler resigned as a Non-Executive Director of the Company on 16 December 2021.
6. Ms. Burke resigned as a Non-Executive Director of the Company on 16 December 2021.
7. Mr. Gorenstein resigned as a Non-Executive Director of the Company on 16 December 2021.
8. Mr. Schmidt resigned as a Non-Executive Director of the Company on 28 March 2022.
9. Mr. Tanner resigned as Non-Executive Chair of the Company on 11 April 2022.
10. Mr. Tattle was appointed as Chief Revenue Officer of the Company on 1 January 2023. Prior to that date, Mr. Tattle was employed as the Company's Commercial Operations Manager.
11. Ms. Jansen took maternity leave on 25 March 2022 and returned to the role on 29 November 2022. Ms. Jansen subsequently resigned as Chief Operating Officer of the Company on 30 June 2023.
12. Dr. Jansen ceased his role as Chief Medical Officer of the Company on 22 September 2022. In accordance with the Company's Constitution, Dr. Jansen's office as a Director of the Company was also vacated effective immediately with the cessation of his employment at 5.00 pm on 22 September 2022.
13. Mr. Deetlefs was appointed as Acting Chief Operating Officer of the Company on 21 February 2022, while Ms. Jansen was on maternity leave. Mr. Deetlefs resigned from that role on 25 November 2022.

The details of those Executives nominated as KMP under section 300A of the *Corporations Act 2001* have been disclosed in this Remuneration Report. No other employees of the Company meet the definition of "Key Management Personnel" as defined in IAS 24 / (AASB 124) *Related Party Disclosures*, or "senior manager" as defined in the *Corporations Act 2001*.

## Details of securities in which KMP have a beneficial interest as at balance date

Ordinary shares Member of KMP	Opening balance	Shares issued	Shares purchased	Shares sold	Closing balance
Rodney D. Cocks CSM	20,333,333	666,667	-	-	21,000,000
Guy R. Headley	127,132,105	666,667	-	(18,750,000)	109,048,772
Thomas G. Howitt	733,333	666,667	-	(200,000)	1,200,000
Ryan J. Tattle	3,984,623	-	-	(533,434)	3,451,189
Jessimine C.K. Jansen	2,486,712	666,667	-	-	3,153,379
Dr. Benjamin D.N. Jansen	130,223,903	333,333	-	(6,432,572)	124,124,664
<b>Totals</b>	<b>284,894,009</b>	<b>3,000,001</b>	<b>-</b>	<b>(25,916,006)</b>	<b>261,978,004</b>

Options Member of KMP	Opening balance	Options granted	Options forfeited	Closing balance	Vested at year end
Rodney D. Cocks CSM	4,500,000	-	-	4,500,000	3,000,000
Guy R. Headley	4,500,000	-	-	4,500,000	3,000,000
Thomas G. Howitt	5,065,000	-	-	5,065,000	3,565,000
Jessimine C.K. Jansen	4,500,000	-	-	4,500,000	3,000,000
Dr. Benjamin D.N. Jansen	4,500,000	-	(4,500,000)	-	-
<b>Totals</b>	<b>23,065,000</b>	<b>-</b>	<b>(4,500,000)</b>	<b>18,565,000</b>	<b>12,565,000</b>

Performance rights Member of KMP	Opening balance	Rights converted	Rights forfeited	Closing balance	Vested at year end
Rodney D. Cocks CSM	666,667	(666,667)	-	-	-
Guy R. Headley	666,667	(666,667)	-	-	-
Thomas G. Howitt	666,667	(666,667)	-	-	-
Jessimine C.K. Jansen	666,667	(666,667)	-	-	-
Dr. Benjamin D.N. Jansen	666,667	(333,333)	(333,334)	-	-
<b>Totals</b>	<b>3,333,335</b>	<b>(3,000,001)</b>	<b>(333,334)</b>	<b>-</b>	<b>-</b>

## Executive employment contracts

### Rodney D. Cocks CSM - Chief Executive Officer ("CEO")

The Company's CEO, Rodney Cocks, is employed under an employment contract the key terms of which include:

- During the year ended 30 June 2023, Mr. Cocks' annual fixed remuneration was \$320,000 excluding statutory superannuation contributions as prescribed under the Superannuation Guarantee legislation. Mr. Cocks is also entitled to be reimbursed for expenses incurred in relation to private insurances up to a maximum of \$6,000 in a prescribed 12-month period. In respect of the year ending 30 June 2024, Mr. Cocks' annual fixed remuneration will increase to \$450,000 excluding statutory superannuation contributions;
- In respect of the year ended 30 June 2023, Mr. Cocks was eligible to receive an STI payment equal to up to 50% of his base salary subject to the achievement of KPIs, of which 75% relates to financial metrics relevant to the Company and its performance, while the remaining 25% relates to individual performance, as determined by the Company's Chair, with any payments made being subject to Board approval. On 28 July 2023, an STI payment of \$160,000, representing 100% of his maximum entitlement, was paid to Mr. Cocks in respect of the year ended 30 June 2023;
- Mr. Cocks is entitled to receive various equity securities, including options over the Company's ordinary shares and performance rights, subject to the terms of the Company's Equity Incentive Plan ("Plan"). The granting of securities under the Plan is subject to the achievement of agreed KPIs and the discretion and approval of the Board. On 16 December 2021, Mr. Cocks received a total of 1,000,000 performance rights and 4,500,000 options over the Company's ordinary shares in connection with the Company's merger with CDA Health Pty. Ltd. No further securities were granted to him under the Plan during the year ended 30 June 2023;
- Mr. Cocks may resign from his position, thereby terminating the contract, by giving six months' written notice. The Company may terminate his contract by providing similar notice or providing payment in lieu of the notice period; and
- The Company may terminate Mr. Cocks' contract at any time without notice if serious misconduct has occurred. Where this occurs with cause, he is only entitled to receive that portion of remuneration which is fixed and only up to the date of termination. In this instance, any entitlements to unvested STI and LTI amounts or securities are forfeited and would lapse on termination.

## Executive employment contracts (CONT.)

### Guy R. Headley - Chief Commercial Officer (“CCO”)

The Company’s CCO, Guy Headley, is employed under an employment contract the key terms of which include:

- During the year ended 30 June 2023, Mr. Headley’s annual fixed remuneration was \$320,000 excluding statutory superannuation contributions as prescribed under the Superannuation Guarantee legislation. Mr. Headley is also entitled to be reimbursed for expenses incurred in relation to private insurances up to a maximum of \$6,000 in a prescribed 12-month period. In respect of the year ending 30 June 2024, Mr. Headley’s annual fixed remuneration will increase to \$382,000 excluding statutory superannuation contributions;
- In respect of the year ended 30 June 2023, Mr. Headley was eligible to receive an STI payment equal to up to 40% of his base salary subject to the achievement of KPIs, of which 75% relates to financial metrics relevant to the Company and its performance, while the remaining 25% relates to individual performance, as determined by the Company’s CEO, with any payments made being subject to Board approval. On 28 July 2023, an STI payment of \$128,000, representing 100% of his maximum entitlement, was paid to Mr. Headley in respect of the year ended 30 June 2023;
- Mr. Headley is entitled to receive various equity securities, including options over the Company’s ordinary shares and performance rights, subject to the terms of the Company’s Equity Incentive Plan (“Plan”). The granting of securities under the Plan is subject to the achievement of agreed KPIs and the discretion and approval of the Board. On 16 December 2021, Mr. Headley received a total of 1,000,000 performance rights and 4,500,000 options over the Company’s ordinary shares in connection with the Company’s merger with CDA Health Pty. Ltd. No further securities were granted to him under the Plan during the year ended 30 June 2023;
- Mr. Headley may resign from his position, thereby terminating the contract, by giving three months’ written notice. The Company may terminate his contract by providing similar notice or providing payment in lieu of the notice period; and
- The Company may terminate Mr. Headley’s contract at any time without notice if serious misconduct has occurred. Where this occurs with cause, he is only entitled to receive that portion of remuneration which is fixed and only up to the date of termination. In this instance, any entitlements to unvested STI and LTI amounts or securities are forfeited and would lapse on termination.

### Thomas G. Howitt - Chief Financial Officer and Company Secretary (“CFO”)

The Company’s CFO, Thomas Howitt, is employed under an employment contract the key terms of which include:

- During the year ended 30 June 2023, Mr. Howitt’s annual fixed remuneration was \$320,000 excluding statutory superannuation contributions as prescribed under the Superannuation Guarantee legislation. Mr. Howitt is also entitled to be reimbursed for expenses incurred in relation to private insurances up to a maximum of \$6,000 in a prescribed 12-month period. In respect of the year ending 30 June 2024, Mr. Howitt’s annual fixed remuneration will increase to \$382,000 excluding statutory superannuation contributions;
- In respect of the year ended 30 June 2023, Mr. Howitt was eligible to receive an STI payment equal to up to 40% of his base salary subject to the achievement of KPIs, of which 75% relates to financial metrics relevant to the Company and its performance, while the remaining 25% relates to individual performance, as determined by the Company’s CEO, with any payments made being subject to Board approval. On 28 July 2023, an STI payment of \$128,000, representing 100% of his maximum entitlement, was paid to Mr. Howitt in respect of the year ended 30 June 2023;

- Mr. Howitt is entitled to receive various equity securities, including options over the Company's ordinary shares and performance rights, subject to the terms of the Company's Equity Incentive Plan ("Plan"). The granting of securities under the Plan is subject to the achievement of agreed KPIs and the discretion and approval of the Board. On 16 December 2021, Mr. Howitt received a total of 1,000,000 performance rights and 4,500,000 options over the Company's ordinary shares in connection with the Company's merger with CDA Health Pty. Ltd. No further securities were granted to him under the Plan during the year ended 30 June 2023;
- Mr. Howitt may resign from his position, thereby terminating the contract, by giving three months' written notice. The Company may terminate his contract by providing similar notice or providing payment in lieu of the notice period; and
- The Company may terminate Mr. Howitt's contract at any time without notice if serious misconduct has occurred. Where this occurs with cause, he is only entitled to receive that portion of remuneration which is fixed and only up to the date of termination. In this instance, any entitlements to unvested STI and LTI amounts or securities are forfeited and would lapse on termination.

### **Ryan J. Tattle - Chief Revenue Officer ("CRO")**

The Company's CRO, Ryan Tattle, is employed under an employment contract the key terms of which include:

- On 1 January 2023, Mr. Tattle was appointed as the Company's CRO and, as from that date, his annual fixed remuneration was increased to \$320,000 excluding statutory superannuation contributions as prescribed under the Superannuation Guarantee legislation. Mr. Tattle is also entitled to be reimbursed for expenses incurred in relation to private insurances up to a maximum of \$6,000 in a prescribed 12-month period. In respect of the year ending 30 June 2024, Mr. Tattle's annual fixed remuneration package will remain at \$320,000 excluding statutory superannuation contributions;
- In respect of the year ended 30 June 2023, Mr. Tattle was eligible to receive an STI payment equal to up to 30% of his total remuneration (excluding superannuation) subject to the achievement of KPIs, of which 75% relates to financial metrics relevant to the Company and its performance, while the remaining 25% relates to individual performance, as determined by the Company's CEO, with any payments made being subject to Board approval. On 28 July 2023, an STI payment of \$75,000, representing 100% of his maximum entitlement, was paid to Mr. Tattle in respect of the year ended 30 June 2023;
- Mr. Tattle is entitled to receive various equity securities, including options over the Company's ordinary shares and performance rights, subject to the terms of the Company's Equity Incentive Plan ("Plan"). The granting of securities under the Plan is subject to the achievement of agreed KPIs and the discretion and approval of the Board. On 16 December 2021, Mr. Tattle received a total of 72,601 performance rights in connection with the Company's merger with CDA Health Pty. Ltd. No further securities were granted to him under the Plan during the year ended 30 June 2023;
- Mr. Tattle may resign from his position, thereby terminating the contract, by giving three months' written notice. The Company may terminate his contract by providing similar notice or providing payment in lieu of the notice period; and
- The Company may terminate Mr. Tattle's contract at any time without notice if serious misconduct has occurred. Where this occurs with cause, he is only entitled to receive that portion of remuneration which is fixed and only up to the date of termination. In this instance, any entitlements to unvested STI and LTI amounts or securities are forfeited and would lapse on termination.

## Executive employment contracts (CONT.)

### Jessimine C.K. Jansen - Chief Operating Officer (“COO”)

The Company’s former COO, Jessimine Jansen, was employed under an employment contract the key terms of which included:

- During the year ended 30 June 2023, Ms. Jansen’s annual fixed remuneration was \$320,000 excluding statutory superannuation contributions as prescribed under the Superannuation Guarantee legislation. Ms. Jansen was also entitled to be reimbursed for expenses incurred in relation to private insurances up to a maximum of \$6,000 in a prescribed 12-month period. Ms. Jansen commenced maternity leave on 25 March 2022 and returned part-time to the role of COO on 29 November 2022. Ms. Jansen subsequently resigned as COO of the Company on 30 June 2023; and
- On 16 December 2021, Ms. Jansen received a total of 1,000,000 performance rights and 4,500,000 options over the Company’s ordinary shares in connection with the Company’s merger with CDA Health Pty. Ltd. A total of 1,500,000 options which had not vested by 30 June 2023, being the date of Ms. Jansen’s resignation, were forfeited after balance date. No further securities were granted to her under the Plan during the year ended 30 June 2023.

## End of Remuneration Report

### MEETINGS OF DIRECTORS AND COMMITTEES

As at the date of this Report, the Company’s Board comprised five Directors. The Company also had an Audit and Risk Committee and a Nomination and Remuneration Committee.

During the year ended 30 June 2023, both of the above Committees had as their members Dr. Simone Scovell, Jenelle Frewen and Dr. Marcia Walker, all of whom were independent Directors throughout the periods during which they served.

The number of meetings of Directors and the respective Committees held during the year ended 30 June 2023, including Circular Resolutions passed by the Board, and the number of such meetings attended by each Director, are summarised in the table below:

	Board of Directors		Audit and Risk Committee		Nomination and Remuneration Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
<b>Current Directors</b>						
Dr. Simone L. Scovell (Chair)	16	16	2	2	2	2
Rodney D. Cocks CSM	20	20	-	-	-	-
Jenelle L. Frewen	16	16	2	2	2	2
Guy R. Headley	20	20	-	-	-	-
Dr. Marcia A.M. Walker	20	19	2	2	2	2
<b>Former Director</b>						
Dr. Benjamin D.N. Jansen	5	4	-	-	-	-

### ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding Financial/Directors’ Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the “rounding off” of amounts in the Directors’ Report. Amounts in the Directors’ Report have been rounded off to the nearest dollar in accordance with that Instrument.

## ENVIRONMENT AND REGULATION

The Group does not believe it is subject to any specific environmental regulations, beyond those that apply to all companies. The Board believes there are adequate systems in place to ensure the Group's compliance with relevant Federal, State and Local government environmental regulations and the Board is not aware of any breach of applicable environmental regulations by the Group.

Apart from those changes described elsewhere in this Report, there were no significant changes in laws or regulations during the period from 1 July 2022 up to the date of this Report which have affected the business activities of the Group and the Board is not aware of any such changes in the near future.

## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the year ended 30 June 2023, the Company paid premiums in respect of a contract insuring the Directors and Officers of the Company and related bodies corporate against liabilities that may be incurred in his or her capacity as a Director or Officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the insurance provided and the amount of the premiums paid.

The Company has agreed to indemnify the current and former Directors and Officers against all liabilities to other persons that may arise from their position as Directors or Officers of the Company and its subsidiaries, except in circumstances where the individual concerned has committed an illegal act, wilful misconduct or dishonesty or where to do so would be generally prohibited by law.

## AUDIT AND NON-AUDIT SERVICES

During the year ended 30 June 2023, total fees of \$162,500 (2022: \$155,000) were paid or payable in respect of audit services provided by Pilot Partners to the Company and its subsidiary, CDA Health Pty. Ltd.

The Company may decide to employ the auditor on assignments additional to his statutory audit duties where the auditor's expertise and experience with the Group are important. In this regard, an amount of \$14,500 was paid to Pilot Partners during 2023 in respect of advisory services provided by it in relation to the Company's ongoing compliance with Australian Accounting Standards. An amount of \$78,520 was paid to Pilot Partners during 2022 in respect of the provision of advice and independent reports in relation to the Company's merger with CDA Health Pty. Ltd. The Company believes that these additional services are compatible with the general standard of independence for auditors.

## PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought or intervened in or on behalf of the Company with leave to the Court under section 237 of the *Corporations Act 2001*.

## AUDITOR'S INDEPENDENCE DECLARATION

Pilot Partners was appointed as the auditor of Vitura Health Limited on 16 December 2021 and continues in office as auditor in accordance with section 327 of the *Corporations Act 2001*. A copy of Pilot Partners' independence declaration, as required under section 307C of the *Corporations Act 2001*, is reproduced on page 74 of this Annual Report.

This Report is signed in accordance with a resolution of the Directors.



DR. SIMONE L. SCOVELL  
Chair



RODNEY D. COCKS CSM  
Director

Melbourne, 23 August 2023

# Corporate Governance Statement

## INTRODUCTION

Vitura Health Limited (“Vitura” and “Company”) and its Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review its corporate governance framework and practices to ensure they meet the interests of the shareholders. In this Statement, the Company and the 21 entities it controlled as at 30 June 2023 are collectively referred to as the “Group”.

A description of the Group’s main corporate governance practices is set out below. Unless otherwise stated, all of these practices were in place for the entire period from 1 July 2022 to 30 June 2023 and comply with the Corporate Governance Principles and Recommendations (including all relevant amendments) of the Australian Securities Exchange (“ASX”).

While in most respects the Company complies with the Recommendations, in several areas, policies and practices are being further developed to bring them more closely into line. As new policies are produced, or as the existing ones are updated, they are published on the Company’s website. All of the Company’s significant policies are published on its website ([www.vitura.com.au](http://www.vitura.com.au)).

As at the date of this Financial Report, the following Corporate Governance documents had been adopted by the Board, in addition to the Company’s Constitution which was adopted on 27 September 2018:

- Board Charter, which defines the role of the Board and that of Management;
- Audit and Risk Committee Charter;
- Nomination and Remuneration Committee Charter;
- Code of Conduct;
- Disclosure and Communication Policy;
- Whistleblower Policy;
- Trading Policy; and
- Diversity Policy.

## ASX PRINCIPLES AND RECOMMENDATIONS

### Principle 1: Lay solid foundations for management and oversight

The relationship between the Board and Management is critical to the Group’s success. The Directors are responsible to the shareholders for the performance of the Group in both the short and long terms. They also seek to balance sometimes competing objectives in the best interests of the Group as a whole, with a focus to enhance the interests of shareholders and other key stakeholders and to ensure the Group is appropriately managed.

The responsibilities of the Board include:

- providing strategic guidance to the Group as a whole, including contributing to the development of and approving the Group’s corporate strategy, the current version of which is called “Vision 26”;
- reviewing and approving the Group’s business plans, its annual budget and financial plans, including available resources and any major capital expenditure initiatives;
- overseeing and monitoring:
  - organisational performance and the achievement of the Group’s strategic goals and objectives;
  - compliance with, and effectiveness of, the Company’s governance practices; and
  - progress of major capital and other significant projects, including any acquisitions or divestments;
- monitoring the Group’s financial performance, including approval of the annual and half-year financial reports and regular oversight of the Company’s interaction with its external auditor;

- appointment, performance assessment and, if necessary, removal of the Chief Executive Officer;
- ensuring there are effective processes in place for approving major corporate initiatives;
- reviewing and ratifying the appointment and/or removal of members of the Company's Executive Team and contributing to the regular assessment of their performance;
- enhancing and protecting the reputation of the organisation and its businesses;
- overseeing the operation of the Group's system for compliance and risk management; and
- ensuring appropriate resources are available to the Group's senior Management to enable them to implement the strategies approved by the Board.

Day-to-day management of the Group's affairs and the implementation of its corporate strategy and policy initiatives are formally delegated by the Board to the Chief Executive Officer and the Executive Team, as set out in the Group's delegations policies. These delegations are reviewed by the Board on a regular basis.

The Company was admitted to the Official List of the ASX on 7 November 2019 and a formal process for evaluating the performance of the Board, its Committees and the individual Directors themselves is being further developed. In the meantime, the Chair holds regular discussions with Directors to ascertain their views on Company-related matters and to provide feedback to the Directors, where necessary. Following the appointment of a new permanent Chair in February 2023, it is anticipated that further enhancements to the performance evaluation process for all Directors and Committee members will be introduced during the financial year ending 30 June 2024.

The most recent performance appraisals for all members of the Executive Team took place in July 2023 in respect of the year ended 30 June 2023. The process undertaken for these assessments is described in detail in the Remuneration Report on pages 46 to 62 of this Annual Report.

### Diversity policy

The Company values diversity and recognises the benefits it can bring to the organisation's ability to achieve its strategic goals. Accordingly, the Company has developed and introduced a diversity policy which outlines its diversity objectives in relation to gender, age, cultural background, sexual orientation, ethnicity and other factors. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to annually assess both the objectives and the Company's progress made during the year in achieving them.

In accordance with the Company's Diversity Policy and ASX Corporate Governance principles, the Board has established various objectives in relation to gender diversity. While the Company has already exceeded a number of these objectives, the aim is to achieve the remaining objectives over the coming two to three years as relevant positions become vacant and appropriately-qualified candidates can be recruited.

The objectives set by the Board in relation to gender diversity, and the actual results relating to employees, Executives and Directors of the Group as at 30 June 2023, are set out in the following table.

Category	Objective		Actual	
	Number	Percentage	Number	Percentage
Number of women employed by the Group	60	50%	80	66%
Number of women in Executive positions	2	40%	1	20%
Number of women on the Board	3	50%	3	60%

Responsibility for diversity has been included in the Charters for both the Board and the Nomination and Remuneration Committee. The Company anticipates it will be able to more closely achieve its diversity objectives above as it continues to expand its operations and attract more individuals into the organisation.

## Principle 2: Structure the Board to add value

The Board operates in accordance with the broad principles set out in its Charter which is available in the corporate governance information section of the Company's website ([www.vitura.com.au](http://www.vitura.com.au)). The Charter provides, amongst other things, details of the Board's composition and responsibilities.

### Board composition

The Charter provides that:

- the Board may be comprised of both executive and non-executive Directors;
- the Company will seek to appoint Directors with an appropriate range of skills, experience and expertise, together with an understanding of, and competence to deal with, current and emerging issues faced by the business;
- in recognition of the importance of independent views and the Board's role in supervising the activities of Management, the Chair must be an independent non-executive Director and all Directors are required to exercise independent judgement and review and constructively challenge the performance of the Executive Team;
- the Chair is elected by the full Board; and
- independent Directors should regularly meet separately to consider, amongst other things, executive performance.

The Board seeks to ensure that:

- at any time, its membership represents an appropriate balance between directors with experience and knowledge of the Group and directors who bring with them an external or fresh perspective; and
- the size of the Board is conducive to effective discussion and efficient decision-making.

### Board members

Details of Directors, their experience, expertise, qualifications, term of office, relationships affecting their independence and their independent status are set out in the Directors' Report. During the year ended 30 June 2023, three Directors served as independent, non-executive Directors. None of these Directors had relationships which may adversely affect their independence and, as such, they were deemed independent under the principles set out above. As at the date of signing the Directors' Report, three Directors served as independent, non-executive Directors.

### Directors' independence

The Board has adopted specific principles in relation to the independence of its Directors. These principles state that, when determining independence, a Director should be non-executive and the Board should consider whether the Director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is, or has been, employed in an executive capacity by the Company or any related entity within three years before commencing his or her service on the Board;
- within the last three years has been a principal of a material professional adviser or a material consultant to the Company or related entity, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or related entity, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has a material contractual relationship with the Company or a controlled entity other than as a Director of the Group;
- is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's independent exercise of his or her judgement;

- has close family ties with any person who falls within any of the categories described above; and
- has been a Director for such a period that his or her independence may have been compromised.

Materiality for these purposes is determined on both quantitative and qualitative bases. An amount of over five percent of annual turnover of the Company or Group or five percent of the individual Director's net worth is considered material for these purposes. In addition, a transaction of any amount or a relationship is deemed material if knowledge of it may impact the shareholders' perception of the respective Director's performance.

It is a generally held view that a Director's independence may be perceived to be impacted by lengthy service on the Board. To avoid any potential concerns, the Board has determined that a Director will not be deemed independent if he or she has served on the Board of the Company for a period of more than ten years.

The Board assesses the independence of its Directors each year. To enable this process, the Directors must provide all information that may be relevant to the assessment. As at the date of this Financial Report, the Board comprises a total of five Directors, of whom three are deemed to be independent. In addition, the Chair of the Board is deemed to be independent.

### **Term of office**

The Company's Constitution specifies that all non-executive Directors must retire from office no later than the third Annual General Meeting ("AGM") following his or her last election. Where eligible, a Director may stand for re-election.

### **Chair, Chief Executive Officer and Company Secretary**

The Chair is responsible for leading the Board, ensuring that Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's Executive Team. In accepting the position, the Chair acknowledges that the role will require a significant time commitment and confirms that other positions held will not hinder his or her effective performance in that role.

The Chief Executive Officer ("CEO") is responsible for implementing the Group's strategies and policies. The Board Charter specifies that the Chair and CEO are separate roles to be undertaken by different people. Through the Chair, the Company Secretary is accountable directly to the Board on all matters to do with the proper functioning of the Board.

### **Induction**

The induction process provided to new Directors enables them to actively participate in Board discussions and decision-making as soon as possible. It ensures that each Director has a complete understanding of the Company's financial position, strategies, operations, culture, values and risk management policies and processes. It also explains the respective rights, duties and responsibilities of each Director and their interaction with the Executive Team as well as the Board's meeting arrangements. Where applicable, the Company provides its Directors with opportunities to undertake professional development activities which are relevant to their ability to perform their duties as Directors effectively.

### **Commitment**

The Board held/passed a total of 20 Board meetings and Circular Resolutions during the period from 1 July 2022 to 30 June 2023. Non-executive Directors are expected to spend adequate time preparing for and attending Board and Committee meetings and associated activities. The number of meetings of the Company's Board of Directors and each Committee held during the above period, and the number of such meetings attended, or resolutions passed by, each Director are disclosed on page 62 of this Annual Report.

The commitments of all non-executive Directors are considered by the Nomination and Remuneration Committee prior to the respective Director's appointment to the Board and are reviewed each year as part of the annual performance assessment process. Prior to appointment or re-election, each non-executive Director is required to specifically acknowledge that they have, and will continue to have, the time available to fully discharge their responsibilities to the Company.

## **Principle 2: Structure the Board to add value** (CONT.)

### **Conflict of interests**

In accordance with the Board Charter, all Directors are required to declare all interests in dealings with the Company and are required to take no part in decisions relating to them. In addition, those Directors are not entitled to receive any papers from the Group pertaining to those dealings. Two such declarations were received from Directors during the period from 1 July 2022 up to the date of signing the Directors' Report in respect of matters in which they perceived they had a conflict of interest.

### **Performance assessment**

As detailed above, a formal process for evaluating the performance of the Board, its Committees and each individual Director is still being further developed. In the meantime, the Chair holds regular discussions with Directors to ascertain their views on Company-related matters and to provide feedback to the Directors, where necessary. It is anticipated that a more formal performance evaluation process, which will include consideration of the adequacy of the Company's induction and continuing education processes and access to information, will be implemented during the financial year ending 30 June 2024 under the guidance and direction of the Company's Chair.

Once established, members of the Executive Team will be invited to contribute to this appraisal process. The results arising from this review and any action plans are to be documented, together with performance goals which will then be agreed for the coming year. The Chair will be expected to undertake an assessment of the performance of all Directors individually and to meet with each Director separately to discuss this assessment.

### **Board Committees**

The Board has established two Committees to assist it in the efficient execution of its duties and to enable the detailed consideration of complex issues. The current Committees of the Board are the Nomination and Remuneration Committee and the Audit and Risk Committee. Throughout the 2023 financial year, both Committees were comprised entirely of independent, non-executive Directors. The structure and membership of each Committee is reviewed annually.

Each Committee has its own written Charter setting out its role and responsibilities and that of its members, in addition to its composition, structure, membership requirements and the manner in which the respective Committee is to operate. Both Charters are reviewed on an annual basis and are available for review on the Company's website. All matters determined by the Committees are submitted to the full Board as recommendations for Board decisions. All minutes of Committee meetings are available for review at the subsequent Board meeting. Additional requirements for specific reporting by the Committees to the Board are addressed in the Charters of the respective Committees.

### **Nomination and Remuneration Committee**

During the year ended 30 June 2023, the Company's Nomination and Remuneration Committee had a total of three members: Jenelle Frewen (Chair), Dr. Simone Scovell and Dr. Marcia Walker, all of whom were independent. Details of their attendance at meetings of the Committee are set out on page 62 of this Annual Report. The Committee, which operates in accordance with its Charter that is available on the Company's website, met twice during the year ended 30 June 2023.

The policies and practices adopted by the Company in relation to the remuneration of all Directors are detailed in the Remuneration Report which is included on pages 46 to 62 of this Annual Report.

The main responsibilities of the Nomination and Remuneration Committee are to:

- conduct an annual review of the membership of the Board, having regard to present and future needs of the Company and to make recommendations on Board composition and appointments;
- conduct an annual review of, and conclude on the independence of, each Director;
- propose candidates to fill Board vacancies and assess the effectiveness of the Director induction process;
- oversee the Company's annual performance assessment program;
- consider recommendations for any changes in the future remuneration arrangements for the Chief Executive Officer and the Executive Team;
- consider recommendations for any payments under the Group's short-term and long-term incentive schemes; and
- oversee Board succession, including the succession of the Chair, and review whether succession plans are in place to maintain an appropriately balanced mix of skills, experience and diversity on the Board.

When a new Director is to be appointed, the Committee generally prepares a Board skills matrix to review the range of skills, experience and expertise on the Board, and to identify any gaps it may have. A number of channels are used to source candidates to ensure the Company benefits from a diverse range of individuals in the selection process. Where necessary, advice and support are sought from independent search consultants. While the Company does not currently maintain a detailed skills matrix, an assessment of the skills, experience and expertise of the Directors on the Board and any that may be lacking is prepared prior to the appointment of any new Director.

Appropriate checks are undertaken on all potential candidates, including those necessary for a Director to qualify as a "Fit and Proper" person under the rules of the Office of Drug Control, before any candidate is elected to the Board or put forward for election by the shareholders. From this list of potential candidates, the Committee prepares a short-list of those individuals who are eligible and who have appropriate skills and experience. The full Board then appoints the most suitable candidate who must then stand for election at the Company's next AGM. The Committee's nomination of existing Directors for reappointment is not automatic and is contingent on their past performance, contribution to the Board and the current and future needs of both the Board and Company.

The Board and the Committee are aware of the advantages of Board renewal and succession planning and notices of meetings for the election of Directors comply with the ASX Corporate Governance Council's best practice recommendations in this regard.

New Directors are provided with a letter of appointment setting out the terms and conditions of their appointment, the Company's expectations of them, and their rights and responsibilities as Directors. All new Directors participate in a formal induction program which covers the operation of the Board and its Committees, as well as a review of all material financial, strategic, operations and risk management issues.

### **Independent professional advice**

All Directors and members of the Board's two Committees have the right, in connection with exercising their duties and responsibilities, to seek independent professional advice at the Company's expense. The prior written approval of the Chair is required, however such approval will not be unreasonably withheld.

As detailed in the Remuneration Report on pages 46 and 62 of this Annual Report, the Nomination and Remuneration Committee sought and received advice from two independent parties during the year ended 30 June 2023.

### **Principle 3: Promote ethical and responsible decision making**

#### **Code of conduct**

The Company has developed a statement of values and a Code of Conduct (the “Code”) which has been fully endorsed by the Board and applies to all Directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Group’s integrity and to take into account its legal obligations and the reasonable expectations of the Company’s stakeholders. A copy of the Code which requires that, at all times, Directors and employees act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and the Company’s policies, is available on the Company’s website.

The purchase and sale of Company securities by Directors and employees is governed by the Company’s Trading Policy, a copy of which is available on the Company’s website. Such trading is not permitted during the periods commencing from the end of the Company’s two financial half-years, i.e. immediately after 31 December and 30 June of each year, until the dates on which the Company’s respective financial results are released to the market. Any transactions undertaken by Directors outside of these periods must be notified to the Company Secretary in advance.

The Code requires employees who become aware of unethical practices within the Group or breaches of the Company’s Trading Policy to report such breaches to the Chair. The Directors are satisfied that the Group has complied with its policies on ethical standards, including trading in the Company’s securities.

### **Principle 4: Safeguard integrity in financial reporting**

#### **Audit and Risk Committee**

During the year ended 30 June 2023, the Audit and Risk Committee had as its members Dr. Marcia Walker (Chair), Jenelle Frewen and Dr. Simone Scovell, all of whom were independent. Details of their attendance at meetings of the Committee are set out on page 62 of this Annual Report. The Committee, which operates in accordance with its Charter that is available on the Company’s website, met twice during the year ended 30 June 2023. All members of the Audit and Risk Committee are financially literate and have an appropriate understanding of the industry in which the Group operates. Details of the qualifications and experience of the current members of the Committee are disclosed in the Directors’ Report.

The Company does not have an internal audit function as the Board believes that the scale of its current operations does not warrant the establishment of one. To compensate and ensure appropriate oversight, the members of the Committee take an active role in reviewing the financial information that is presented to it and, via the Chair of the Committee, ask related questions of Management on a regular basis.

The main responsibilities of the Audit and Risk Committee are to:

- review, assess and approve the Company’s annual financial report, its half-year financial report and all other financial information published by the Company or released to the Market, including its ASX Appendices 4D, 4E and 4G;
- assist the Board in reviewing the effectiveness of the organisation’s internal control environment covering:
  - the effectiveness and efficiency of its operations;
  - the reliability of financial reporting; and
  - its compliance with applicable laws and regulations;
- oversee the effective operation of the Company’s risk management framework and the periodic review of the Group’s Risk Register;
- recommend to the Board the appointment, removal and remuneration of the external auditor, and review the terms of its engagement, the scope and quality of the audit and assess its overall performance;

- consider the independence and competence of the external auditor on an ongoing basis;
- review and approve the level of non-audit services provided by the Group's external auditor and ensure that it does not adversely impact the auditor's independence;
- review and monitor any related party transactions and assess their propriety; and
- report to the Board on matters relevant to the Committee's role and responsibilities.

In fulfilling its responsibilities, the Audit and Risk Committee:

- receives regular reports and updates from Management and, in particular, the Company's Chief Financial Officer ("CFO") and external auditor;
- meets with the external auditor at least twice a year, or more frequently, if necessary;
- reviews the processes the CEO and CFO have in place to support their annual certifications to the Board;
- reviews any significant disagreements between the auditor and Management, irrespective of whether they have subsequently been resolved; and
- provides the external auditor with a clear line of direct communication at any time to either the Chair of the Audit and Risk Committee or, if necessary, the Chair of the Board.

The members of the Audit and Risk Committee have authority, as part of their responsibilities, to seek any information they may require from any employee or external party.

### External auditor

The policy of the Company and the Audit and Risk Committee is to appoint an external auditor who clearly demonstrates quality of service and independence. The performance of the Group's auditor is reviewed annually and applications for tender of external audit services are requested periodically, as deemed appropriate, taking into consideration an assessment of performance, existing value and tender costs.

Pilot Partners was appointed as the Group's external auditor in December 2021. It is a regulatory requirement to rotate audit lead engagement partners on listed company audits such as Vitura at least every five years.

An analysis of the fees paid to the external auditor, including a break-down of fees for non-audit services, is provided in the Directors' Report and in *Note 33* to the financial statements. It is the policy of the external auditor to provide an annual declaration of its independence to the Audit and Risk Committee which is reproduced on page 74 of this Annual Report.

The external auditor attends the Company's AGM and is available to answer questions from shareholders about the conduct of the audit and the preparation and content of the audit report.

### Corporate reporting

In complying with recommendation 4.2, the CEO and CFO make the following annual certifications to the Board:

- that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and the Group and are in accordance with relevant accounting standards; and
- that the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects in relation to financial reporting risks.

## Principles 5 and 6: Make timely and balanced disclosures and respect the rights of shareholders

### Continuous disclosure and shareholder communication

The Company has written policies and procedures regarding the disclosure of information that focus on the continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities. These policies and procedures also include the arrangements the Company has in place to promote communication with shareholders and encourage their effective participation at general meetings. A summary of these policies and procedures is available on the Company's website.

The Company Secretary has been nominated as the primary person responsible for communications with the Australian Securities Exchange ("ASX"). This role includes the responsibility for ensuring compliance with the various continuous disclosure requirements detailed in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public. External investor relations and media advisory groups are retained by the Company to assist it with the creation and dissemination of information regarding the Company to its various stakeholders.

All information disclosed to the ASX is posted on the Company's website as soon as it is released to the ASX. When analysts are briefed on the Group's results and operations, the materials used by the Company in those presentations are released to the ASX and immediately posted in the investor section of the Company's website. Procedures have also been established for reviewing whether any price sensitive information may have been inadvertently disclosed publicly and, if so, this information is also released to the Market as soon as possible.

The Company's website enables users to provide feedback to the Company and has an option for shareholders to register their email addresses to receive direct email updates on all Company-related matters that it may release. All shareholders are entitled to receive a hard copy of the Company's Annual Report and Half-Year Report which are also available for download on its website.

### Principle 7: Recognise and manage risk

The Board is responsible for satisfying itself annually, or more frequently as required, that Management has developed and implemented a sound system of risk management and internal control. Detailed work on this task is delegated to the Audit and Risk Committee and reviewed by the full Board.

The Audit and Risk Committee is responsible for ensuring there are adequate policies in place in relation to the Company's risk management, compliance and internal control systems. The Committee monitors the Company's risk management processes by overseeing the actions of Management in the evaluation, administration, monitoring and reporting of material operational, financial, regulatory, compliance and strategic risks faced by the Company.

In providing this oversight, the Audit and Risk Committee:

- reviews the framework and methodology for risk identification, the degree of risk the Company is willing to accept, the overall management of risk and the processes it follows for reviewing and evaluating the effectiveness of the Company's risk management system;
- reviews Group-wide objectives in the context of the abovementioned categories of corporate risk;
- reviews and, where necessary, approves guidelines and policies governing the identification, assessment and management of the Company's exposure to risk, including the review of the Group's Risk Register;
- reviews and approves the delegations of financial authorities and addresses any need to update these authorities on an annual basis; and
- reviews compliance with agreed policies.

The Committee recommends any actions it deems appropriate in relation to risk to the Board for its consideration.

Management is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control systems and reports to the Audit and Risk Committee on the effectiveness of:

- the risk management and internal control systems during the year; and
- the Company's management of its material business risks via its documented Risk Register.

The Company does not believe that it has specific exposure to unusual economic, environmental or social sustainability risks beyond those that would apply to all ASX-listed companies.

### **Risk management group**

The Company's risk management policies and the operation of its risk management and compliance system, which are documented in the Group's Risk Register, are managed by the Company's risk management group which consists of selected senior executives. The Board receives reports from this group as to the effectiveness of the Company's management of material risks that may impede or impact the Company's ability to meet its business objectives. The Risk Register is reviewed and updated periodically.

Each of the Company's business units report to the risk management group on the key business risks applicable to their respective areas. The review is undertaken by business unit management, following which the risk management group consolidates the business unit reports and recommends any actions to the Audit and Risk Committee, and subsequently the Board, for their consideration.

### **Principle 8: Remunerate fairly and responsibly**

All matters pertaining to the remuneration of the Company's Directors and employees are overseen and managed by the Nomination and Remuneration Committee, as described above. As necessary, and as described in the Remuneration Report, Committee members consider information received from external remuneration experts and other independent sources in relation to recent developments on remuneration and related matters.

Each member of the Executive Team signs a formal employment contract at the time of his or her appointment which documents a range of matters including their remuneration, duties, rights, responsibilities and any entitlements they may receive on termination. The standard contract refers to a specific formal job description which is reviewed by the Nomination and Remuneration Committee on a regular basis and, where necessary, is revised in consultation with the relevant employee.

Further information on Directors' and Executives' remuneration, including the principles used to determine remuneration, is set out in the Remuneration Report on pages 46 to 62 of this Annual Report. In accordance with the Group's policy, participants in equity-based remuneration plans are not permitted to enter into any transactions that would limit the economic risk of options or other unvested entitlements.

The Nomination and Remuneration Committee also assumes responsibility for overseeing management succession planning, including the implementation of appropriate executive training and development programs and ensuring that adequate arrangements are in place so that appropriate internal candidates can be recruited for promotion to more senior positions.

# Auditor's Independence Declaration



**PILOT PARTNERS**  
Chartered Accountants  
Level 10, Waterfront Place  
1 Eagle Street  
Brisbane QLD 4000  
PO Box 7095  
Brisbane QLD 4001  
P +61 7 3023 1300  
[pilotpartners.com.au](http://pilotpartners.com.au)

## **AUDITOR'S INDEPENDENCE DECLARATION**

**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

### **VITURA HEALTH LIMITED**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- i. no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

A stylized, handwritten signature in blue ink that reads "Pilot Partners".

**PILOT PARTNERS**  
Chartered Accountants

A handwritten signature in blue ink that reads "Chris King".

**CHRIS KING**  
Partner

**Signed** on 23 August 2023

Level 10  
1 Eagle Street  
Brisbane Qld 4000

## Financial Statements index

<b>CONTENTS</b>	<b>PAGE</b>
Consolidated statement of comprehensive income	<b>76</b>
Consolidated statement of financial position	<b>77</b>
Consolidated statement of changes in equity	<b>78</b>
Consolidated statement of cash flows	<b>79</b>
Notes to the financial statements	
1. Corporate information	<b>80</b>
2. Summary of significant accounting policies	<b>80</b>
3. Critical accounting estimates and judgements	<b>90</b>
4. Revenue	<b>91</b>
5. Other income	<b>92</b>
6. Expenses	<b>92</b>
7. Profit per share	<b>93</b>
8. Dividends and distributions	<b>93</b>
9. Income tax	<b>94</b>
10. Cash and cash equivalents	<b>95</b>
11. Trade and other receivables	<b>96</b>
12. Inventories	<b>96</b>
13. Other assets (current)	<b>96</b>
14. Property, plant and equipment	<b>96</b>
15. Right-of-use assets	<b>97</b>
16. Intangible assets and goodwill	<b>98</b>
17. Other assets (non-current)	<b>99</b>
18. Trade and other payables	<b>99</b>
19. Interest-bearing liabilities (current)	<b>100</b>
20. Employee benefit provisions (current)	<b>100</b>
21. Interest-bearing liabilities (non-current)	<b>100</b>
22. Employee benefit provisions (non-current)	<b>101</b>
23. Share capital	<b>101</b>
24. Reserves	<b>102</b>
25. Retained earnings	<b>102</b>
26. Non-controlling interests	<b>102</b>
27. Options and performance rights	<b>103</b>
28. Reconciliation of cash flows	<b>103</b>
29. Business combinations	<b>104</b>
30. Commitments and contingencies	<b>105</b>
31. Employee benefits	<b>106</b>
32. Related party transactions	<b>107</b>
33. Auditors' remuneration	<b>109</b>
34. Segment information	<b>109</b>
35. Financial risk management	<b>112</b>
36. Group structure	<b>116</b>
37. Parent entity information	<b>117</b>
38. Subsequent events	<b>117</b>

# Consolidated Statement of Comprehensive Income

## For the year ended 30 June 2023

	Notes	Consolidated	
		30 June 2023 \$	30 June 2022 \$
<b>Continuing operations</b>			
Revenue	4	<b>117,343,633</b>	66,991,732
Cost of sales		<b>(76,802,419)</b>	(41,564,504)
Gross profit		<b>40,541,214</b>	25,427,228
Other income	5	<b>416,019</b>	264,065
Administration expenses	6(a)	<b>(3,733,985)</b>	(2,531,174)
Finance costs	6(b)	<b>(225,476)</b>	(441,440)
Information technology expenses	6(c)	<b>(1,592,019)</b>	(488,881)
Legal and regulatory expenses	6(d)	<b>(1,031,832)</b>	(445,925)
Personnel expenses	6(e)	<b>(13,776,455)</b>	(11,510,491)
Sales and marketing expenses	6(f)	<b>(543,139)</b>	(528,708)
Profit before income tax		<b>20,054,327</b>	9,744,674
Income tax expense	9(a)	<b>(6,304,009)</b>	(3,732,165)
<b>Profit for the year</b>		<b>13,750,318</b>	6,012,509
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified to profit</i>			
Exchange losses on translation of controlled foreign operations		<b>(135,638)</b>	(131,764)
Other comprehensive income/(loss) for the year, net of tax		<b>(135,638)</b>	(131,764)
<b>Total comprehensive profit for the year</b>		<b>13,614,680</b>	5,880,745
<b>Profit for the year is attributable to:</b>			
Owners of Vitura Health Limited		<b>13,809,389</b>	6,048,534
Non-controlling interests	26	<b>(59,071)</b>	(36,025)
<b>Profit for the year</b>		<b>13,750,318</b>	6,012,509
<b>Total comprehensive profit for the year is attributable to:</b>			
Owners of Vitura Health Limited		<b>13,673,751</b>	5,916,770
Non-controlling interests	26	<b>(59,071)</b>	(36,025)
<b>Total comprehensive profit for the year</b>		<b>13,614,680</b>	5,880,745
<b>Profit per share attributable to owners of Vitura Health Limited and from continuing operations:</b>			
Basic profit per share (cents per share)	7	<b>2.49</b>	1.25
Diluted profit per share (cents per share)	7	<b>2.42</b>	1.24

The accompanying notes form an integral part of these consolidated financial statements

# Consolidated Statement of Financial Position

## As at 30 June 2023



	Notes	Consolidated	
		30 June 2023 \$	30 June 2022 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	10	<b>18,849,050</b>	16,077,031
Trade and other receivables	11	<b>9,335,077</b>	5,759,051
Inventories	12	<b>6,908,870</b>	5,029,952
Other assets	13	<b>911,755</b>	720,968
<b>Total Current Assets</b>		<b>36,004,752</b>	27,587,002
<b>Non-Current Assets</b>			
Property, plant and equipment	14	<b>1,239,891</b>	623,647
Right-of-use assets	15	<b>1,172,714</b>	4,961,204
Intangible assets and goodwill	16	<b>7,103,393</b>	7,158,337
Deferred tax assets	9(e)	<b>1,004,256</b>	1,938,193
Other assets	17	<b>371,299</b>	597,982
<b>Total Non-Current Assets</b>		<b>10,891,553</b>	15,279,363
<b>Total Assets</b>		<b>46,896,305</b>	42,866,365
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	18	<b>9,848,975</b>	9,557,139
Interest-bearing liabilities	19	<b>238,053</b>	489,256
Current tax liabilities	9(f)	<b>244,274</b>	1,661,716
Employee benefit provisions	20	<b>538,421</b>	462,946
<b>Total Current Liabilities</b>		<b>10,869,723</b>	12,171,057
<b>Non-Current Liabilities</b>			
Interest-bearing liabilities	21	<b>1,040,840</b>	4,570,340
Employee benefit provisions	22	<b>83,884</b>	50,180
<b>Total Non-Current Liabilities</b>		<b>1,124,724</b>	4,620,520
<b>Total Liabilities</b>		<b>11,994,447</b>	16,791,577
<b>Net Assets</b>		<b>34,901,858</b>	26,074,788
<b>Equity</b>			
Share capital	23(a)	<b>24,041,857</b>	22,776,247
Reserves	24	<b>(3,803,049)</b>	(3,148,619)
Retained earnings	25	<b>14,740,658</b>	6,474,905
Equity attributable to owners of the Company		<b>34,979,466</b>	26,102,533
Non-controlling interests	26	<b>(77,608)</b>	(27,745)
<b>Total Equity</b>		<b>34,901,858</b>	26,074,788

The accompanying notes form an integral part of these consolidated financial statements

# Consolidated Statement of Changes in Equity

## For the year ended 30 June 2023

	Attributable to members of Vitura Health Limited			Non- controlling interests \$	Total equity \$
	Share capital \$	Reserves \$	Retained earnings \$		
<b>Balance at 1 July 2021</b>	3,677,194	(140,820)	426,371	-	3,962,745
Profit/(loss) for the year	-	-	6,048,534	(36,025)	6,012,509
Other comprehensive income/(loss)	-	(131,764)	-	-	(131,764)
Total comprehensive income	-	(131,764)	6,048,534	(36,025)	5,880,745
<i>Transactions with owners</i>					
Shares issued as consideration for the acquisition of CDA Health	20,011,797	-	-	-	20,011,797
Shares issued on conversion of performance rights	410,000	(410,000)	-	-	-
Shares issued for advisory fees	150,000	-	-	-	150,000
Value of performance rights	-	-	-	8,280	8,280
Equity transaction costs, net of tax	(1,472,744)	-	-	-	(1,472,744)
Acquisition of non-controlling interest without a change of control	-	(5,000,000)	-	-	(5,000,000)
Share-based payments	-	2,533,965	-	-	2,533,965
Total transactions with owners	19,099,053	(2,876,035)	-	8,280	16,231,298
<b>Balance at 30 June 2022</b>	22,776,247	(3,148,619)	6,474,905	(27,745)	26,074,788
Profit/(loss) for the year	-	-	13,809,389	(59,071)	13,750,318
Other comprehensive income/(loss)	-	(135,638)	-	-	(135,638)
Total comprehensive income	-	(135,638)	13,809,389	(59,071)	13,614,680
<i>Transactions with owners</i>					
Shares issued on conversion of performance rights	1,184,980	(1,184,980)	-	-	-
Shares issued under DRP	80,630	-	-	-	80,630
Payment of dividend	-	-	(5,543,636)	-	(5,543,636)
Share-based payments	-	666,188	-	-	666,188
Profit on sale of non-controlling interest	-	-	-	8,708	8,708
Elimination of issued capital in non-controlling interest	-	-	-	500	500
Total transactions with owners	1,265,610	(518,792)	(5,543,636)	9,208	(4,787,610)
<b>Balance at 30 June 2023</b>	<b>24,041,857</b>	<b>(3,803,049)</b>	<b>14,740,658</b>	<b>(77,608)</b>	<b>34,901,858</b>

The accompanying notes form an integral part of these consolidated financial statements

# Consolidated Statement of Cash Flows

## For the year ended 30 June 2023



	Notes	Consolidated	
		30 June 2023 \$	30 June 2022 \$
<b>Cash flows from/(used in) operating activities</b>			
Receipts from customers		<b>123,657,896</b>	69,607,124
Payments made to suppliers and employees		<b>(107,217,869)</b>	(55,473,078)
Interest received		<b>266,173</b>	7,531
Income tax paid	9(f)	<b>(6,787,513)</b>	(540,534)
Interest and other finance charges paid		<b>(210,362)</b>	(96,374)
<b>Net cash flows from/(used in) operating activities</b>	28	<b>9,708,325</b>	13,504,669
<b>Cash flows from/(used in) investing activities</b>			
Repayment/(payment) of security deposits		<b>83,678</b>	(311,630)
Proceeds from sale of plant and equipment		<b>6,963</b>	-
Purchases of plant and equipment		<b>(928,357)</b>	(365,241)
Cash acquired on merger with CDA Health Pty. Ltd.	29(b)	-	2,465,914
Net proceeds from sale of medical clinic business	5	-	219,254
Payment for intangible assets		-	(11,596)
<b>Net cash flows from/(used in) investing activities</b>		<b>(837,716)</b>	1,996,701
<b>Cash flows from/(used in) financing activities</b>			
Payment of dividend at one cent per ordinary share		<b>(5,463,006)</b>	-
Lease payments		<b>(635,584)</b>	(318,111)
Payment of transaction costs related to the issue of shares		-	(1,185,535)
<b>Net cash flows from/(used in) financing activities</b>		<b>(6,098,590)</b>	(1,503,646)
Net increase in cash and cash equivalents held		<b>2,772,019</b>	13,997,724
Cash and cash equivalents at the beginning of the year		<b>16,077,031</b>	2,079,307
<b>Cash and cash equivalents at the end of the year</b>	10	<b>18,849,050</b>	16,077,031

The accompanying notes form an integral part of these consolidated financial statements

# Notes to the Financial Statements

For the year ended 30 June 2023

## 1. CORPORATE INFORMATION

The financial statements of Vitura Health Limited (“Vitura” and the “Company”) for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Company’s Board of Directors dated 23 August 2023.

Vitura was incorporated in Australia on 27 September 2018 under the name Cronos Australia Limited and is a company limited by shares. The Company changed its name to Vitura Health Limited on 6 February 2023. The Company is listed on the Australian Securities Exchange (“ASX”) and trades under the ASX code VIT. The Company, together with its 21 subsidiaries, are referred to in these financial statements as the “Group”.

The Group operates a digital health business in Australia, with a focus on the medicinal cannabis industry. The Company’s headquarters are located in South Yarra, Victoria, with its principal operations located in Varsity Lakes, Queensland.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Vitura Health Limited is a for-profit entity for the purpose of preparing the financial statements.

On 16 December 2021, the Company acquired 100% of the issued capital of CDA Health Pty. Ltd. (“CDA”) (“Merger”). The Company’s financial statements for the year ended 30 June 2022 have been prepared in accordance with AASB 3 *Business combinations* (“AASB 3”), as the Merger resulted in the combined group being identified as a Business Combination under Australian Accounting Standards.

AASB 3 requires the identification of an acquirer for financial reporting purposes. The structure of the Merger was such that CDA has been identified as the accounting acquirer for these purposes. This decision was based on the facts and circumstances of the transaction and, in particular, reference is made to the voting rights in the then Cronos Australia held collectively by the previous shareholders of CDA after the business combination, i.e. more than 70%, and the relative sizes (defined in terms of assets, revenues and profits) of both Vitura and CDA.

As a result of the above, the comparative figures in this Financial Report include the financial results of CDA for the period from 1 July 2021 to 30 June 2022 and the results of the pre-Merger Cronos Australia entities for the period from the date of the Merger (16 December 2021) to 30 June 2022.

### Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

### New and amended standards adopted by the Group

New Accounting Standards and Interpretations not yet mandatory, or early adopted Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the reporting year ended 30 June 2023.

### Historical cost convention

These financial statements have been prepared under the historical cost convention.

### Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in *Note 3*.

### Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning on 1 July 2022.

### Going concern

The financial statements contained in this consolidated Financial Report have been prepared on a going concern basis.

### (b) New and amended accounting standards and interpretations

A number of new and revised standards and interpretations are effective from 1 July 2022, however they did not have a material impact on the disclosures or amounts recognised in the Company's consolidated financial statements for the year ended 30 June 2023.

A number of new standards are effective for annual periods beginning after 1 July 2023 and earlier application is permitted. However, in preparing these consolidated financial statements, the Group has not early adopted the new or amended standards.

### (c) Principles of consolidation

#### Subsidiaries

The consolidated financial statements of Vitura Health Limited ("Vitura" and the "Company") for the year ended 30 June 2023 incorporate the assets and liabilities of the subsidiaries it controlled as at balance date, as depicted in the corporate structure diagram in *Note 36* of this Annual Report. Vitura and its subsidiaries are collectively referred to in these financial statements as the "Group".

Subsidiaries are entities controlled by the Group. The Group "controls" an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intercompany transactions and unrealised gains and losses on transactions between Group companies are offset against the respective loan accounts and eliminated on consolidation. Expenses paid by one Group company on behalf of another and all intercompany charges are offset against the respective loan accounts. Unrealised losses are eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries are changed where necessary to ensure consistency with Group policies. Non-controlling interests in the results and equity of the subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of financial position and statement of changes in equity, respectively.

The functional and presentation currency of the Company and its subsidiaries is the Australian dollar (AUD).

Unrealised gains on transactions between the Group and its associates, if any, are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a reserve within equity attributable to owners of Vitura Health Limited.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss, where appropriate.

### (d) Foreign currency translation

The functional and presentation currency of Vitura Health Limited and its Australian subsidiaries is the Australian dollar. Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction.

Monetary assets and liabilities which are denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All translation differences are taken to the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate ruling at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates ruling at the date when the fair value was determined. The functional currencies of the Company's three overseas subsidiaries are as follows:

Cannabis Doctors Aotearoa Limited – New Zealand dollars (NZD)

Personal Care Asia Limited – Hong Kong dollars (HKD)

Personal Care Asia GK – Japanese yen (JPY)

As at balance date, the assets and liabilities of these subsidiaries are translated into the presentation currency of Vitura Health Limited (Australian dollar) at the rate of exchange ruling at the balance sheet date and the statement of comprehensive income is translated at the weighted average exchange rates relating to the period. The exchange differences arising on the retranslation are taken directly to the foreign currency translation reserve (refer *Note 24(b)*). On the disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the statement of comprehensive income.

### (e) Revenue recognition

Revenues are recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenues can be reliably measured. Revenues are recognised at the fair value of the consideration received or receivable net of the amounts of any Goods and Services Tax. As disclosed in *Note 34*, revenue generated by the Group is categorised into the following reportable business segments:

- Medical - involving the sale and distribution of medicinal cannabis products
- Clinics - involving the operation of medicinal cannabis clinics
- Consumer - involving the sale of consumer (non-medical) products in both Australia and Asia

The following recognition criteria must also be met before revenue is recognised:

#### Interest received

Revenue is recognised as the interest accrues using the effective interest method.

### Revenue from the sale and distribution of medicinal cannabis and consumer products

Revenues derived from the sale and distribution of medicinal cannabis and consumer products are recognised in accordance with AASB 15 *Revenue from Contracts with Customers* when ownership of the products passes to the customer and all of the Company's related obligations have been met. Revenue is then only recognised to the extent that there is a high probability that a significant reversal of revenue will not occur.

In certain cases, products are sold under standard warranty terms. These terms may require the Group to provide a refund for faulty products. Where appropriate, the Group's obligation to provide a refund for faulty products is recognised as a provision in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

A receivable is recognised when the goods are delivered. The Group's right to receive consideration is deemed unconditional at this time, as only the passage of time is required before payment of that consideration is due. There is no significant financing component because sales (which include those with volume discounts) are made within standard credit terms of typically between 7 and 30 days.

### Rendering of services

Revenues derived from the rendering of medical consulting services by the doctors at Cannabis Doctors Australia Pty. Ltd. and Cannadoc Health Pty. Ltd. are recognised when the services have been provided and the fee for the services provided is recoverable. Service arrangements are of short duration (in most cases less than one hour).

### (f) Earnings per share ("EPS")

Basic EPS is calculated by dividing the profit attributable to owners of the Company by the total combined weighted average number of ordinary shares outstanding at the end of the financial year. Diluted EPS adjusts the figures used in the determination of basic EPS to take into account the after income tax effect of interest and other financing costs associated with the dilutive potential of ordinary shares and the weighted average number of ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares, if any.

### (g) Income tax

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the income tax rate applicable for each jurisdiction adjusted by changes in the deferred tax assets and liabilities attributable to temporary differences and unused tax losses, if any.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Vitura has formed a tax consolidated group with all of its wholly-owned Australian-resident subsidiaries.

### (h) Other taxes

Revenues, expenses and assets are recognised net of the amount of Australian Goods and Services Tax ("GST"), or the respective foreign equivalent thereof, except where the GST incurred on a purchase of goods and services is not recoverable from the respective taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the cash flow statement on a gross basis, including the respective GST component.

### (i) Finance costs

Finance costs are recognised using the effective interest rate method.

### (j) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the Company's Chief Executive Officer.

### (k) Share-based payment transactions

The Group provides benefits to its employees in the form of share-based payment transactions, whereby employees render services and receive rights over shares in the form of performance rights and options ("equity-settled transactions"). The Company has an Employee Incentive Plan ("EIP") in place to provide these benefits to executives and employees and the cost of these transactions is measured by reference to the fair value of the respective securities at the date they are granted.

The fair values of performance rights and options granted under the EIP are determined by BDO Corporate Finance (East Coast) Pty. Ltd., an independent valuer, using appropriate option-pricing models. In valuing such equity-settled transactions, no account is taken of any non-market performance conditions. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the relevant vesting conditions are fulfilled, ending on the date the relevant employees become entitled to the award ("vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired; and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest, based on the best information available at balance date.

The Group uses non-market vesting conditions for its share-based payment transactions and no cumulative expense is recognised for any awards that do not ultimately vest. Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as at the date of modification. Where appropriate, the dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. Unexercised performance rights and options of former employees are treated as forfeitures.

**(l) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, other than security deposits. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above. Cash at bank earns interest at floating rates based on daily bank deposit rates. Term deposits are typically made for varying periods ranging between one day and twelve months, depending on the Company's immediate cash requirements, and earn interest at the respective deposit rates.

**(m) Trade and other receivables**

Trade receivables, which are non-interest bearing and generally have terms of between 7 to 30 days, are recognised and carried at the original invoice amount less an allowance for uncollectible amounts. Where appropriate, impairment is valued using a model based on expected credit losses. Expected credit losses are measured as the probability-weighted present value of all cash shortfalls over the expected life of each financial asset.

**(n) Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle. In the case of manufactured inventories, cost includes freight and associated costs incurred to bring the products to the Company in readiness for sale.

**(o) Leases**

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease contained in AASB 16 *Leases*.

At the commencement, or on modification, of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, in respect of the lease of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore that asset, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those which apply to other items of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from external financing sources and makes certain adjustments to reflect the terms of the lease and the type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate the lease early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in "right-of-use assets" (*Note 15*) and lease liabilities in "interest-bearing liabilities" (*Notes 19 and 21*) in the statement of financial position.

### (p) Intangible assets and goodwill

#### Goodwill

Goodwill is carried at cost less any accumulated impairment losses and is calculated as the excess of the sum of:

- (i) the consideration transferred at fair value;
- (ii) any non-controlling interest (determined under either the fair value or the proportionate interest method); and
- (iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the financial statements.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any interest retained, and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified or permitted by applicable Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9 *Financial Instruments* and, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

### Licences

Licences acquired enable the Group to cultivate, produce, manufacture, research, import and export medicinal cannabis in Australia. As detailed in *Note 16*, certain costs incurred to date have been capitalised in the statement of financial position and are carried at their approximate cost. Licences held have an indefinite life and are therefore not amortised but rather assessed annually for impairment or when there are indicators of impairment present.

Licences are carried at historical cost less any accumulated impairment losses. External costs incurred in filing, renewing and protecting the licences, for which no future benefit is assured, are expensed as incurred.

### Trademarks and capitalised software

Costs incurred in respect of other intangible assets, including trademarks and software that are acquired by the Group, which meet the test for capitalisation and have finite useful lives, are amortised over their estimated useful lives.

### (q) Performance bonds and security deposits

Performance bonds and security deposits include cash deposits held as security for bank guarantees which have been provided in respect of the performance of certain contractual obligations of the Company, including leases over premises occupied by the Company and its subsidiaries.

### (r) Government grants and payments

Government grants are assistance provided by the government in the form of transfers of resources to the Group in return for past or future compliance with certain conditions relating to the operating activities of the Group. Government grants include government assistance where there are no conditions specifically relating to the operating activities of the Group other than the requirement to operate in certain regions or industry sectors. Amounts received under Government schemes are recognised as other income when confirmation the payments will be made is received and the Company has satisfied its obligations under the scheme. All such amounts are recorded in the statement of comprehensive income on a gross basis.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### (s) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on both diminishing value method ("DVM") and straight line ("SL") bases over the estimated useful lives of the respective assets, being motor vehicles (25% DVM), office and clinic equipment (20% DVM), computer equipment (66.7% DVM) and leasehold improvements (20% SL).

Costs relating to the day-to-day servicing of any item of property, plant and equipment are recognised in profit or loss as incurred. The cost of replacing larger parts of some items of property, plant and equipment are capitalised when incurred and depreciated over the period until their next scheduled replacement, with the replacement parts being subsequently written off.

Right-of-use assets in relation to leases are depreciated using the straight-line method from the commencement date to the end of the lease term (refer *Note 2(o)*).

### (t) Impairment of non-financial assets

The Group assesses at each reporting date, or more frequently if evidence exists, whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value-in-use cannot be estimated to be close to its fair value. In such cases, the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at its revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the time that the last impairment loss was recognised. If so, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless it reverses a decrement previously charged to equity, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes and is not larger than an operating segment in accordance with AASB 8 *Operating Segments*.

**(u) Trade and other payables**

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade payables and other payables generally have terms of between 30 and 60 days.

**(v) Interest-bearing liabilities**

Interest-bearing liabilities are recorded as a liability in the statement of financial position at the face value of the amounts, together with any accrued interest that may be payable. To the extent that a liability is likely to be repayable more than twelve months from the balance date, that portion of the amount is recorded as a non-current liability.

**(w) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income, net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**(x) Business combinations**

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. To the extent that costs relating to acquisitions can be attributed to the issuing of equity by the Company as part of the transaction, those costs are offset against the value of that equity in the statement of financial position.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### (y) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and, when appropriate to do so, long service leave. Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Expenses for non-accumulating sick leave are recognised when the leave is taken during the year and are measured at rates paid or payable.

In determining the present value of future cash outflows, the Company uses the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability. Employee benefits expenses and revenues arising in respect of wages and salaries, non-monetary benefits, annual leave, long service leave and other leave benefits and other types of employee benefits are recognised against profits on a net basis in their respective categories.

### (z) Contributed equity

Issued capital is recognised at the fair value of the consideration received by the Company. Transaction costs arising on the issue of shares are recognised directly in equity as a deduction, net of tax, of the proceeds received.

### (aa) Comparative information

Certain comparative information has been restated to ensure consistent treatment with current year disclosures (refer *Note 2(a)*).

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are evaluated and based on historical experience and factors including expectations of events that may have a financial impact on the Company and which are believed to be reasonable under the circumstances.

### (a) Critical accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of certain assets and liabilities within the next annual reporting period are set out below.

#### Recoupment of prior year tax losses

As detailed in *Note 9*, the Company believes that it has a Reasonably Arguable Position and can satisfy the Similar Business Test for the year ended 30 June 2023. On this basis, the Company has recouped tax losses totaling \$3,495,868 during the year ended 30 June 2023.

#### Licences

Determining whether the Company's indefinite life licences are impaired is a matter of judgement. The Company undertakes a full assessment of impairment of such licences annually, as required by Accounting Standards. At other reporting periods, the Company assesses whether there are any indicators of impairment. Where such indicators exist, a full impairment assessment is undertaken.

### Impairment of intangible assets and goodwill

The Group determines whether intangible assets, including goodwill, are impaired on at least an annual basis, in accordance with the accounting policies stated in *Notes 2(p)* and *2(t)*. This process requires an estimation to be made of the recoverable amount of the cash-generating units to which the respective assets are allocated.

### Inventories

The Group values inventories of finished goods and raw materials in accordance with the accounting policies stated in *Note 2(n)*. This process requires an estimation to be made of the net realisable value of inventories which is calculated to be the estimated selling price less the estimated selling expenses. As at 30 June 2023, the Company has raised a provision for obsolete stock amounting to \$204,588 (refer *Note 12*).

### Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the value of the equity instruments at the date on which they are granted. The fair value is determined by an independent valuer using appropriate option-pricing models.

## (b) Critical judgements in applying the Group's accounting policies

### Revenue from the sale of medicinal cannabis products

Revenues derived from the sale of medicinal cannabis products are recognised when ownership of the products passes from the Company to the customer and all of the Company's related obligations have been met. The Company has reviewed each of its supplier agreements and believes it has satisfied the requirements of AASB 15 *Revenue from Contracts with Customers*.

### Research and development costs

An intangible asset arising from development expenditure incurred on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources required to complete the development and the ability to reliably measure the expenditure attributable to the intangible asset during its development. To date, all research and development costs incurred by the Company have been expensed, as their recoverability cannot be regarded as assured. In future, the Group will only capitalise research and development expenses when specific milestones are met and when the Group is able to demonstrate that future economic benefits are probable.

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<b>4. REVENUE</b>		
Sale and distribution of medicinal cannabis products	<b>115,298,613</b>	64,927,918
Medical consultation fees	<b>1,578,741</b>	1,839,527
Sale and distribution of consumer products	<b>466,279</b>	224,287
Total revenue	<b>117,343,633</b>	66,991,732

*Note: All revenue is recognised at a specific point in time.*

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<b>5. OTHER INCOME</b>		
Interest received	<b>334,308</b>	9,067
Services income	<b>60,040</b>	-
Gain on disposal of interest in joint venture (refer note)	<b>8,708</b>	-
Profit on sale of fixed assets	<b>6,963</b>	-
Research and development study income	<b>6,000</b>	30,000
Profit on sale of medical clinic business (refer note)	-	224,998
<b>Total other income</b>	<b>416,019</b>	264,065
<i>Note: On 30 April 2023, the Company disposed of its 50% indirect beneficial interest in CBD Joint Venture Pty. Ltd. The sale, which was made for nil consideration, resulted in a gain on disposal of \$8,708.</i>		
<i>On 8 April 2022, SKRMC Pty. Ltd., a wholly-owned subsidiary of the Company ("SKRMC"), acquired all of the assets of a Melbourne-based medical clinic business known as Modern Medical St. Kilda. On the same date, SKRMC sold certain assets of that business to a third party. On 28 April 2022, SKRMC sold the remaining assets to another, unrelated, third party. SKRMC generated a net profit from the sales of \$224,998, after the payment of associated direct costs. On 29 November 2022, SKRMC changed its name to Clinic Administration Services Pty. Ltd.</i>		
<b>6. EXPENSES</b>		
Profit before income tax includes the following expenses:		
<b>(a) Administration expenses</b>		
Depreciation and amortisation expenses	<b>988,356</b>	683,312
Insurance	<b>920,544</b>	520,092
Office expenses	<b>618,869</b>	294,522
Consulting fees	<b>457,855</b>	449,673
Accounting and audit fees	<b>365,828</b>	400,150
Travel expenses	<b>299,316</b>	98,369
Membership fees and subscriptions	<b>83,217</b>	85,056
<b>Total administration expenses</b>	<b>3,733,985</b>	2,531,174
<b>(b) Finance costs</b>		
Bank and merchant charges	<b>128,270</b>	120,167
Net foreign exchange losses	<b>63,263</b>	198,249
Interest expense	<b>33,943</b>	63,594
Withholding tax paid	-	59,430
<b>Total finance costs</b>	<b>225,476</b>	441,440
<b>(c) Information technology expenses</b>		
Platform development expenses	<b>1,076,211</b>	172,000
Software subscriptions	<b>479,163</b>	305,524
Website expenses	<b>36,645</b>	11,357
<b>Total information technology expenses</b>	<b>1,592,019</b>	488,881

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<b>(d) Legal and regulatory expenses</b>		
Legal fees	<b>798,451</b>	315,676
Regulatory expenses	<b>233,381</b>	130,249
Total legal and regulatory expenses	<b>1,031,832</b>	445,925
<b>(e) Personnel expenses</b>		
Salaries and wages	<b>9,911,228</b>	6,479,565
Superannuation	<b>916,931</b>	585,252
Contractor fees	<b>911,585</b>	1,026,869
Payroll and Fringe Benefits taxes	<b>771,360</b>	372,137
Share-based payments expense (net of cancellations)	<b>666,188</b>	2,533,965
Recruitment fees	<b>329,218</b>	167,996
Directors' fees	<b>179,863</b>	234,521
Other personnel expenses	<b>90,082</b>	110,186
Total personnel expenses	<b>13,776,455</b>	11,510,491
<b>(f) Sales and marketing expenses</b>		
Sales and marketing expenses	<b>489,529</b>	496,250
Doctor engagement expenses	<b>53,610</b>	32,458
Total sales and marketing expenses	<b>543,139</b>	528,708
<b>7. PROFIT PER SHARE</b>		
The following reflects the income and share data used in the calculations of basic and diluted profit per share:		
Profit for the year attributable to the owners of the Company	<b>13,809,389</b>	6,048,534
Weighted average number of shares used to calculate:		
Profit per share	<b>555,198,666</b>	482,443,939
Diluted profit per share	<b>571,784,966</b>	486,868,208

## 8. DIVIDENDS AND DISTRIBUTIONS

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 November 2019. The Company also introduced a Dividend Reinvestment Plan ("DRP") 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 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.

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<b>9. INCOME TAX</b>		
<b>(a) Reconciliation of income tax expense to prima facie tax payable</b>		
Profit before income tax	<b>20,054,327</b>	9,744,674
Tax at the Australian tax rate of 30% (2022: 30%)	<b>(6,016,298)</b>	(2,923,402)
Adjustments in respect of deferred income tax of previous years	<b>271,080</b>	-
Non-assessable income/(non-deductible other expenses)	<b>30,841</b>	(74,850)
Adjustments in respect of current income tax of previous years	<b>(244,308)</b>	2,014
Non-deductible share-based payments expense	<b>(199,856)</b>	(760,190)
Deferred tax assets not recognised for current year losses	<b>(145,468)</b>	(113,250)
Deductible transaction costs recognised through equity	-	134,460
Changes in deferred tax balances for changes in future tax rate	-	3,053
Income tax expense	<b>(6,304,009)</b>	(3,732,165)
<b>(b) Components of income tax expense comprise:</b>		
Current income tax expense	<b>(6,418,832)</b>	(3,674,433)
Adjustments in respect of prior year deferred income tax expense	<b>271,080</b>	-
Deferred income tax expense	<b>88,051</b>	(59,746)
Adjustments in respect of prior year current income tax expense	<b>(244,308)</b>	2,014
Income tax expense	<b>(6,304,009)</b>	(3,732,165)
<b>(c) Net deferred tax assets - temporary differences</b>		
Opening temporary differences	<b>525,709</b>	76,317
Deferred tax expense from prior periods	<b>271,080</b>	-
Deferred income tax expense	<b>88,051</b>	(59,746)
Transactions through equity	-	292,557
Acquired as part of business combination (refer <i>Note 29(b)</i> )	-	216,581
Closing temporary differences	<b>884,840</b>	525,709
<b>(d) Deferred tax assets - tax losses</b>		
Opening deferred tax asset in respect of tax losses	<b>1,412,485</b>	-
Tax losses utilised in current year	<b>(1,048,761)</b>	(2,010,702)
Adjustments in respect of prior period	<b>(244,308)</b>	-
Acquired as part of business combination (refer <i>Note 29(b)</i> )	-	3,423,187
Closing deferred tax asset in respect of tax losses	<b>119,416</b>	1,412,485
<b>(e) Deferred tax assets</b>		
Provisions and accruals	<b>578,554</b>	195,744
Lease liabilities	<b>383,668</b>	1,528,796
Equity raising costs	<b>178,156</b>	346,608
Tax losses	<b>119,415</b>	1,412,484
Other deferred tax assets	<b>33,377</b>	(21,785)
Right-of-use assets	<b>(288,914)</b>	(1,523,654)
Total net deferred tax assets	<b>1,004,256</b>	1,938,193

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<b>(f) Current tax liabilities</b>		
Opening current tax liability	<b>1,661,716</b>	540,534
Current income tax expense	<b>6,418,832</b>	3,674,433
Adjustment in respect of current income tax of previous years	<b>244,308</b>	(2,014)
Tax payments made	<b>(6,787,513)</b>	(540,534)
Tax losses utilised	<b>(1,293,069)</b>	(2,010,703)
Total net current tax liabilities	<b>244,274</b>	1,661,716

Under AASB 3 *Business combinations* and AASB 112 *Income tax*, the assets and liabilities acquired in a business combination include the deferred tax assets and deferred tax liabilities. The net deferred tax assets acquired as part of the Merger with CDA Health Pty. Ltd. totaled \$3,639,768 (refer *Note 29(b)*) and relate to deferred tax assets - tax losses of \$3,423,187 and net deferred tax assets - temporary differences of \$216,581.

Subsequent to the Merger, which was completed on 16 December 2021, the Company undertook work to determine whether Vitura is able to satisfy the Similar Business Test (as the issue of shares under the Merger caused a failure of the Continuity of Ownership Test). Based on the work performed, the Board is satisfied that the Company has a Reasonably Arguable Position and can satisfy the Similar Business Test for the year ended 30 June 2023.

In respect of the current year, the Company has utilised tax losses totaling \$3,495,868 resulting in a reduction of the deferred tax asset for tax losses of \$1,048,761. The balance of the deferred tax asset referable to tax losses as at 30 June 2023 is \$119,416 and the future utilisation of these tax losses is subject to the Company undertaking further work to determine the Available Fraction attaching to these losses and continuing to satisfy the Similar Business Test.

#### (g) Franking account

The franking credits available for subsequent financial years (based on a tax rate of 30%) as at 30 June 2023 were \$5,259,423 (2022: \$2,249,175) which represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date; and
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date.

#### (h) Tax consolidation legislation

Vitura Health Limited, together with all of its wholly-owned Australian controlled entities at balance date, have formed an income tax consolidated group under the tax consolidation regime.

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<b>10. CASH AND CASH EQUIVALENTS</b>		
Cash at bank	<b>18,848,688</b>	16,076,469
Cash on hand	<b>362</b>	562
Total cash and cash equivalents	<b>18,849,050</b>	16,077,031

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<b>11. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	<b>9,377,402</b>	5,741,616
Less: expected credit losses	<b>(111,252)</b>	(5,819)
Interest receivable	<b>68,136</b>	-
Other receivables	<b>791</b>	23,254
<b>Total net trade and other receivables</b>	<b>9,335,077</b>	5,759,051
<i>Note: Trade and other receivables for the Group as at 30 June 2023 include amounts due in Japanese yen of JPY nil (2022: JPY 800,956) and Hong Kong dollars of HKD nil (2022: HKD 8,885). Refer Note 35 for details of contractual maturity and management of the risks applicable to trade and other receivables for which, due to their short-term nature, their carrying value approximates their fair value.</i>		
<b>12. INVENTORIES</b>		
Finished goods on hand, at cost	<b>5,788,980</b>	4,691,450
Deposits paid on products in production	<b>1,247,033</b>	342,351
Raw materials, at cost	<b>77,445</b>	47,143
Less: provision for obsolete stock	<b>(204,588)</b>	(50,992)
<b>Total net inventories</b>	<b>6,908,870</b>	5,029,952
<b>13. OTHER ASSETS (CURRENT)</b>		
Prepayments	<b>725,865</b>	676,970
Security deposits	<b>185,890</b>	43,998
<b>Total current other assets</b>	<b>911,755</b>	720,968
<b>14. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>(a) Plant and equipment</b>		
Office and clinic equipment, at cost	<b>295,824</b>	269,815
Less: accumulated depreciation	<b>(146,076)</b>	(99,900)
<b>Net office and clinic equipment</b>	<b>149,748</b>	169,915
Leasehold improvements, at cost	<b>1,090,892</b>	432,570
Less: accumulated depreciation	<b>(281,818)</b>	(147,357)
<b>Net leasehold improvements</b>	<b>809,074</b>	285,213
Motor vehicles, at cost	<b>123,411</b>	77,123
Less: accumulated depreciation	<b>(66,326)</b>	(50,266)
<b>Net motor vehicles</b>	<b>57,085</b>	26,857
Computer equipment, at cost	<b>344,202</b>	176,673
Less: accumulated depreciation	<b>(156,173)</b>	(82,564)
<b>Net computer equipment</b>	<b>188,029</b>	94,109
Assets under construction	<b>35,955</b>	47,553
<b>Total net property, plant and equipment</b>	<b>1,239,891</b>	623,647

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<b>(b) Reconciliation of plant and equipment</b>		
Opening gross carrying amount	<b>1,003,734</b>	321,687
Add: additions purchased during the year	<b>934,690</b>	450,452
Less: disposals during the year	<b>(48,140)</b>	-
Add: additions acquired on acquisition	-	231,595
Closing gross carrying amount	<b>1,890,284</b>	1,003,734
Opening accumulated depreciation	<b>(380,087)</b>	(104,067)
Add: depreciation expense charged	<b>(305,157)</b>	(158,296)
Less: accumulated depreciation on disposals during the year	<b>34,851</b>	-
Add: accumulated depreciation acquired on acquisition	-	(117,724)
Closing accumulated depreciation	<b>(650,393)</b>	(380,087)
Total net property, plant and equipment	<b>1,239,891</b>	623,647

Asset category	Opening balance \$	Additions (net) \$	Assets completed \$	Depreciation expense \$	Closing balance \$
Office and clinic equipment	169,915	29,639	-	(49,806)	<b>149,748</b>
Leasehold improvements	285,213	25,932	663,590	(165,661)	<b>809,074</b>
Motor vehicles	26,857	46,288	-	(16,060)	<b>57,085</b>
Computer equipment	94,109	95,076	72,474	(73,630)	<b>188,029</b>
Assets under construction	47,553	724,466	(736,064)	-	<b>35,955</b>
Totals	623,647	921,401	-	(305,157)	<b>1,239,891</b>

## 15. RIGHT-OF-USE ASSETS

Balance at the beginning of the year	<b>4,961,204</b>	689,408
Less: change in management assumption (refer note)	<b>(3,160,235)</b>	(9,858)
Less: amortisation expense charged	<b>(628,255)</b>	(482,366)
Add: recognition of right-of-use assets	-	4,546,932
Add: right-of-use assets acquired on acquisition (refer Note 29(b))	-	267,088
Less: provision for estimated make good costs	-	(50,000)
Total right-of-use assets	<b>1,172,714</b>	4,961,204

Note: The Group leases premises to meet its various operational needs as this requires less direct initial investment. The Group has the potential to exercise options over the leases in respect of four properties (refer Note 30(a)), with option periods ranging from one to six years. These options have been included in the valuation of the lease liabilities as it is reasonably certain that the Group will exercise the option period under the relevant lease. All leases are subject to either annual fixed or CPI adjustments that have been factored into the lease liability calculations.

The Company's lease over premises in Varsity Lakes will expire on 31 August 2023. Subsequent to balance date, the Company entered into a new lease with the same landlord in respect of larger premises in the same building on essentially the same commercial terms. It is anticipated that the Company will move into the new premises by September 2023.

Pursuant to AASB 16 Leases, the Company has recorded right-to-use assets and current and non-current lease liabilities in respect of the above leases (refer Notes 19 and 21).

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<b>16. INTANGIBLE ASSETS AND GOODWILL</b>		
<b>(a) Intangible assets and goodwill</b>		
Goodwill arising on the acquisition of CDA Health Pty. Ltd. (refer Note 29(b))	<b>6,540,958</b>	6,540,958
Goodwill arising on the acquisition of Cannadoc Health Pty. Ltd.	<b>291,457</b>	291,457
Licences arising on restructure (refer note)	<b>200,000</b>	200,000
Trademarks and patents, net	<b>50,990</b>	68,267
Capitalised software development, net	<b>14,350</b>	48,174
Computer software, net	<b>5,638</b>	9,481
<b>Total net intangible assets and goodwill</b>	<b>7,103,393</b>	7,158,337

**(b) Reconciliation of intangible assets and goodwill**

	Opening balance \$	Additions \$	Amortisation expense \$	Closing balance \$
Goodwill - CDA Health Pty. Ltd.	6,540,958	-	-	<b>6,540,958</b>
Goodwill - Cannadoc Health Pty. Ltd.	291,457	-	-	<b>291,457</b>
Licences arising on restructure	200,000	-	-	<b>200,000</b>
Trademarks and patents, net	68,267	-	(17,277)	<b>50,990</b>
Capitalised software development, net	48,174	-	(33,824)	<b>14,350</b>
Computer software, net	9,481	-	(3,843)	<b>5,638</b>
<b>Total net intangible assets and goodwill</b>	<b>7,158,337</b>	-	(54,944)	<b>7,103,393</b>

Note: On 16 December 2021, the Company acquired 100% of the issued capital of CDA Health Pty. Ltd. ("CDA"). As disclosed in Note 29(a), the value of the Company's shares that were issued to the former shareholders of CDA in consideration for the purchase of CDA was \$20,011,797. As at the date of acquisition, being 16 December 2021, the net assets of Vitura, being the subsidiary for accounting purposes, were \$9,848,385, such that goodwill of \$10,171,692 arose on that date. Subsequent to that date, in accordance with AASB 3 Business combinations, the value of the net assets was increased to account for the value of the carry forward tax losses that the Company believed would be recouped (refer Note 9), together with other minor foreign exchange adjustments. As a result, the goodwill arising on the acquisition of CDA was reduced to \$6,540,958 at balance date.

On 3 February 2020, the Group paid \$300,000 to the Founders of Cannadoc Health Pty. Ltd. ("Cannadoc") to acquire a total of 102 of the 200 shares in Cannadoc, representing 51% of the issued capital of that company. The net assets of Cannadoc on the date of acquisition were \$8,543, such that goodwill of \$291,457 arose on that date.

As part of the restructure of the Group immediately prior to the incorporation of VIT, Vitura Health Group Pty. Ltd. acquired 100% of the shares of Vitura Health - Operations Pty. Ltd. The accounting implications of this ownership change resulted in the recognition of the fair value of the licences held at \$200,000 which the Directors believe approximates the costs incurred in obtaining them.

For the purposes of impairment testing, all of the above assets have been allocated to the Group's medical cash generating unit ("CGU"), with the exception of the Cannadoc goodwill which has been allocated to the clinic CGU. The first three assets listed in the table above, being the goodwill and the licences, are indefinite-lived intangible assets. The remaining three assets are amortised over their estimated useful lives. Each CGU is defined in line with those used in the Company's segment reporting (refer Note 34).

The recoverable amounts of both CGUs were based on their value in use, determined by discounting the estimated future cash flows to be generated from the continuing use of each CGU. The recoverable amount of the CGUs was determined to be higher than their respective carrying amounts.

The key assumptions used in the estimation of value in use for both CGUs were as follows:

- **Discount rate:** Based on a market-determined, risk adjusted pre-tax nominal discount rate of 15%.
- **Terminal growth rate:** The terminal growth rate of 4% adopted for all CGUs represents the growth rate applied to cash flows beyond the five-year forecast period. The terminal growth rate used is based on Management's expectations of the CGU's long-term performance after considering current conditions and available external market data.
- **Budgeted EBITDA:** Budgeted EBITDA was based on Management's expectations of future outcomes taking into account past experience, including the EBITDA generated during the 2023 financial year, adjusted for anticipated growth.

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<b>17. OTHER ASSETS (NON-CURRENT)</b>		
Security deposits	<b>371,299</b>	597,982
Total non-current other assets	<b>371,299</b>	597,982
<b>18. TRADE AND OTHER PAYABLES</b>		
Trade payables	<b>6,920,341</b>	7,590,368
Payroll-related payables (excluding annual leave)	<b>1,655,894</b>	1,033,842
Other payables	<b>600,057</b>	594,209
Accrued expenses	<b>430,042</b>	235,262
GST payable, net	<b>242,641</b>	103,458
Total trade and other payables	<b>9,848,975</b>	9,557,139
<p><i>Note: Trade and other payables for the Group as at 30 June 2023 include amounts due in Canadian dollars of CAD 116,532 (2022: CAD nil), US dollars of USD 74,000 (2022: USD 8,500), European Euro of EUR 6,500 (2022: EUR nil), Japanese yen of JPY nil (2022: JPY 526,284), Hong Kong dollars of HKD nil (2022: HKD 13,504) and Great British pounds of GBP nil (2022: GBP 2,210). Refer Note 35 for details of contractual maturity and management of the risks applicable to trade and other payables for which, due to their short-term nature, their carrying value approximates their fair value.</i></p>		
<b>19. INTEREST-BEARING LIABILITIES (CURRENT)</b>		
Lease liabilities	<b>238,053</b>	489,256
Total current interest-bearing liabilities	<b>238,053</b>	489,256
<b>(a) Lease liabilities (current)</b>		
Balance at the beginning of the year	<b>489,256</b>	182,060
Add: interest charged on leases	<b>15,115</b>	51,607
Less: change in management assumption (refer note)	<b>(3,160,234)</b>	(197,612)
Less: payments made under leases	<b>(635,584)</b>	(346,562)
Add: recognition of lease liabilities	<b>-</b>	4,834,139
Net total lease liabilities	<b>(3,291,447)</b>	4,523,632
Net transfer to non-current liabilities (refer Note 21)	<b>3,529,500</b>	(4,034,376)
Net lease liabilities (current)	<b>238,053</b>	489,256

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
<b>19. INTEREST-BEARING LIABILITIES (CURRENT) (CONT.)</b>		
<b>(b) Reconciliation of net lease liabilities (current)</b>		
Future payments to be made under leases	<b>287,706</b>	703,298
Future interest to be paid on lease liabilities	<b>(49,653)</b>	(214,042)
Net lease liabilities (current)	<b>238,053</b>	489,256
<i>Note: The Company's lease over premises in Varsity Lakes will expire on 31 August 2023. Subsequent to balance date, the Company entered into a new lease with the same landlord in respect of larger premises in the same building on essentially the same commercial terms. It is anticipated that the Company will move into the new premises during the first quarter of the 2024 financial year. As the new lease had not been executed as at balance date, the future payments that will be made under this lease are not included in the table above.</i>		
<i>Pursuant to AASB 16 Leases, the Company has recorded right-to-use assets (refer Note 15) and lease liabilities in respect of the above leases (refer above and Note 21).</i>		
<b>20. EMPLOYEE BENEFIT PROVISIONS (CURRENT)</b>		
<b>Annual leave</b>		
Balance at the beginning of the year	<b>462,946</b>	197,603
Add: annual leave obligation accrued during the year	<b>759,985</b>	547,696
Less: annual leave utilised during the year	<b>(492,454)</b>	(299,232)
Less: annual leave paid out on termination of employees	<b>(192,056)</b>	(117,312)
Add: annual leave obligations acquired on acquisition (refer Note 29(b))	-	134,191
Balance at the end of the year	<b>538,421</b>	462,946
<b>21. INTEREST-BEARING LIABILITIES (NON-CURRENT)</b>		
Lease liabilities	<b>1,040,840</b>	4,570,340
Total non-current interest-bearing liabilities	<b>1,040,840</b>	4,570,340
<b>(a) Lease liabilities (non-current)</b>		
Balance at the beginning of the year	<b>4,570,340</b>	535,964
Net transfer from current liabilities (refer Note 19)	<b>(3,529,500)</b>	4,034,376
Net lease liabilities (non-current)	<b>1,040,840</b>	4,570,340
<b>(b) Reconciliation of net lease liabilities (non-current)</b>		
Future payments to be made under leases	<b>1,242,188</b>	5,682,539
Future interest to be paid on lease liabilities	<b>(201,348)</b>	(1,112,199)
Net lease liabilities (non-current)	<b>1,040,840</b>	4,570,340

*Note: The Company's lease over premises in Varsity Lakes will expire on 31 August 2023. Subsequent to balance date, the Company entered into a new lease with the same landlord in respect of larger premises in the same building on essentially the same commercial terms. It is anticipated that the Company will move into the new premises during the first quarter of the 2024 financial year.*

*Pursuant to AASB 16 Leases, the Company has recorded right-to-use assets (refer Note 15) and lease liabilities in respect of the above leases (refer Note 19 and above).*

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<b>22. EMPLOYEE BENEFIT PROVISIONS (NON-CURRENT)</b>		
<b>Long service leave</b>		
Balance at the beginning of the year	<b>50,180</b>	13,234
Add: long service leave obligation accrued during the year	<b>33,704</b>	36,946
Balance at the end of the year	<b>83,884</b>	50,180
<b>23. SHARE CAPITAL</b>		
<b>(a) Issued and paid-up capital</b>		
Balance at the beginning of the year	<b>22,776,247</b>	3,677,194
Add: shares issued on conversion of performance rights	<b>1,184,980</b>	410,000
Add: shares issued under Dividend Reinvestment Plan	<b>80,630</b>	-
Add: shares issued as consideration for acquisition of CDA Health	-	20,011,797
Add: shares issued in part payment of corporate advisory fees	-	150,000
Less: equity transaction costs, net of tax	-	(1,472,744)
Balance at the end of the year	<b>24,041,857</b>	22,776,247
<b>(b) Shares on issue</b>		
Balance at the beginning of the year	<b>550,625,419</b>	403,552,399
Add: shares issued on conversion of performance rights	<b>5,780,392</b>	2,059,998
Add: shares issued under Dividend Reinvestment Plan	<b>126,260</b>	-
Add: shares issued as part of merger with CDA Health	-	128,750,000
Add: shares issued on conversion of unsecured loan (refer note)	-	15,176,065
Add: shares issued in part payment of corporate advisory fees	-	1,086,957
Balance at the end of the year	<b>556,532,071</b>	550,625,419

Note: The conversion of the unsecured loan occurred immediately prior to the merger with CDA Health Pty. Ltd. and, as such, is not included in the consolidated financial results for the year ended 30 June 2022.

### (c) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares, which have no par value, entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

### (d) Capital management

When managing capital, Management's objective is to ensure that the Group continues as a going concern as well as to provide returns for shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that minimises the Group's cost of capital.

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<b>24. RESERVES</b>		
Share-based payments reserve	<b>1,605,173</b>	2,123,965
Foreign currency translation reserve	<b>(267,402)</b>	(131,764)
Capital reserve	<b>(5,140,820)</b>	(5,140,820)
Total reserves	<b>(3,803,049)</b>	(3,148,619)
<b>(a) Share-based payments reserve</b>		
Balance at the beginning of the year	<b>2,123,965</b>	-
Add: share-based payments expense (net of cancellations)	<b>666,188</b>	2,533,965
Less: conversion of performance rights	<b>(1,184,980)</b>	(410,000)
Balance at the end of the year	<b>1,605,173</b>	2,123,965
<b>(b) Foreign currency translation reserve</b>		
Balance at the beginning of the year	<b>(131,764)</b>	-
Less: exchange losses on translation of controlled foreign operations	<b>(135,638)</b>	(131,764)
Balance at the end of the year	<b>(267,402)</b>	(131,764)
<b>(c) Capital reserve</b>		
Balance at the beginning of the year	<b>(5,140,820)</b>	(140,820)
Less: cash consideration paid to shareholders of CDA Health	-	(5,000,000)
Balance at the end of the year	<b>(5,140,820)</b>	(5,140,820)
<i>Note: The balance of the capital reserve as at 30 June 2023 includes an amount of \$5,000,000 that was paid to the former shareholders of CDA Health as part of the Company's acquisition of CDA Health on 16 December 2021.</i>		
<b>25. RETAINED EARNINGS</b>		
Balance at the beginning of the year	<b>6,474,905</b>	426,371
Add: profit attributable to owners of Vitura Health Limited	<b>13,809,389</b>	6,048,534
Less: payment of dividend at one cent per ordinary share	<b>(5,543,636)</b>	-
Balance at the end of the year	<b>14,740,658</b>	6,474,905
<b>26. NON-CONTROLLING INTERESTS</b>		
Balance at the beginning of the year	<b>(27,745)</b>	-
Add: profit on sale of interest in joint venture	<b>8,708</b>	-
Add: elimination of issued capital of non-controlling interest	<b>500</b>	-
Less: share of losses attributable to non-controlling interests	<b>(59,071)</b>	(36,025)
Add: value of rights on issue at date of acquisition (refer Note 29(b))	-	8,280
Balance at the end of the year	<b>(77,608)</b>	(27,745)

## 27. OPTIONS AND PERFORMANCE RIGHTS

### (a) Options on issue at balance date, none of which are listed on ASX

Date granted	Quantity	Exercise price (cents)	Vesting dates	Expiry dates	Fair market value (cents)
7 November 2019	86,300	50.0	7 November 2020	7 November 2023	17.40
7 November 2019	181,200	67.0	7 November 2021	7 November 2023	14.71
7 November 2019	297,500	83.0	7 November 2022	7 November 2023	12.80
16 December 2021	6,000,000	27.0	30 June 2022	16 December 2025	10.20
16 December 2021	6,000,000	34.0	30 June 2023	16 December 2025	10.10
16 December 2021	6,000,000	41.0	30 June 2024	16 December 2025	10.00
<b>Total</b>	<b>18,565,000</b>				

	30 June 2023	30 June 2022
<b>(b) Reconciliation of options</b>		
Balance at the beginning of the year	<b>23,065,000</b>	2,565,000
Add: options granted to Executives of the Company	-	22,500,000
Less: options forfeited or lapsed during the year	<b>(4,500,000)</b>	(2,000,000)
Balance at the end of the year	<b>18,565,000</b>	23,065,000
<b>(c) Reconciliation of performance rights</b>		
Balance at the beginning of the year	<b>6,239,075</b>	60,000
Less: rights converted into ordinary shares	<b>(5,780,392)</b>	(2,059,998)
Less: rights forfeited during the year	<b>(458,683)</b>	(369,623)
Add: rights granted during the year	-	8,608,696
Balance at the end of the year	-	6,239,075

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
<b>28. RECONCILIATION OF CASH FLOWS</b>		
<b>Reconciliation of profit for the year</b>		
Reconciliation of profit for the year after income tax to the net cash flows from operating activities		
Profit for the year	<b>13,750,318</b>	6,012,509
<i>Non-cash items</i>		
Amortisation of right-of-use assets and intangible assets	<b>683,199</b>	525,016
Share-based payments expense (net of cancellations)	<b>666,188</b>	2,533,965
Depreciation of property, plant and equipment	<b>305,157</b>	158,296
Interest charged on lease liabilities	<b>15,115</b>	51,607
Accrued income tax expense (net of payments)	<b>(483,504)</b>	3,732,165
Unrealised foreign currency losses/(gains)	<b>(116,616)</b>	225,782
Gain on disposal of interest in joint venture	<b>(8,708)</b>	-
Accrued fringe benefits tax	-	20,464
Profit on sale of medical clinic business	-	(224,998)

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<b>28. RECONCILIATION OF CASH FLOWS (CONT.)</b>		
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in trade and other receivables	<b>(3,576,026)</b>	(3,579,639)
(Increase)/decrease in inventories	<b>(1,878,918)</b>	(1,928,813)
(Increase)/decrease in other assets	<b>(48,895)</b>	(512,510)
Increase/(decrease) in trade and other payables	<b>291,836</b>	6,188,536
Increase/(decrease) in employee benefit provisions	<b>109,179</b>	302,289
Net cash flows from operating activities	<b>9,708,325</b>	13,504,669
<b>29. BUSINESS COMBINATIONS</b>		
<b>(a) Purchase consideration for acquisition of CDA Health</b>		
Shares issued as consideration for the acquisition of CDA	-	20,011,797
Total purchase consideration	-	20,011,797
<b>(b) Assets and liabilities acquired at fair value</b>		
<b>Assets</b>		
Cash and cash equivalents	-	2,465,914
Assets held in trust for part payment of consideration	-	5,000,000
Trade and other receivables	-	656,092
Inventories	-	1,081,779
Net deferred tax assets (refer Notes 9(c) and 9(d))	-	3,639,768
Other assets	-	1,200,483
Property, plant and equipment, net (refer Note 14)	-	113,871
Right-of-use assets (refer Note 15)	-	267,088
Other intangible assets and goodwill (refer Note 16(b))	-	491,457
<b>Liabilities</b>		
Trade and other payables	-	(999,143)
Interest-bearing liabilities	-	(303,999)
Employee benefit provisions (refer Note 20)	-	(134,191)
<b>Goodwill</b>		
Adjusted goodwill acquired on acquisition of CDA (refer Note 16(a))	-	6,540,958
Value of performance rights on issue at completion	-	(8,280)
Total purchase consideration	-	20,011,797

Note: During the year ended 30 June 2022, the Company acquired 100% of the issued capital of CDA Health Pty. Ltd. ("CDA") via a merger with that company that was completed on 16 December 2021 ("Merger"). The information included in these financial statements has been prepared in accordance with AASB 3 Business combinations ("AASB 3"), as the Merger resulted in the combined group being identified as a Business Combination under Australian Accounting Standards.

The implications of this combination have been detailed in Note 2(a) of these financial statements. As a result of the above, these financial statements include the financial results of CDA for the period from 1 July 2021 to 30 June 2022 and the results of the pre-Merger Cronos Australia (now Vitura Health) entities for the period from the date of the Merger (16 December 2021) to 30 June 2022. The above tables include details of the adjusted assets and liabilities that were acquired as part of the Merger.

At the date of the Merger, the Directors believed that the Merger would provide a material increase in both size and scale of the operations of both Vitura and CDA and a route to early profitability for the combined Group. They believed that the prominent position held by CDA in the Australian medicinal cannabis industry, when added to Vitura's existing operations and strategic opportunities, would deliver synergistic benefits for the combined Group where the combined value exceeds the sum of its parts. Based on the strong financial performance of the Group since the Merger, these beliefs were proven to be accurate. The goodwill arising on the Merger is attributable to the high profitability and expected continued growth and profitability of the acquired business (CDA) and the significant synergies that were expected to arise after the Group's acquisition of CDA.

Under AASB 3 and AASB 112 *Income tax*, the assets and liabilities acquired in a business combination include the deferred tax assets and deferred tax liabilities. The net deferred tax assets acquired total \$3,639,768. Refer *Note 9* for further explanation of the net deferred tax assets.

Following the Merger with CDA, the Group undertook an exercise to determine whether the accumulated tax losses historically held by Vitura Health Limited and its subsidiary companies would be available for use by the Group. As detailed in *Note 9*, the Group is satisfied that there is a reasonably arguable position that allowed the Group to recognise a deferred tax asset as at the date of the Merger and to utilise those losses in the financial years ended 30 June 2022 and 30 June 2023, and potentially beyond. As a result, a deferred tax asset of \$3,639,768 was recognised as at the date of the Merger. This has resulted in a reduction in the goodwill amount initially recognised at 31 December 2021 by the same amount.

During the period from the date of acquisition (being 16 December 2021) up to 30 June 2022, the acquiree for the purposes of AASB 3 (being Vitura Health Limited) generated total revenue of \$3,292,920 and a net loss before income tax of \$551,962. Had the acquisition occurred on 1 July 2021, the combined entity would have generated total revenue of \$69,499,936 and a net profit before income tax of \$8,363,100.

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<b>30. COMMITMENTS AND CONTINGENCIES</b>		
<b>(a) Lease expenditure commitments</b>		
Minimum lease payments		
Not later than one year	<b>287,612</b>	703,298
Later than one year but not later than five years	<b>374,429</b>	1,787,250
Later than five years	-	-
Total minimum lease payments	<b>662,041</b>	2,490,548

As at 30 June 2023, the Group had entered into leases relating to the premises listed below which have been recognised, along with a corresponding right-of-use asset, under AASB 16 *Leases* (refer *Notes 15, 19 and 21*):

Location and use	Landlord	Date of lease expiry
South Yarra, Victoria 3141 Corporate headquarters	Newmark Como Property Trust	10 May 2025
South Melbourne, Victoria 3205 Warehouse and distribution	Questco Pty. Ltd.	31 January 2027
Varsity Lakes, Queensland 4227 CDA Health operations office	Argus (Varsity) Pty. Ltd.	31 August 2023 (refer note)
Burleigh Heads, Queensland 4220 Warehouse and distribution	CJ Vision Pty. Ltd.	31 May 2024

*Note: The Company's lease over premises in Varsity Lakes will expire on 31 August 2023. Subsequent to balance date, the Company entered into a new lease with the same landlord in respect of larger premises in the same building on essentially the same commercial terms. It is anticipated that the Company will move into the new premises by September 2023.*

## 30. COMMITMENTS AND CONTINGENCIES (CONT.)

### (b) Financial commitments to Group entities that are not wholly-owned

#### Cortexa Pty. Ltd.

On 2 May 2023, Vitura announced the establishment of a 50:50 joint venture with Canadian-based PharmAla Biotech Holdings Inc. ("PharmAla"), a biotechnology company focused on the research, development and manufacture of MDXX class molecules (including MDMA). A joint venture vehicle called Cortexa Pty. Ltd. ("Cortexa"), which is owned equally by Vitura and PharmAla, has been established to become the leading supplier of psychedelics for research and therapeutic use in Australia. In order to provide Cortexa with sufficient working capital in its initial stage of development, Vitura has agreed to advance loan funds to Cortexa of up to \$2,200,000 at an interest rate equal to the official cash rate +5% per annum, should they be required. As at 30 June 2023, no funds had been advanced to Cortexa by Vitura.

#### Cannadoc Health Pty. Ltd.

On 3 February 2020, the Group executed a Share Transfer and Shareholders Agreement (the "Agreement") pursuant to which it acquired a 51% indirect equity interest in Cannadoc Health Pty. Ltd. ("Cannadoc"), a Melbourne-based company operating a medical clinic business. On 1 February 2021, the Group acquired a further 24.5% equity interest in Cannadoc for \$101,000, taking its total equity interest to 75.5%. Under the Agreement, Vitura has made available to Cannadoc a loan facility of up to \$1,000,000 on commercial terms, which may be used for working capital purposes and to expand the business.

As at 30 June 2023, a total of \$400,000 had been advanced under the facility on which interest is being charged at a rate of 9% per annum. At that date, accrued interest of \$73,232 had been charged in respect of the facility and added to the outstanding balance due to the Company by Cannadoc.

## 31. EMPLOYEE BENEFITS

### (a) Employee options and performance rights

On 4 September 2019, the Company established an Employee Incentive Plan ("EIP") pursuant to which the Directors may, at their discretion, grant options and performance rights over the Company's ordinary shares to Executives and employees of the Group (refer *Note 27*).

During the year ended 30 June 2022, the Company granted a total of 22,500,000 options over the Company's ordinary shares to certain Executives of the Company. In addition, a total of 8,608,696 performance rights were granted to certain Executives and employees of the Company and its subsidiaries. No options or performance rights were granted by the Company during the year ended 30 June 2023.

The fair values of each option and performance right granted by the Company under the EIP during the year ended 30 June 2022 were estimated by an external independent valuer using the Hull-White valuation methodology and the following assumptions:

	Options	Rights
Dividend yield	N/A	N/A
Historic volatility and expected volatility	90%	90%
Option exercises prices	\$0.27 to \$0.41	N/A
Weighted average exercise price	\$0.34	N/A
Risk-free interest rate	1.26%	1.26%
Expected life of security	4 years	4 years

Volatility is a measure of the degree to which an underlying asset's market price changes during a period of time. Volatility has been sourced from Vitura's historical returns as at the Valuation Date and included an assessment of the volatility of comparable companies. A volatility of 90% has been adopted for the Company taking into account the availability of data, the peer group average and Vitura's trading history.

## 31. EMPLOYEE BENEFITS (CONT.)

### (b) Superannuation commitments

During the year ended 30 June 2023, the Group made statutory contributions to superannuation funds on behalf of its Australian employees at a rate of 10.5% per annum, in addition to other superannuation contributions as part of salary packaging arrangements with certain staff. All contributions are expensed when incurred. Contributions made by the Group of 10.5% per annum of an employee's salaries up to a statutory limit are legally enforceable in Australia.

Effective from 1 July 2023, the rate at which the Group will make statutory contributions to superannuation funds on behalf of its Australian employees increased to 11.0% per annum. During the year ended 30 June 2023, the Company made no payments to any defined benefit schemes on behalf of its employees.

## 32. RELATED PARTY TRANSACTIONS

### (a) Ultimate parent

Vitura Health Limited is the ultimate Australian parent company. As at the date of this Report, no single shareholder controls more than 50 percent of the issued capital of the Company.

### (b) Related party transactions

There were no transactions with related parties during the year ended 30 June 2023.

### (c) Details Key Management Personnel

Non-Executive Directors	Period in office during the year
Dr. Simone L. Scovell (Non-Executive Chair) <sup>1</sup>	12 September 2022 to 30 June 2023
Jenelle L. Frewen (Non-Executive Director)	12 September 2022 to 30 June 2023
Dr. Marcia A.M. Walker (Non-Executive Director) <sup>2</sup>	1 July 2022 to 30 June 2023
Executives	Period in office during the year
Rodney D. Cocks CSM (Executive Director/Chief Executive Officer)	1 July 2022 to 30 June 2023
Guy R. Headley (Executive Director/Chief Commercial Officer)	1 July 2022 to 30 June 2023
Thomas G. Howitt (Chief Financial Officer/Company Secretary)	1 July 2022 to 30 June 2023
Ryan J. Tattle (Chief Revenue Officer) <sup>3</sup>	1 January 2023 to 30 June 2023
Jessimine C.K. Jansen (Chief Operating Officer) <sup>4</sup>	29 November 2022 to 30 June 2023
Dr. Benjamin D.N. Jansen (Executive Director/Chief Medical Officer) <sup>5</sup>	1 July 2022 to 22 September 2022
Raymond J. Deetlefs (Acting Chief Operating Officer) <sup>6</sup>	1 July 2022 to 25 November 2022

#### Notes:

- On 24 February 2023, Dr. Simone Scovell was appointed as Chair of the Board.
- On 24 February 2023, Dr. Marcia Walker ceased to be Acting Chair of the Board.
- On 1 January 2023, Ryan Tattle was appointed as Chief Revenue Officer. Prior to that date, Mr. Tattle was employed as the Company's Commercial Operations Manager.
- The Company's Chief Operating Officer, Jessimine Jansen, took maternity leave on 25 March 2022 and returned to the role on 29 November 2022. Ms. Jansen subsequently resigned as Chief Operating Officer on 30 June 2023.
- On 22 September 2022, Dr. Benjamin Jansen ceased his role as Chief Medical Officer. In accordance with the Company's Constitution, Dr. Jansen's office as a Director of the Company was also vacated effective immediately with the cessation of his employment at 5.00 pm on 22 September 2022.
- On 21 February 2022, Raymond Deetlefs was appointed as Acting Chief Operating Officer, while Ms. Jansen was on maternity leave. Mr. Deetlefs resigned from that role on 25 November 2022.

### 32. RELATED PARTY TRANSACTIONS (CONT.)

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<b>(d) Remuneration of Key Management Personnel</b>		
Short-term employee benefits	<b>2,141,499</b>	1,995,864
Post-employment benefits	<b>124,710</b>	128,773
Share-based payments	<b>745,194</b>	2,099,519
Total remuneration of Key Management Personnel	<b>3,011,403</b>	4,224,156

Note: KMP includes all Directors of the Company and members of the Executive Team that report directly to the CEO.

#### (e) Shares in which current KMP have a beneficial interest as at balance date

Member of KMP	Opening balance	Shares issued	Shares purchased	Shares sold	Closing balance
<b>Executives</b>					
Rodney D. Cocks CSM	20,333,333	666,667	-	-	21,000,000
Guy R. Headley	127,132,105	666,667	-	(18,750,000)	109,048,772
Thomas G. Howitt	733,333	666,667	-	(200,000)	1,200,000
Ryan J. Tattle	3,984,623	-	-	(533,434)	3,451,189
Jessimine C.K. Jansen	2,486,712	666,667	-	-	3,153,379
Totals	154,670,106	2,666,668	-	(19,483,434)	137,853,340

#### (f) Options in which current KMP have a beneficial interest as at balance date

Member of KMP	Opening balance	Options granted	Options exercised	Closing balance	Vested at year end
<b>Executives</b>					
Rodney D. Cocks CSM	4,500,000	-	-	4,500,000	3,000,000
Guy R. Headley	4,500,000	-	-	4,500,000	3,000,000
Thomas G. Howitt	5,065,000	-	-	5,065,000	3,565,000
Jessimine C.K. Jansen	4,500,000	-	-	4,500,000	3,000,000
Totals	18,565,000	-	-	18,565,000	12,565,000

#### (g) Performance rights in which current KMP have a beneficial interest as at balance date

Member of KMP	Opening balance	Rights granted	Rights converted	Closing balance	Vested at year end
<b>Executives</b>					
Rodney D. Cocks CSM	666,667	-	(666,667)	-	-
Guy R. Headley	666,667	-	(666,667)	-	-
Thomas G. Howitt	666,667	-	(666,667)	-	-
Jessimine C.K. Jansen	666,667	-	(666,667)	-	-
Totals	2,666,668	-	(2,666,668)	-	-

### 33. AUDITORS' REMUNERATION

Name of Auditor	Year	Audit services \$	Other services \$	Totals \$
Pilot Partners	<b>2023</b>	<b>162,500</b>	<b>14,500</b>	<b>177,000</b>
	2022	155,000	78,520	233,520
Parkwell CPA Limited	<b>2023</b>	<b>4,243</b>	-	<b>4,243</b>
	2022	4,623	-	4,623
Total auditors' remuneration	<b>2023</b>	<b>166,743</b>	<b>14,500</b>	<b>181,243</b>
	2022	159,623	78,520	238,143

Note: Other services provided by Pilot Partners in 2023 related to the provision of advice in relation to the Company's ongoing compliance with Australian Accounting Standards.

Other services provided by Pilot Partners in 2022 related to the provision of advice and reports in relation to the Company's merger with CDA Health Pty. Ltd.

Parkwell CPA Limited acts as auditor of the Company's Hong Kong based subsidiary, Personal Care Asia Limited.

### 34. SEGMENT INFORMATION

#### (a) Reportable segments

The Group has identified three business segments based on the products sold and/or the services provided as these represent the source of the Group's major risks and have the greatest effect on the rates of return. The Group has identified two geographic segments based on the jurisdictions where the Company's operations were located during the year ended 30 June 2023. The segments are reported in a manner consistent with the reporting provided to the chief operating decision maker, being the Company's Chief Executive Officer.

The Group sells and distributes medicinal cannabis and consumer products. Revenue is recognised when control of the products has transferred to the customer. For such transactions, this is when the products are delivered to the customers. Revenue from these sales is based on the price listed in the supply contracts, net of any volume discounts which may apply. The volume discounts are estimated using historical experience and applying the expected value method. Revenue is then only recognised to the extent that there is a high probability that a significant reversal of revenue will not occur.

#### (b) Segment accounting policies

Segment information conforms with Vitura's accounting policies and Accounting Standard AASB 8 *Operating Segments*. The primary reporting segments reflect the information that Management uses to make decisions about operating matters. Interest received and finance costs are allocated under the heading Corporate as they are not part of the core operations of any other segment.

### 34. SEGMENT INFORMATION (CONT.)

#### (c) Business segments

The Group's three business segments as at balance date can be described as *Medical* (involving the sale of medicinal cannabis products), *Clinics* (involving the operation of medicinal cannabis clinics) and *Consumer* (involving the sale of consumer (non-medical) products in Australia and previously in Asia). The *Corporate* disclosures below include revenues, costs, assets and liabilities associated with Vitura's headquarter function.

Segment		Sales revenue \$	Other income \$	Totals \$	Profit/(loss) \$
Medical	<b>2023</b>	<b>115,298,613</b>	<b>66,040</b>	<b>115,364,653</b>	<b>30,842,734</b>
	2022	64,927,918	30,000	64,957,918	20,166,649
Clinics	<b>2023</b>	<b>1,578,741</b>	-	<b>1,578,741</b>	<b>(2,838,466)</b>
	2022	1,839,527	-	1,839,527	(1,386,293)
Consumer	<b>2023</b>	<b>466,279</b>	-	<b>466,279</b>	<b>(658,341)</b>
	2022	224,287	-	224,287	(198,281)
Sub-totals	<b>2023</b>	<b>117,343,633</b>	<b>66,040</b>	<b>117,409,673</b>	<b>27,345,927</b>
	2022	66,991,732	30,000	67,021,732	18,582,075
Corporate	<b>2023</b>	-	<b>349,979</b>	<b>349,979</b>	<b>(13,595,609)</b>
	2022	-	234,065	234,065	(12,569,566)
Totals	<b>2023</b>	<b>117,343,633</b>	<b>416,019</b>	<b>117,759,652</b>	<b>13,750,318</b>
	2022	66,991,732	264,065	67,255,797	6,012,509

Segment		Assets \$	Liabilities \$	Depreciation/ amortisation \$	Purchases of equipment \$
Medical	<b>2023</b>	<b>34,217,028</b>	<b>(2,332,432)</b>	<b>(353,261)</b>	<b>691,477</b>
	2022	31,439,438	(8,975,325)	(227,154)	126,115
Clinics	<b>2023</b>	<b>89,452</b>	<b>(2,498,431)</b>	<b>(236,307)</b>	<b>72,964</b>
	2022	236,284	(649,758)	(125,488)	69,671
Consumer	<b>2023</b>	<b>148,735</b>	-	-	-
	2022	157,118	(33,656)	-	-
Sub-totals	<b>2023</b>	<b>34,455,215</b>	<b>(4,830,863)</b>	<b>(589,568)</b>	<b>764,441</b>
	2022	31,832,840	(9,658,739)	(352,642)	195,786
Corporate	<b>2023</b>	<b>12,441,090</b>	<b>(7,163,584)</b>	<b>(398,788)</b>	<b>163,916</b>
	2022	11,033,525	(7,132,838)	(330,670)	169,455
Totals	<b>2023</b>	<b>46,896,305</b>	<b>(11,994,447)</b>	<b>(988,356)</b>	<b>928,357</b>
	2022	42,866,365	(16,791,577)	(683,312)	365,241

#### (d) Geographic segments

The Group's two geographic segments as at balance date can be described as *Australia* (being the home country of the parent entity, Vitura Health Limited, and the location of the Group's medicinal cannabis and clinics operations) and *Asia* (being the home of the Group's former consumer business, selling the Bathing Shed, FCTR and Saiph brands of products). The *Corporate* disclosures below include revenues, costs, assets and liabilities associated with Vitura's headquarter function.

Segment		Sales revenue \$	Other income \$	Totals \$	Profit/(loss) \$
Australia	<b>2023</b>	<b>117,315,525</b>	<b>66,040</b>	<b>117,381,565</b>	<b>27,607,781</b>
	2022	66,978,327	30,000	67,008,327	18,784,687
Asia	<b>2023</b>	<b>28,108</b>	-	<b>28,108</b>	<b>(261,854)</b>
	2022	13,405	-	13,405	(202,612)
Sub-totals	<b>2023</b>	<b>117,343,633</b>	<b>66,040</b>	<b>117,409,673</b>	<b>27,345,927</b>
	2022	66,991,732	30,000	67,021,732	18,582,075
Corporate	<b>2023</b>	-	<b>349,979</b>	<b>349,979</b>	<b>(13,595,609)</b>
	2022	-	234,065	234,065	(12,569,566)
Totals	<b>2023</b>	<b>117,343,633</b>	<b>416,019</b>	<b>117,759,652</b>	<b>13,750,318</b>
	2022	66,991,732	264,065	67,255,797	6,012,509

Segment		Assets \$	Liabilities \$	Depreciation/ amortisation \$	Purchases of equipment \$
Australia	<b>2023</b>	<b>34,423,193</b>	<b>(4,830,863)</b>	<b>(589,568)</b>	<b>764,441</b>
	2022	31,550,255	(7,717,791)	(352,642)	195,786
Asia	<b>2023</b>	<b>32,022</b>	-	-	-
	2022	282,585	(1,940,948)	-	-
Sub-totals	<b>2023</b>	<b>34,455,215</b>	<b>(4,830,863)</b>	<b>(589,568)</b>	<b>764,441</b>
	2022	31,832,840	(9,658,739)	(352,642)	195,786
Corporate	<b>2023</b>	<b>12,441,090</b>	<b>(7,163,584)</b>	<b>(398,788)</b>	<b>163,916</b>
	2022	11,033,525	(7,132,838)	(330,670)	169,455
Totals	<b>2023</b>	<b>46,896,305</b>	<b>(11,994,447)</b>	<b>(988,356)</b>	<b>928,357</b>
	2022	42,866,365	(16,791,577)	(683,312)	365,241

#### (e) Additional segment disclosures

There were no intersegment sales during the year ended 30 June 2023.

#### (f) Major customers

As at 30 June 2023, the Group has no customers to which it supplies products and from whom the Group generated revenues representing more than 10% of the total consolidated revenue from operations.

## 35. FINANCIAL RISK MANAGEMENT

### (a) Introduction

The Group's activities expose it to various financial risks such as credit risk, market risk (including foreign currency risk and interest rate risk) and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure the different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange, and interest rate and aging analysis in the case of credit risk.

The Group's overall risk profile is managed by the Company's Chief Risk Officer in conjunction with the other members of the Executive team. During the year ended 30 June 2023, the Company reviewed and considered changes to its Risk Register and updated additional risks that the Group may be exposed to, together with consideration of the consequences of such risks occurring and the various actions that the Company could take to mitigate their impact. The updated Risk Register, which included additional risks associated with the businesses acquired by the Company as part of its merger with CDA Health Pty. Ltd. on 16 December 2021, was discussed at a meeting of the Company's Audit and Risk Committee held on 18 August 2023.

The Group's principal financial instruments comprise cash and cash equivalents. The Group also has other financial assets and liabilities, including trade receivables and trade payables, which arise directly from its operations.

The Group does not enter into derivative transactions such as interest rate swaps or forward currency contracts. It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are credit risk, market risk (including foreign currency and interest rate risks) and liquidity risk. The policies and procedures for managing these risks are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument, are disclosed in *Note 2*.

The Group holds the following financial instruments:

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	<b>18,849,050</b>	16,077,031
Trade and other receivables	<b>9,446,329</b>	5,764,870
Other assets (security deposits)	<b>557,189</b>	641,980
Total financial assets	<b>28,852,568</b>	22,483,881
<b>Financial liabilities</b>		
Trade and other payables	<b>9,606,334</b>	9,453,681
Lease liabilities	<b>1,278,893</b>	5,059,596
Total financial liabilities	<b>10,885,227</b>	14,513,277

## (b) Credit risk

The Group's credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. If there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal and/or external ratings. Management regularly monitors the compliance with credit limits by customers. The maximum exposures to credit risk as at 30 June 2023 in relation to each class of recognised financial asset is the carrying amount of that asset, as recorded in the statement of financial position.

Financial assets included on the statement of financial position that potentially subject the Group to a concentration of credit risk consist principally of cash and cash equivalents. The Group minimises this concentration of risk by placing its cash and cash equivalents with financial institutions that maintain superior credit ratings in order to limit the degree of credit exposure. For banks and financial institutions, only independently-rated parties with a satisfactory credit rating are accepted. The Group has not entered into any transactions that qualify as a financial derivative instrument.

In addition, receivable balances are monitored on an ongoing basis such that the Group's exposure to bad debts is not significant. During the year ended 30 June 2023, an amount of \$18,567 (2022: \$8,330) had been written off in respect of bad debts. As at 30 June 2023, the Group raised a provision for expected credit losses (doubtful debts) of \$111,252 (2022: \$5,819) (refer Note 11).

An analysis of the aging of trade receivables is provided below:

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<b>Trade receivables</b>		
Current (less than 30 days)	<b>8,054,522</b>	4,661,399
31 days to 60 days	<b>905,036</b>	739,742
61 days to 90 days	<b>59,513</b>	157,415
Greater than 90 days	<b>358,331</b>	183,060
Total trade receivables (refer Note 11)	<b>9,377,402</b>	5,741,616

## (c) Market risk

### Foreign currency risk

The Group currently operates predominantly in Australia and, to a far lesser extent, Asia and, at balance date, has minor exposure to foreign currency exchange risk in currencies including Canadian dollars, US dollars and European Euro. With the winding down of the Group's modest operations in Asia, the Company's foreign currency risk is expected to be immaterial and declining in the near term.

### Interest rate risk

The Group's main interest rate risk arises in relation to its short-term deposits with the ANZ Bank. If interest rates were to decrease, the Group may generate less interest income from such deposits. During the year ended 30 June 2023, the Company generated total interest income of \$334,308. Based on the Company's average cash balance throughout that year, if the deposit interest rate increased/decreased by +/- 50 basis points, with all other variables held constant, the Company would have generated/lost \$87,315 in interest income and the profit after tax for the year would have increased/decreased by \$60,427.

Other than the Company's four leases and insurance funding arrangements, the Company has no liabilities on which interest is charged as at balance date.

### 35. FINANCIAL RISK MANAGEMENT (CONT.)

The Group adopts a prudent approach to cash management that is tailored to cash forecasts rather than seeking the highest rates of return that may compromise the Company's access to funds as and when they are required. The Company receives competitive interest rates in respect of all of its accounts held with ANZ Bank, thereby providing an acceptable rate of return across its entire portfolio of cash and cash equivalents while, at the same time, preserving the Group's flexibility and minimising its overall risk.

The Group's exposure to interest rate risks and the effective interest rates of financial assets and liabilities, both realised and unrealised, is as follows:

	Year	Floating rate \$	Fixed rate \$	Carrying amount \$	Weighted-average rate %	Maturity period days
<b>Financial assets</b>						
Cash and cash equivalents (Note 10)	<b>2023</b>	<b>18,849,050</b>	-	<b>18,849,050</b>	<b>3.85%</b>	<b>At call</b>
	2022	16,077,031	-	16,077,031	nil%	At call
Other assets (Notes 13 and 17)	<b>2023</b>	-	<b>557,189</b>	<b>557,189</b>	<b>3.65%</b>	<b>N/A</b>
	2022	-	641,980	641,980	nil%	N/A
Totals	<b>2023</b>	<b>18,849,050</b>	<b>557,189</b>	<b>19,406,239</b>		
	2022	16,077,031	641,980	16,719,011		
<b>Financial liabilities</b>						
Interest-bearing liabilities (Notes 19 and 21)	<b>2023</b>	-	<b>1,278,893</b>	<b>1,278,893</b>	<b>4.31%</b>	<b>N/A</b>
	2022	-	5,059,596	5,059,596	4.49%	N/A
Totals	<b>2023</b>	-	<b>1,278,893</b>	<b>1,278,893</b>		
	2022	-	5,059,596	5,059,596		

Note: All periods in respect of financial assets are for less than one year.

#### (d) Liquidity risk

Prudent liquidity risk management necessitates maintaining sufficient cash and cash equivalents and the availability of funding through committed credit facilities, such as credit card facilities. The Group manages liquidity risk by regularly monitoring forecast and actual cash flows and, wherever possible, matching the maturity profiles of financial assets and liabilities.

Due to the dynamic nature of the Company's underlying business, Management aims to maintain flexibility in funding by keeping committed credit lines available. Surplus funds are generally only invested in instruments that are tradable in highly liquid markets.

An analysis of the aging of trade payables is provided below:

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<b>Trade payables</b>		
Current (less than 30 days)	<b>5,226,531</b>	5,324,812
31 days to 60 days	<b>1,691,089</b>	1,212,115
61 days to 90 days	<b>2,721</b>	-
Greater than 90 days	-	1,053,441
Total trade payables (refer Note 18)	<b>6,920,341</b>	7,590,368

A balanced view of cash inflows and outflows affecting the Group is summarised in the table below:

	Year	< 6 months \$	6 to 12 months \$	1 to 5 years \$	> 5 years \$	Totals \$
<b>Inflows - financial assets</b>						
Cash and cash equivalents	<b>2023</b>	<b>18,849,050</b>	-	-	-	<b>18,849,050</b>
	2022	16,077,031	-	-	-	16,077,031
Trade and other receivables	<b>2023</b>	<b>9,446,329</b>	-	-	-	<b>9,446,329</b>
	2022	5,764,870	-	-	-	5,764,870
Other assets	<b>2023</b>	<b>153,286</b>	<b>32,604</b>	<b>371,299</b>	-	<b>557,189</b>
	2022	43,998	-	597,982	-	641,980
Total financial assets	<b>2023</b>	<b>28,448,665</b>	<b>32,604</b>	<b>371,299</b>	-	<b>28,852,568</b>
	2022	21,885,899	-	597,982	-	22,483,881
<b>Outflows - financial liabilities</b>						
Trade and other payables	<b>2023</b>	<b>9,606,334</b>	-	-	-	<b>9,606,334</b>
	2022	9,453,681	-	-	-	9,453,681
Interest-bearing liabilities	<b>2023</b>	<b>125,045</b>	<b>113,008</b>	<b>582,223</b>	<b>458,617</b>	<b>1,278,893</b>
	2022	247,887	241,441	1,563,291	3,006,977	5,059,596
Total financial liabilities	<b>2023</b>	<b>9,731,379</b>	<b>113,008</b>	<b>582,223</b>	<b>458,617</b>	<b>10,885,227</b>
	2022	9,701,568	241,441	1,563,291	3,006,977	14,513,277

### (e) Classification of financial instruments

AASB 13 *Fair Value Measurement* establishes a fair value hierarchy that prioritises the input to valuation techniques used to measure fair value, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The book value of the Company's financial assets and liabilities as at 30 June 2023, all of which are Level 3, approximate their fair values.

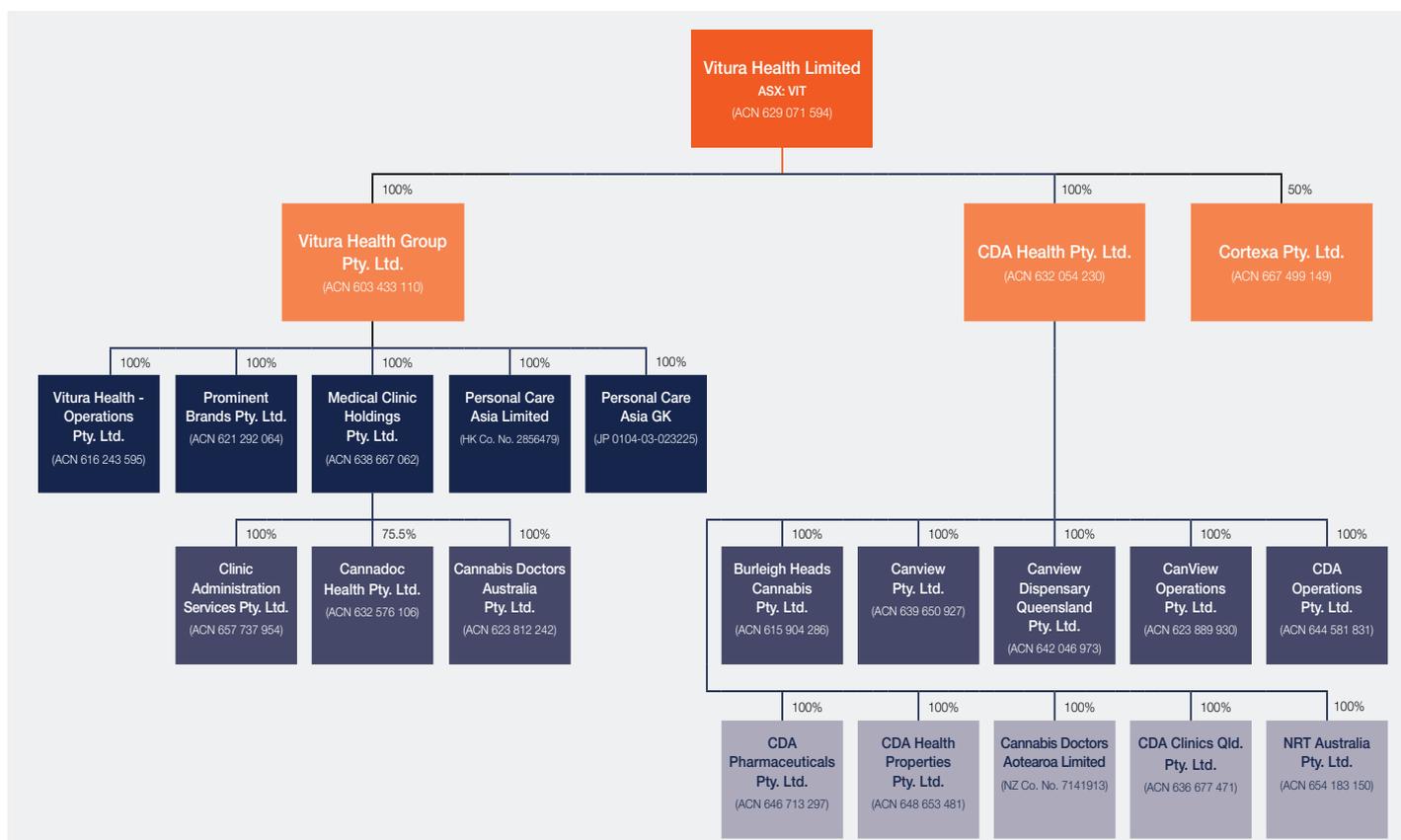
### (f) Borrowing facilities

The Group had access to the following borrowing facilities as at 30 June 2023:

Nature of facility	Facility limit \$	Amount used \$	Amount available \$
Security facilities from ANZ Banking Group:			
• Vitura Health Limited	430,330	(430,330)	-
• Vitura Health - Operations Pty. Ltd.	36,300	(36,300)	-
Credit card facility from ANZ Banking Group	100,000	(51,988)	48,012
Security facility from Merchant Warrior	80,000	(80,000)	-

## 36. GROUP STRUCTURE

The following diagram is a depiction of the Group structure as at the date of this Financial Report:



### Name of Group company

Vitura Health Limited  
 Vitura Health Group Pty. Ltd.  
 CDA Health Pty. Ltd.  
 Cortexa Pty. Ltd.  
 Vitura Health - Operations Pty. Ltd.  
 Prominent Brands Pty. Ltd.  
 Medical Clinic Holdings Pty. Ltd.  
 Personal Care Asia Limited  
 Personal Care Asia GK  
 Clinic Administration Services Pty. Ltd.  
 Cannadoc Health Pty. Ltd.  
 Cannabis Doctors Australia Pty. Ltd.  
 Burleigh Heads Cannabis Pty. Ltd.  
 Canview Pty. Ltd.  
 Canview Dispensary Queensland Pty. Ltd.  
 CanView Operations Pty. Ltd.  
 CDA Operations Pty. Ltd.  
 CDA Pharmaceuticals Pty. Ltd.  
 CDA Health Properties Pty. Ltd.  
 Cannabis Doctors Aotearoa Limited  
 CDA Clinics Qld. Pty. Ltd.  
 NRT Australia Pty. Ltd.

### Date and place of incorporation

27 September 2018; Victoria, Australia  
 18 December 2014; Victoria, Australia  
 5 March 2019; Queensland, Australia  
 26 April 2023; Victoria, Australia  
 2 December 2016; Victoria, Australia  
 24 August 2017; Victoria, Australia  
 23 January 2020; Victoria, Australia  
 25 July 2019; Central, Hong Kong  
 1 July 2020; Tokyo, Japan  
 2 March 2022; Victoria, Australia  
 28 March 2019; Victoria, Australia  
 15 January 2018; Queensland, Australia  
 14 November 2016; Queensland, Australia  
 10 March 2020; Queensland, Australia  
 25 June 2020; Queensland, Australia  
 18 January 2018; Queensland, Australia  
 23 September 2020; Queensland, Australia  
 18 December 2020; Queensland, Australia  
 12 March 2021; Queensland, Australia  
 27 November 2018; Auckland, New Zealand  
 8 October 2019; Queensland, Australia  
 4 October 2021; Queensland, Australia

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<b>37. PARENT ENTITY INFORMATION</b>		
Current assets	<b>1,551</b>	47,765
Total assets	<b>2,306,033</b>	3,038,148
Current liabilities	-	(95,077)
Total liabilities	-	(3,639,803)
Issued capital	<b>3,677,194</b>	3,677,194
Accumulated losses	<b>(1,151,161)</b>	(4,153,927)
Reserves	<b>(220,000)</b>	(220,000)
Net profit/(loss) after income tax	<b>3,002,765</b>	(1,334,230)
Total comprehensive profit/(loss) for the year	<b>3,002,765</b>	(1,334,230)

Note: As disclosed in Note 2(a), during the year ended 30 June 2022, the Company acquired 100% of the issued capital of CDA Health Pty. Ltd. ("CDA") ("Merger"). The Company's financial statements for the year ended 30 June 2022 have been prepared in accordance with AASB 3 Business combinations ("AASB 3"), as the Merger resulted in the combined group being identified as a Business Combination under Australian Accounting Standards.

AASB 3 requires the identification of an acquirer for financial reporting purposes. The structure of the Merger was such that CDA has been identified as the accounting acquirer for these purposes. This decision was based on the facts and circumstances of the transaction and, in particular, the relative voting rights that the previous shareholders of CDA collectively held in Vitura after the business combination, i.e. more than 70%, and the relative sizes (defined in terms of assets, revenues and profits) of both Vitura and CDA. Accordingly, the parent entity information provided above relates to CDA, not Vitura.

In respect of the years ended 30 June 2023 and 2022, CDA provided no guarantees for intercompany loans and had no contingent liabilities or contractual commitments in respect of the acquisition of property, plant and equipment.

### 38. SUBSEQUENT EVENTS

- The Company's current lease over premises in Varsity Lakes, Queensland will expire on 31 August 2023. On 7 July 2023, the Company entered into a new lease, which commenced on 15 August 2023, with the same landlord in respect of larger premises in the same building on essentially the same commercial terms. It is anticipated that the Company will move into the new premises by September 2023.
- On 21 July 2023, a total of 1,500,000 options over the Company's ordinary shares were cancelled as the vesting conditions had not been met.
- 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.

Apart from the events described above, there were no other events that have occurred subsequent to balance date that have not been disclosed elsewhere in this Annual Report.

## Directors' Declaration

In the opinion of the Directors of Vitura Health Limited:

1. the Financial Statements and accompanying notes, as set out on pages 76 to 117, are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

*Note 2* confirms that the Financial Statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This Declaration is made in accordance with a resolution of the Directors.



DR. SIMONE L. SCOVELL  
*Chair*



RODNEY D. COCKS CSM  
*Director*

Melbourne, 23 August 2023

## Corporate Directory

### DIRECTORS

Dr. Simone L. Scovell (*Non-Executive Chair*)  
Rodney D. Cocks CSM (*Executive Director and Chief Executive Officer*)  
Jenelle L. Frewen (*Non-Executive Director*)  
Guy R. Headley (*Executive Director and Chief Commercial Officer*)  
Dr. Marcia A.M. Walker (*Non-Executive Director*)

### COMPANY SECRETARY

Thomas G. Howitt

### REGISTERED OFFICE

Suite 8, Level 3, 299 Toorak Road  
South Yarra Vic. 3141  
Australia

Telephone: **1300 799 491** (toll free)  
Email: **info@vitura.com.au**

### AUSTRALIAN BUSINESS NUMBER

59 629 071 594

### PRINCIPAL GROUP WEBSITES

www.vitura.com.au  
www.canview.com.au  
www.cdaclinics.com.au  
www.cannadoc.com.au  
www.cortexa.com.au

### STOCK EXCHANGE

#### Australian Securities Exchange

Level 4, Rialto North Tower  
525 Collins Street  
Melbourne Vic. 3000  
Australia

ASX code: **VIT**

### SHARE REGISTER

#### Computershare Limited

Yarra Falls  
452 Johnston Street  
Abbotsford Vic. 3067  
Australia

Shareholder enquiries: **1300 850 505** (toll free)  
**+61 3 9415 4000** (international)

### BANKER

#### Australia and New Zealand Banking Group Limited

833 Collins Street  
Docklands Vic. 3008  
Australia

### AUDITOR

#### Pilot Partners

Chartered Accountants  
Level 10, Waterfront Place  
1 Eagle Street  
Brisbane Qld. 4000  
Australia



**PILOT PARTNERS**  
Chartered Accountants  
Level 10, Waterfront Place  
1 Eagle Street  
Brisbane QLD 4000  
PO Box 7095  
Brisbane QLD 4001  
P +61 7 3023 1300  
[pilotpartners.com.au](http://pilotpartners.com.au)

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VITURA HEALTH LIMITED**

### **OPINION**

We have audited the financial report of Vitura Health Limited ("the Company" and its subsidiaries ("the Group")), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### **BASIS FOR OPINION**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



ABN 60 063 657 769 | Pilot is a registered trade mark licensed to Pilot Partners | Liability limited by a scheme approved under Professional Standards Legislation  
Nexia International is a worldwide network of independent accounting and consulting firms.



## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reason for significance	How our audit addressed the matter
<b>Revenue Recognition</b> – refer Note 2(e) Revenue Recognition accounting policy and Note 4 Revenue	
Revenue recognition in relation to the sale of medicinal cannabis products relies on significant judgements made by the Group in respect of when ownership of the products passes to Company.	<p>Our audit considered whether the revenue recognised by the Group was in line with the requirements of AASB 15 <i>Revenue from contracts with customers</i> (“AASB 15”).</p> <p>Using our understanding of the nature of the Group’s business and the environment in which it operates, we assessed revenue recognition. In doing so:</p> <ul style="list-style-type: none"> <li>(a) We performed a detailed review of the individual supplier contracts;</li> <li>(b) We assessed whether revenue was recognised in line with contracts and the criteria in AASB 15;</li> <li>(c) We performed transactional testing on revenue, including vouching to supporting documentation including drug registers to ensure the accuracy of revenue recognised; and</li> <li>(d) We considered the adequacy of the relevant disclosures in the financial report.</li> </ul>

## OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Group’s financial report for the year ended 30 June 2023, but does not include the financial statements and our auditor’s report thereon.



Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Liability limited by a scheme approved under Professional Standards Legislation



## REPORT ON THE REMUNERATION REPORT

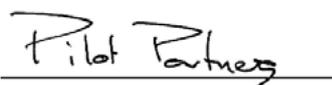
### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 46 to 62 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Vitura Health Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**PILOT PARTNERS**  
Chartered Accountants



**CHRIS KING**  
Partner

**Signed** on 23 August 2023

Level 10  
1 Eagle Street  
Brisbane Qld 4000

# ASX supplementary information

## INTRODUCTION

Vitura Health Limited (formerly Cronos Australia Limited) was admitted to the Official List of the Australian Securities Exchange (“ASX”) on 7 November 2019. The ASX code for the Company’s ordinary shares is **VIT**. The additional information provided in this section is required by the Listing Rules of the ASX and is not disclosed elsewhere in this Annual Report.

The information provided below is current as at **2 October 2023**.

## TWENTY LARGEST SHAREHOLDERS

The names and ranking of the twenty largest registered shareholders of the Company’s ordinary shares as at 2 October 2023 are:

Rank	Name of registered shareholder	Number of shares	Percentage held
1	Elizabeth Sarah Jansen <Stanford Investment Trust>	118,957,765	21.30%
2	Guy Rothwell Headley	109,048,772	19.53%
3	Cronos Global Holdings Inc.	55,176,065	9.88%
4	Matua Hasyo Charlie Jansen <Whanau Family Trust>	47,738,638	8.55%
5	HSBC Custody Nominees (Australia) Limited	22,470,003	4.02%
6	NewSouthern Investment Holdings 1 Pty. Ltd. <NewSouthern Investment Trust 1>	21,000,000	3.76%
7	NewSouthern Investment Holdings A Pty. Ltd.	20,000,000	3.58%
8	Stone Group Pty. Ltd. <Stone Children A/C>	19,950,243	3.57%
9	Ashanna Pty. Ltd.	10,766,897	1.93%
10	Hektares SG Holdings Pte. Ltd.	6,665,216	1.19%
11	UBS Nominees Pty. Ltd.	5,974,530	1.07%
12	Citicorp Nominees Pty. Limited	4,958,589	0.89%
13	Jessimine Jansen	4,653,379	0.83%
14	BNP Paribas Nominees Pty. Ltd. <IB AU Noms Retail Client DRP>	4,266,870	0.76%
15	Daniel Francis Birch <BES A/C>	3,798,013	0.68%
16	Ryan Tattle	3,451,189	0.62%
17	Arawhero Pty. Ltd. <Arawhero Super Fund A/C>	2,975,604	0.53%
18	Kanmed Investments Pty. Ltd.	2,368,718	0.42%
19	Marienburg Pty. Ltd. <Robinson Family A/C>	1,779,160	0.32%
20	BG & Dewar Pty. Ltd.	1,373,500	0.25%
	Total shares held by top 20 shareholders	467,373,151	83.68%
	Total shares held by remaining 3,468 shareholders	91,120,214	16.32%
	Total shares held by all 3,488 shareholders	558,493,365	100.00%

## UNMARKETABLE SECURITIES

On 2 October 2023, the number of shareholders holding less than a “marketable parcel” of ordinary shares (being 1,389 shares) was 538. The total number of ordinary shares held by these shareholders on that date was 479,222.

## SUBSTANTIAL SHAREHOLDERS

As at 2 October 2023, the following persons and organisations have disclosed a substantial shareholding notice to the Company under the *Corporations Act 2001*:

Name of substantial shareholder	Number of shares <sup>1</sup>
Dr. Benjamin David Ngahuia Jansen	124,290,842
Guy Rothwell Headley	112,202,151
Cronos Group Holdings Inc.	55,176,065
Matua Hasyo Charlie Jansen	48,837,899

1. Based on the number of shares disclosed in the relevant substantial shareholder notice.

## RESTRICTED SECURITIES

As at 2 October 2023, there were no ordinary shares that were subject to escrow.

## DISTRIBUTION OF EQUITY SECURITIES

The numbers of holders of securities in the Company as at 2 October 2023, ranked by size of holding, are as follows:

Security type	Holders	Numbers	Percentages
<b>Ordinary shares</b>			
1 - 1,000	330	233,505	0.04%
1,001 - 5,000	1,284	3,251,946	0.58%
5,001 - 10,000	640	4,758,690	0.85%
10,001 - 100,000	1,030	31,871,293	5.71%
100,001 and over	204	518,377,931	92.82%
Totals	3,488	558,493,365	100.00%
<b>Options</b>			
10,001 - 100,000	1	86,300	0.61%
100,001 and over	3	13,978,700	99.39%
Totals	4	14,065,000	100.00%

## UNLISTED SECURITIES

In addition to the Company's 558,493,365 ordinary shares, the unlisted securities in the table below are on issue as at 2 October 2023. All securities were granted pursuant to the Company's Employee Incentive Plan:

Description	ASX code	Number on issue	Number vested	Exercise price	Expiry date
Option over ordinary shares	CAUAC	86,300	86,300	\$0.50	7 November 2023
Option over ordinary shares	CAUAD	181,200	181,200	\$0.67	7 November 2023
Option over ordinary shares	CAUAE	297,500	297,500	\$0.83	7 November 2023
Option over ordinary shares	CAUAI	4,500,000	3,000,000	\$0.27	16 December 2025
Option over ordinary shares	CAUAJ	4,500,000	3,000,000	\$0.34	16 December 2025
Option over ordinary shares	CAUAK	4,500,000	3,000,000	\$0.41	16 December 2025
Totals		14,065,000	9,565,000		

## ON-MARKET BUYBACK

The Company currently has no on-market share buyback program.

## COMPANY SECRETARY AND ASX REPRESENTATIVE

Pursuant to ASX Listing Rule 12.6, Thomas Howitt, as the Company Secretary of Vitura Health Limited, has been appointed as the Company's ASX Representative.

## VOTING RIGHTS

The voting rights attaching to the ordinary shares are governed by the Company's Constitution.

Article 34.1 of the Company's Constitution stipulates the voting rights of the Company's Members (i.e. shareholders) as follows:

"Subject to this Constitution, the Relevant Law and to any rights or restrictions attaching to any class of Securities, at a meeting of the Company's Members:

(a) on a show of hands, each Member has one vote;

(b) on a poll, each Member has:

- (i) (or each fully paid Share held by the Member as at the time referred to Section 250L(4), one vote; and
- (ii) for each partly-paid Share held by the Member as at the time referred to Section 250L(4), a fraction of a vote equivalent to the proportion which the amount paid (not credited nor paid in advance of a Call) is of the total amounts paid and payable (excluding amounts credited) for the Share."

None of the outstanding options have any voting rights.



