

ASX Announcement

2024 Annual General Meeting

24 October 2024

The Annual General Meeting (**AGM**) for McPherson's Limited (**ASX:MCP**) will be held at 11.00AM (AEDT) on Wednesday 27 November 2024 at the offices of Thomson Geer, Level 14, 60 Martin Place, Sydney, NSW, 2000.

Attached are the following documents made available to shareholders today:

- 2024 McPherson's Limited Annual Report;
- 2024 AGM Notice of Meeting (including Explanatory Statement);
- 2024 AGM Notice of Access, Proxy Form and Lost Shareholder Notice; and
- McPherson's Limited 2024 Online Meeting Guide.

McPherson's AGM will be a hybrid meeting. Shareholders can attend the AGM in person at the offices of Thomson Geer in Sydney. Shareholders not attending in person can participate in the AGM online by entering this link in their browser:

<https://meetings.lumiconnect.com/300-621-354-840>

Details of the AGM are contained in the **attached** 2024 AGM Notice of Meeting (including Explanatory Statement) and the McPherson's Limited 2024 Online Meeting Guide. These documents, together with a copy of the 2024 McPherson's Limited Annual Report, are available on the McPherson's website www.mcphersons.com.au in the Investor Centre / Annual General Meetings section.

Authorisation

This ASX announcement has been authorised by the McPherson's Limited Board of Directors.

For further information please contact

Mark Sherwin (Chief Financial Officer) at msherwin@mcpher.com.au

Craig Durham (General Counsel & Company Secretary) at cdurham@mcpher.com.au

About McPherson's Limited

McPherson's Limited is a supplier of some of Australia's well-known essential health, beauty, and wellness products. McPherson's has five core household brands: 'Manicare', 'Lady Jayne', 'Dr LeWinns', 'Swisspers' and 'Fusion.' McPherson's strategy is to invest in and grow these brands through the pharmacy, grocery and e-commerce channels. In addition, the Company supplies a supporting portfolio of other popular brands in attractive segments of the market including haircare, vitamins and supplements, fragrance, and nutrition. McPherson's is headquartered in Sydney, has offices in Melbourne, Auckland, Hong Kong and Shanghai, and is listed on the Australian Securities Exchange.

For further information, please visit www.mcphersons.com.au



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ANNUAL REPORT 2024

Health. Wellness. Beauty.



McPHERSON'S
Est. 1860

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MCPHERSON'S
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ABOUT MCPHERSON'S LIMITED

McPherson's Limited is a leading supplier of some of Australia's most well-known essential health, wellness and beauty products. The company's portfolio is anchored by five core household brands: Manicare, Lady Jayne, Dr. LeWinn's, Swisspers, and Fusion Health. McPherson's strategic focus is on investing in and growing these brands through key channels including pharmacy, grocery, and e-commerce.

In addition to these flagship brands, McPherson's also supplies a diverse range of popular products across attractive segments such as haircare, vitamins and supplements, fragrance, and nutrition. Headquartered in Sydney, McPherson's operates offices in Melbourne, Auckland, Hong Kong, and Shanghai, and is publicly listed on the Australian Securities Exchange.



Financial Overview

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In FY24, McPherson's reported sales from continuing operations of \$144.6 million, a 6.8% decline from FY23's \$155.2 million. Of this, \$122.4 million came from our core brands. Underlying EBITDA¹ from continuing operations was \$7.7 million, reflecting a 36.8% decrease from \$12.1 million in FY23. The statutory net loss after tax from continuing operations was \$11.4 million, compared to a \$1.3 million loss in the previous year.

Total group results, which include both continuing and discontinued operations, show sales of \$197.6 million, down 6.0% from \$210.3 million in FY23. Group underlying EBITDA remained relatively stable at \$15.2 million, up 1.1% from \$15.0 million in FY23. The statutory net loss after tax for the total group was \$16.0 million, compared to a loss of \$5.1 million in the previous year.

The decline in sales from continuing operations largely reflects McPherson's strategic decision to exit non-core brands. Notwithstanding a more challenging trading environment, core brand sales remained broadly in line with FY23, outperforming portfolio and other Group brands. Underlying EBITDA from continuing operations was also negatively impacted by unfavourable currency movements (weaker AUD/USD) and the exit of non-core brands from the business.

The total Group's underlying EBITDA remained steady, supported by an improved result from the Multix business, which benefited from more favourable commodity and freight prices during the year. Improved operating cash flows, along with proceeds from the divestment of the Multix brand and inventory assets², resulted in an overall improvement in the Group's net cash position to \$14.1 million compared to a net debt position of \$6.5 million in FY23.

manicare®
PRECISION
TWEEZERS

1. Earnings before interest, tax, depreciation and amortisation (EBITDA) is a non-GAAP measure and does not have a standardised meaning prescribed by GAAP. However, the Company believes that, in combination with GAAP measures, it assists in providing investors with a comprehensive understanding of the underlying operational performance of the business. A reconciliation of EBITDA to net profit after tax is shown on page 74 of this report.
2. On 28 June 2024, McPherson's announced the completion of the sale of its Multix brand and inventory assets.

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RESULTS FROM CONTINUING OPERATIONS ¹

SALES

\$144.6m

▼ 6.8% | On FY23: \$155.2m



UNDERLYING EBITDA ³

\$7.7m

▼ 36.8% | On FY23: \$12.1m



STATUTORY NET LOSS AFTER TAX

\$(11.4)m

On FY23: \$(1.3)m



TOTAL GROUP RESULTS ²

SALES

\$197.6m

▼ 6.0% | On FY23: \$210.3m



UNDERLYING EBITDA ³

\$15.2m

▲ 1.1% | On FY23: \$15.0m



STATUTORY NET LOSS AFTER TAX

\$(16.0)m

On FY23: \$(5.1)m



1. On 28 June 2024, McPherson's announced the sale of its Multix brand and inventory assets (Multix), which is reported as a discontinued operation. Results from continuing operations excludes the results from Multix.

2. Total Group results are inclusive of continuing and discontinued operations.

3. Earnings before interest, tax, depreciation and amortisation (EBITDA) is a non-GAAP measure and does not have a standardised meaning prescribed by GAAP. However, the Company believes that, in combination with GAAP measures, it assists in providing investors with a comprehensive understanding of the underlying operational performance of the business. A reconciliation of EBITDA to net profit after tax is shown on page 74 of this report.

Key Achievements

DURING THE YEAR, MCPHERSON'S MADE SIGNIFICANT PROGRESS ON ITS TRANSFORMATION PLAN TO RE-SHAPE THE BUSINESS AND TO GENERATE VALUE FOR SHAREHOLDERS. FY24 REPRESENTED THE FIRST YEAR IN OUR MULTI-YEAR JOURNEY, WITH SEVERAL KEY ACHIEVEMENTS CONTRIBUTING TO A YEAR OF STRONG PROGRESS.

Key achievements across FY24:

- We set a new strategic direction for the Company to drive productivity and growth.
- Foundational steps were undertaken across brands and cost structures.
- We made investment in sales software and technology to support business growth.
- We have a new and experienced leadership team in place to deliver on productivity, growth and execution of our transformation.
- We divested the Multix brand and inventory assets.
- We experienced stable core brand performance during a challenging macroeconomic environment.
- We are now a pure-play health, wellness and beauty company (after divesting the Multix brand and inventory assets).

A two-phased approach was taken to drive transformation and unlock value.

Phase 1, initiated in the first half of FY24, was focused on resetting the Company's strategy. This involved establishing a clear plan to transform the business and to take logical steps toward value generation. During this phase, McPherson's streamlined its brand portfolio by focussing on its five core brands, ceasing private label operations, and exiting non-strategic and agency brands. Additionally, a headcount reduction was implemented to more efficiently manage costs.

As part of Phase 2, McPherson's continued to support its core brand performance with ongoing investment in consumer advertising and promotion (A&P). The Company identified long-tail stock keeping units (SKUs) for reduction to enhance efficiency, following the divestment of Multix brand and inventory assets in June 2024.

Productivity and efficiency improvements remains a priority, with our focus on enhancing inventory management, and overhauling our systems and processes. McPherson's also implemented Salesforce CRM for improved retail execution. The supply of domestic logistics services and the manufacture of formulated products were successfully competitively tendered.



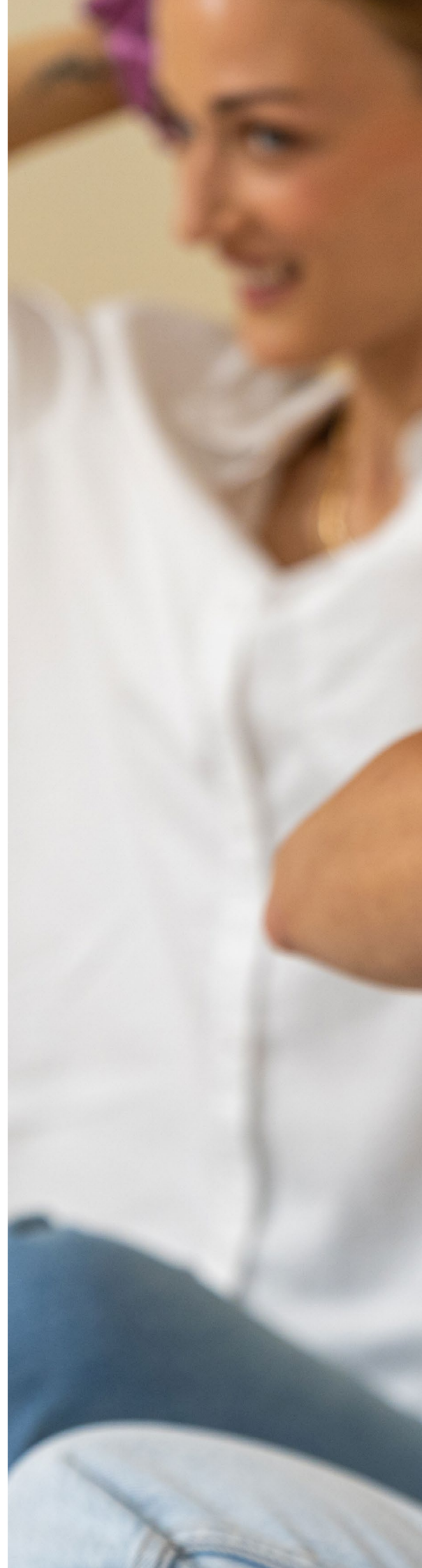
Investment in sales software and technology

TO SUPPORT BUSINESS GROWTH



New and experienced leadership team

IN PLACE TO DELIVER ON PRODUCTIVITY, GROWTH AND EXECUTION OF OUR TRANSFORMATION



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Message from the Company Chair



FY24 HAS BEEN A SIGNIFICANT YEAR FOR YOUR COMPANY. GIVEN THE CURRENT CONSUMER LANDSCAPE AND COMPETITIVE ENVIRONMENT, DECISIVE ACTION AND A STRATEGIC RESET WAS REQUIRED AT MCPHERSON'S.

The strategy that has been set out, and the steps that have been taken mark the beginning of a new chapter for your company, one that we believe will deliver sustainable long-term growth for all stakeholders.

To initiate the required changes, the Board appointed a new CEO, Brett Charlton, who commenced in August 2023. Following a comprehensive review of operations, a clear set of priorities were identified to unlock value. Management has since taken significant steps to simplify the business, focus on core strengths, and lay the groundwork for a stronger future.

As part of the reset, a new leadership team has been recruited, including individuals who have extensive experience in driving operational turnarounds and their focus on enhancing business performance is vital as we navigate the Company through this period of transformation.

The management team's efforts in FY24 were centred on right-sizing the organisation, optimising our cost base, and implementing initiatives that will deliver long-term benefits. While this groundwork involves significant one-off costs and restructuring efforts, these steps have been foundational, and the business is now better placed to implement its transformation. The divestment of the Multix brand and inventory assets was a key milestone in this journey. By streamlining the portfolio and exiting non-strategic categories, McPherson's is now a pure-play health, wellness and beauty company in highly attractive and resilient segments of the market.

Through the year, the macroeconomic environment continued to prove challenging, and trading performance reflects this. Nevertheless, our core brands showed resilience, with revenue remaining broadly in line with the previous year and the gross margin reflecting the start of a shift to higher margin products. Notwithstanding our statutory loss, these early results provide confidence that our strategy is yielding the intended outcomes, even as we navigate the current tough trading environment.

Due to the retained earnings balance and current year loss, McPherson's was not in a position to pay a final dividend for FY24. The total dividend for FY24 was therefore 2 cents per share paid on 22 March 2024. As part of the next stage of its transformation, the Company will conduct a review of its capital allocation framework and dividend policy to better align with McPherson's refreshed strategy.

With your new management team in place, a refreshed strategic focus, and a portfolio of market leading brands, McPherson's is well-positioned for the future.

On behalf of the Board, I would like to thank Brett and his management team, and all of McPherson's employees for their dedicated commitment to improving the Company. I would also like to thank my fellow directors for their support and valuable input throughout the year. And finally, I would like to thank you, our shareholders for your enduring support in our vision.



ARI MERVIS
Chair



HELEN
THORNTON

BRETT
CHARLTON

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With our new management team in place, a refreshed strategic focus, and a portfolio of market leading brands, McPherson's is well-positioned for the future.

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ARI
MERVIS

ALISON
COOK

JANE
McKELLAR

Message from the CEO:

DRIVING TRANSFORMATION AND DELIVERING ON OUR STRATEGY



When I stepped into the role as CEO of McPherson's in August last year, I made it clear that our priority was to simplify, focus, and reset the Company. In November 2023, we set out a refreshed strategy and a clear plan to unlock growth. It has been a year of significant change for the business, with more transformation to come, but I am pleased to report that we have made steady and meaningful progress and delivered what we set out in November. In doing so, we have created a stronger business for the next stage of transformation.

FINANCIAL RESULTS

Our financial results for FY24 reflect the scale of the transformation underway in the business. Following the divestment of the Multix brand and inventory assets, we reported our financials as McPherson's Continuing Operations. We also provided Total Group financials, including Multix, to allow investors to compare FY23 and FY24 more easily, as well as some further financial information on Multix to help understand the implications of the divestment.

Revenue from Continuing Operations was \$144.6 million, down 6.8% compared to \$155.2 million in FY23. This decline reflects the decision to exit non-strategic brands from the portfolio, reflecting deliberate steps to simplify and focus the business. Sales of the company's core brands outperformed other group brands, resulting in a shift towards a more favourable, higher margin product mix. Notwithstanding a more challenging trading environment, core brand revenue of \$122.4 million was broadly in line with the prior year (down 0.7% from \$123.3 million).

Underlying EBITDA¹ from Continuing Operations was \$7.7 million, down from \$12.1 million in FY23, chiefly reflecting the impact of a weaker AUD / USD and the performance of non-core brands, including the exit of non-strategic and agency brands from the Group.

A number of material items impacted the result for the year, arising from the re-set of the business in FY24. The pre-tax value of these material items totalled \$12.7 million, resulting in an EBITDA loss from Continuing Operations (after material items) of \$5.0 million, down from a gain of \$8.5m in FY23. Our statutory net loss from Continuing Operations was \$11.4 million compared to a loss of \$1.3 million in FY23. These are not the results we want to see but they do reflect some of the decisions we have made to re-set and transform the business during the year.

REFRESHED STRATEGY

Under our refreshed strategy, our first major step was to focus on our five core brands in health, wellness and beauty. These brands are Manicare, Lady Jayne, Dr LeWinn's, Swisspers and Fusion Health and they are McPherson's most recognisable and most successful brands in high margin categories. Consistent with our refreshed strategy, McPherson's will continue to invest in these core brands to achieve sustainable growth and seek to increase our market share.

1. Earnings before interest, tax, depreciation and amortisation (EBITDA) is a non-GAAP measure and does not have a standardised meaning prescribed by GAAP. However, the Company believes that, in combination with GAAP measures, it assists in providing investors with a comprehensive understanding of the underlying operational performance of the business. A reconciliation of EBITDA to net profit after tax is shown on page 74 of this report.

NATHAN
ALEXANDER

STUART
MACAULAY

NIKKI
BURKE

HANLI
PRETORIUS

Our next step was the decision to review, and then divest, the Multix brand and inventory assets, a legacy part of our business that no longer aligned with our strategic direction. This was not just about removing a non-core brand with fundamentally different drivers to our core business, but also about freeing up resources to reinvest in our core brands, which are the foundation of our business. The completion of this divestment in June 2024 resulted in the receipt of 19 million in proceeds (prior to completion adjustments). This is important for two reasons. Firstly, it allows us to focus on what we do best: building market-leading brands in the health, wellness, and beauty categories. Secondly, our strengthened balance sheet and net cash position allows us to de-risk and accelerate our investment in growth and transformation.

We also took significant steps this year to strengthen the business operationally. From exiting non-strategic brands and reducing our cost base to restructuring our team, each decision has been purpose-driven, aimed at ensuring we have the agility and focus needed to compete effectively. These initiatives, while necessary, have naturally come with material costs that impacted our statutory result. However, the underlying performance, particularly in our core brands, gives us confidence that we are on the right path.

LOOKING AHEAD

Looking ahead, FY25 will be about building on the foundations we have laid in FY24. Our immediate priorities will be to further develop our plans for a potential new route to market strategy to assist in right-sizing the cost-base and to support business growth. We are also actively pursuing efficiencies across our supply chain and infrastructure. We will also look to deepen our investment in our core brands, ensuring they are supported by the right innovation, marketing, and channel strategies to drive growth and increased market share.

Transforming an organisation is rarely straightforward, but the progress we have made this year has positioned us to accelerate our plans with greater confidence.

In closing, I'd like to thank the Board for their faith in myself and the executive team to execute this plan. The experience around the table, as we deal with complex issues, is an inspiration to me and the team. We have an experienced team in place executing on our strategy and I continue to be inspired by the potential that they see in McPherson's every day.

I also want to extend my thanks to the entire McPherson's teams for their efforts over the year. One of the things that drew me to McPherson's originally was its people and their clear passion for what we do. I've seen this in action throughout the year as the whole team has pulled together and worked hard to deliver on our strategy and to support each other through a time of change.

Finally, I'd like to thank you, our shareholders, for your support through our journey. We are committed to delivering sustainable results and creating lasting value as we enter this next phase of our transformation.

BRETT CHARLTON
Chief Executive Officer &
Managing Director



CRAIG DURHAM

BRETT CHARLTON

MARK SHERWIN

JANE BERKERY

JADE PEAK

MELISSA SHERRY

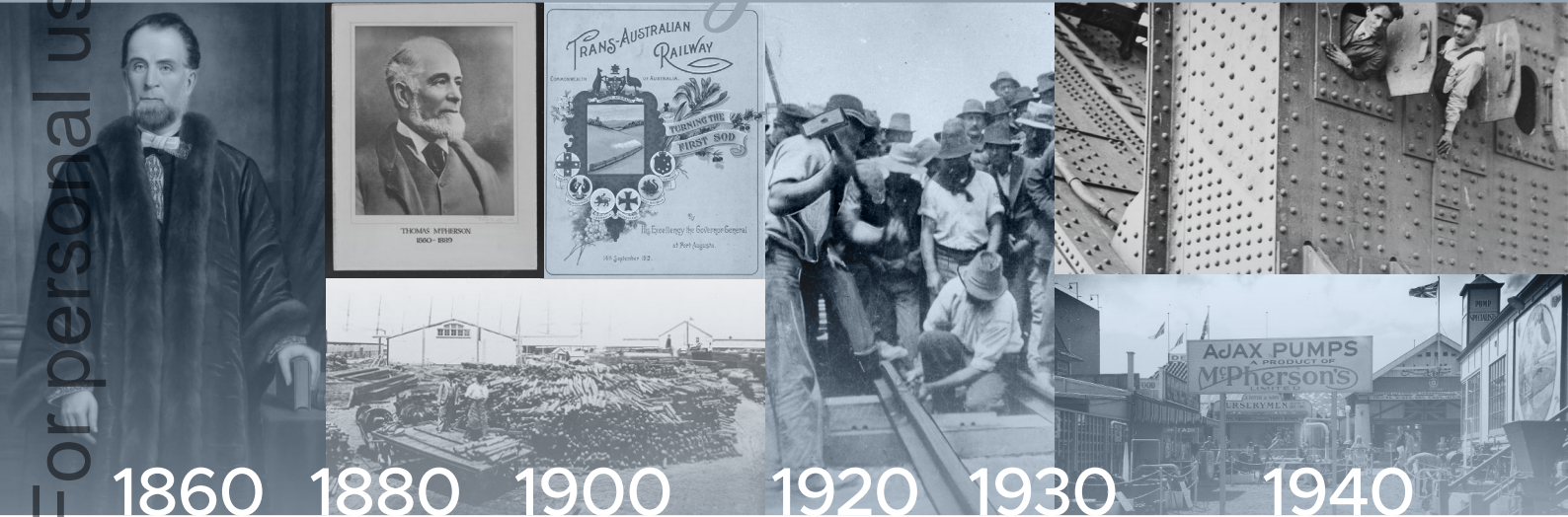
UNDERSTANDING OUR LEGACY:

A Foundation for Future Growth From Bolts to Beauty

McPherson's has a rich history dating back over

160 years

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1860 1880 1900 1920 1930 1940

GOLD RUSH BOOM INTO WW1

INTERWAR

1860 Thomas McPherson established an iron business, Thomas McPherson & Son, in Melbourne.

1883 Hunter McPherson, one of Thomas' three sons, sent to open a branch in Sydney.

1889 Thomas McPherson passed, leaving to sons William and Edward the Melbourne business.

1896 Edward McPherson passed, William became sole proprietor of Thomas McPherson & Son, Melbourne, with eight employees.

1900 Manufacture of Bolts and Nuts commenced at West Melbourne.

1911 William opened a branch in Wentworth Street, Sydney.

1913 Name changed to McPherson's Pty. Ltd.

1914 A new Sydney branch was opened on Bathurst Street.

1915 McPherson's Pty. Ltd. contract with a Melbourne firm to make lathes under McPherson's supervision

1918 McPherson's Pty. Ltd. establish their own Machine Tool Works at Kensington, Victoria to produce the Macson Lathe.

1921 Adelaide branch opened.

1924 Bolt Works transferred to Richmond, Victoria

1929 Sir William McPherson resigned as Governing Director and was succeeded by his son William.

1930 Perth branch opened.

1934 Bolt Works established at Alexandria, NSW.

1936 McPherson's Melbourne House moved to new building 546-566 Collins Street.

1938 Machine Tool Works enlarged and modernised. McPherson's acquired Tool Equipment Co. Pty. Ltd. and Australian Abrasive Pty. Ltd. commenced manufacturing.

1939 Ajax Pump Works established at Tottenham, Victoria. Ajax Bolt and Rivet Co. Ltd. commenced manufacturing in New Zealand with McPherson's holding controlling interest. Machine Tool Foundry transferred to Tottenham.

1944 Name changed to McPherson's Ltd. when firm became a public company with William E. McPherson as Chairman.

The Company has risen from a humble metal and hardware merchant into a strong and diversified business in the health, wellness and beauty sector. Our rich history demonstrates a tangible value that strengthens our brand, enhances our culture, and supports our ongoing transformation and future growth.

UNEARTHING OUR PAST

The McPherson's story began in the mid-19th century when Thomas McPherson, a Scottish immigrant, established the Company as an iron merchant to meet the needs of a growing Melbourne during a gold rush. From these humble beginnings, McPherson's expanded into bolt manufacturing, machinery, and later diversified into areas such as printing, ultimately evolving into the consumer goods company we are today.

Over the decades, McPherson's has continuously adapted to meet market demands, from pioneering engineering tools to today's focus on health, wellness, and beauty. Our ability to anticipate industry trends and adapt has been key to our sustained growth.

ENHANCING COMPANY CULTURE

Throughout our history, we have placed great importance on fostering long-term relationships with our customers, our people, and the communities in which we operate. From launching one of Australia's first profit-sharing programs in 1896 to establishing employee shares and superannuation schemes, McPherson's has consistently put its people at the heart of the business. This legacy continues to shape our culture today, where employee support and community engagement remain core to our values.

DRIVING FUTURE GROWTH: BUILDING ON OUR TRANSFORMATION

FY24 marked a pivotal year in McPherson's transformation. Our rich heritage has reinforced the values that shape our business as we progressed through the first year of our transformation roadmap. This has allowed us to align our past achievements with our current strategic initiatives, ensuring that our development and change is built on the same principles that have driven our success for over 160 years.

With a strong foundation rooted in innovation, employee well-being, and community engagement, McPherson's is well-positioned for future growth.



WW2 & POST-WAR RECONSTRUCTION

A NEW 'MODERN' ERA

1957 Brisbane branch opened. Guest, Keen & Nettlefold's Ltd., a New Zealand company, purchased interest in Ajax Bolt & Rivet Co. Ltd., the New Zealand subsidiary. Name of Company changed to Ajax G.K.N. Ltd. with McPherson's Ltd. and Guest, Keen & Nettlefold's Ltd. as equal shareholders.

1960 Acquired substantial interest in LS Barker Pty Ltd a woodworking company. William David McPherson, son of W. E. McPherson, became Deputy Chairman to make the fourth generation to lead the organisation. The Sydney business of Thomas McPherson & Son, which had continued its operations under separate ownership since 1888, merged with McPherson's.

The turbulent years.
The beginnings of a period of decline.
1970s Head office moved to 500 Collins Street Melbourne.

From Bolts to Beauty.
A difficult transition. Extended interests in the printing and housewares businesses.
Purchased balance of:
1980 Wiltshire;
1981 The Dominion Press, and;
1983 the William Brooks & Co. Directory Printing Operation.

Major transformation. Core commitment to Health, Wellness & Beauty. 'De-risking' the business.
2003 McPherson's acquired Cork International's Asia Pacific Business (Manicare & Lady Jayne brands).
2004 Further acquisitions with the purchase of Accantia Health & Beauty (July) Multix (October).
2011 company vision to be a world class consumer products company.
2012 McPherson's printing business was demerged from the group. The focus now purely on consumer products.
2014 Divestments including Crown glassware business. Move into home appliances (Euromaid).
2015 McPherson's Limited designs, sources and markets products under four broad categories: Health & Beauty, Home Appliances, Household Consumables and Impulse Merchandising.
2016 Housewares business fully divested. Chinese market seen as key opportunity for beauty products.
2024 Divested Multix brand and inventory

Our People

OUR PEOPLE HAVE ALWAYS BEEN THE CORNERSTONE OF MCPHERSON'S SUCCESS. WE ARE COMMITTED TO UNLOCKING THEIR FULL POTENTIAL BY PROVIDING OPPORTUNITIES FOR CAREER-DEFINING ACHIEVEMENTS AND TRANSFORMING PRODUCTIVITY THROUGH INNOVATIVE TECHNOLOGY.

FOSTER A CULTURE OF SAFETY AND WELLBEING

At McPherson's, the safety and well-being of employees is paramount. This year, we introduced enhanced and automated safety incident reporting through Employment Hero, streamlining how incidents are reported and managed across the company. This system empowers our employees to quickly and easily report safety concerns in real-time, ensuring better visibility of incidents.

BUILDING A HIGH-PERFORMANCE CULTURE

Building a high-performance culture is a key focus of our transformation. To drive accountability and alignment, we implemented OKRs (Objectives and Key Results) and introduced a 90-day performance cycle, ensuring regular progress tracking and agile goal setting. Each quarter, our teams participate in "pitstops" where we review progress, celebrate successes, and recalibrate for the next cycle.

RECOGNISING AND CELEBRATING OUR PEOPLE

Recognising and celebrating the exceptional efforts of our people is a core part of our culture. Each month, we present Values Awards to acknowledge those who go above and beyond in their roles and make meaningful impact. These awards highlight our dedication to recognising teamwork and high performance.

PRODUCTIVITY ENHANCEMENTS THROUGH TECHNOLOGY

The implementation of the Salesforce Retail Execution module (REX) is enhancing our field sales team's capabilities, providing real-time data access to optimise decision-making and improve in-store execution. Complementing this, the introduction of Employment Hero as our people management system has streamlined HR processes, from recruitment to performance management. Both systems are designed to be fit for purpose, giving us the tools to increase efficiency and align our operations with business objectives.

HIGHLIGHTS AS OF JUNE 2024:

EMPLOYEES

264



FEMALE REPRESENTATION

66%



NEW HIRES

58



Environmental, Social and Governance (ESG)

FY24 HAS SEEN A SUBSTANTIAL INCREASE IN ESG FOCUS BOTH AT OPERATIONAL AND REGULATORY LEVELS.

Governments, industry, global organisations and educational and research institutions around the world are currently grappling with the challenges of climate change, sustainability, aging infrastructure and the increasing costs of energy production.

In Australia, we've seen the introduction of mandatory climate related financial disclosure as well as the pending introduction of Extended Producer Responsibility for product packaging. At present, McPherson's will be required to commence climate related financial disclosure reporting for the financial year commencing 1 July 2027.

Given the evolving regulatory landscape, changing market and stakeholder expectations and the transformative changes within our business, during FY24 McPherson's carried out an independent ESG materiality assessment. This assessment involved an analysis of aspects of ESG that are highly relevant to our business as well as important insights received from a variety of our stakeholders including shareholders, customers, suppliers and our people. This materiality assessment has directed our ESG focus to lay solid foundations to address the Company's identified ESG priorities.

During FY24, we:

- Completed our baseline Scope 1,2 and 3 Green House Gas emissions footprint.
- Completed our ESG materiality assessment.
- Continued the work to transition our brands to meet the goals of the National Packaging Targets.
- Incorporated climate risks into our Enterprise Risk Register.
- Improved visibility into our supply chain through our SEDEX membership (which is the world's largest data platform for ESG related supply chain assessment. With over 85,000 members globally, the platform enables McPherson's to analyse sustainability practices across our supply chain).

Our focus for FY25 will be to continue our work to embed our identified ESG priorities in our business for long-term value creation for our shareholders and stakeholders and lay the foundation to ensure compliance for current and future regulations. These priorities are centred around delivering on our product packaging (i.e. seeking to meet relevant and applicable sustainability requirements for the packaging of our products), delivering a sustainable supply chain (i.e. seeking to ensure our supply chain meets relevant and applicable sustainability standards and relevant laws and regulations) and preparing for our upcoming mandatory climate related financial disclosures.

Our ESG risks are identified, assessed, mitigated and reported by management and are overseen by the Company's Risk & Compliance Committee and the Board. Regular reports on the Company's risks, including identifying and managing our ESG risks, are provided to the Risk & Compliance Committee. Along with these risk reports, progress reports on the implementation of the Company's ESG priorities are provided to the Board.

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Serving Our Community

AT MCPHERSON'S, OUR COMMITMENT TO COMMUNITY SERVICE IS AMPLIFIED THROUGH OUR PARTNERSHIP WITH GOOD360, AN ORGANISATION DEDICATED TO CONNECTING BUSINESSES WITH NONPROFITS TO PROVIDE ESSENTIAL GOODS TO THOSE IN NEED.

Good360 works tirelessly to ensure that surplus products find their way to communities where they can make the most impact, turning everyday essentials into instruments of hope and change.

In early 2024, our collaboration with Good360 enabled us to support impactful initiatives that brought essential products and to vulnerable communities across Australia.



BEAUTY BEYOND BASICS

Salisbury Primary School | June 2024

In June 2024, Salisbury Primary School in South Australia received a generous donation of Dr. LeWinn's beauty and skincare products, valued at \$57,905 (RRP). Facilitated by Good360, this contribution provided essential skin cleansers, toners, repairers, and hair conditioners to 200 individuals within the school's community.

For many families in Salisbury, financial challenges mean that non-essential items like beauty and skincare products become unaffordable luxuries. This donation not only alleviated that burden but also brought a sense of dignity and joy to those who received it. The positive reactions from the mothers, who were particularly appreciative of these donations, underscore the significant impact that such contributions can have on communities.



Women's Safety Services SA

FROM LITTLE THINGS BIG THINGS GROW

Women's Safety Services (South Australia) Ltd — Inner North | July 2024

In July 2024, McPherson's, provided \$33,593 (RRP) worth of Dr. LeWinn's skincare and A'kin hair care products to Women's Safety Services in South Australia. This organisation supports women and children who escape domestic and family violence, offering emergency accommodation and vital resources.

For the 50 lives impacted by this donation, access to basic hygiene products like skin cleansers and hair conditioners is more than just a necessity it restores pride during an incredibly challenging time. The brand new, sealed products provided a touch of luxury that these individuals might not have experienced before, offering them comfort and a sense of normalcy amid the upheaval of their lives.

MAKING A LASTING IMPACT



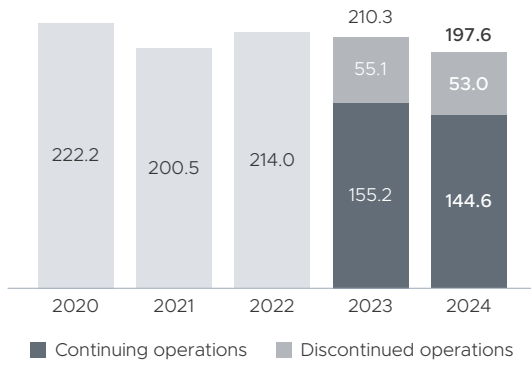
These impact stories underscore the meaningful difference that McPherson's donations have made in communities facing challenges. We are proud to support those who need it most, ensuring they have access to essential resources and a renewed sense of wellbeing. Together with Good360, we are committed to building stronger, more resilient communities.

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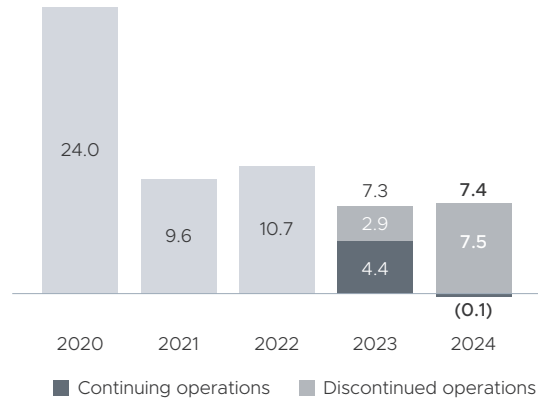
Review of Operations

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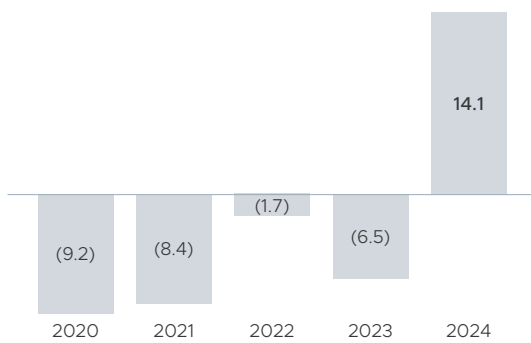
Total Group Sales (\$m)



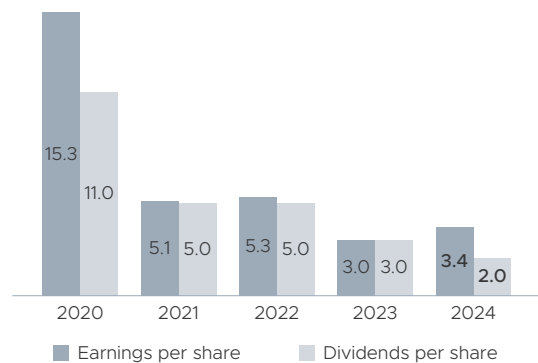
Total Group underlying profit before tax (\$m)¹



Net (Debt) / Cash (excl lease liabilities) (\$m)



Total Group underlying earnings (EPS) and dividends per share (cps)¹



RESULTS FOR THE YEAR



FY24 has been a year of progress for McPherson's. Following the appointment of a new CEO in August 2023, McPherson's announced a refreshed strategy and clear plan to unlock value for shareholders. During the year, McPherson's has taken deliberate steps to simplify and focus the business, including divesting the Multix brand and inventory assets. The FY24 result reflects the scale of the transformation underway, including one-off costs incurred.

1. Underlying performance excludes material items on page 72 of this report.

CONTINUING OPERATIONS

Continuing Operations results	FY24 (\$m)	FY23 (\$m)	Change (\$m)	Change (%)
Revenue	144.6	155.2	(10.5)	(6.8%)
Underlying EBITDA	7.7	12.1	(4.5)	(36.8%)
Material items (before tax)	(12.7)	(3.7)	(9.0)	(246.2%)
EBITDA including material items	(5.0)	8.5	(13.5)	(158.9%)

Revenue from Continuing Operations was \$144.6 million, down 6.8% compared to \$155.2 million in FY23. Sales of the Company's core brands have outperformed portfolio and other group brands, and the results reflect a shift towards a more favourable, higher margin product mix. Across the Group, and notwithstanding a more challenging trading environment, core brand revenue of \$122.4 million was broadly in line with the prior year of \$123.3 million in FY23. This performance reflects a relatively stronger second half with revenue growth up 1.8% vs. the prior comparable period, compared to a decline in 1H24 of 2.9% vs. the prior comparable period.

Sales of the Company's portfolio brands declined \$2.7 million during the year, mostly driven by supply challenges, which management has been focused on resolving through the appointment of new manufacturers and resolving product dating issues, and a transition of focus from our Oriental Botanical's brand to the Fusion Health brand. In line with the strategic reset announced in November 2023, the Company began exiting private label and non-strategic brands. Sales from these products declined \$6.9 million during the year.

Underlying EBITDA from Continuing Operations was \$7.7 million, down from \$12.1 million in FY23. This result primarily reflects the unfavourable impact of a weaker AUD/USD, a decline in the contribution after A&P (CAAP) from portfolio brands and the need for stock provisioning on certain SKUs due to shelf-life constraints. The Group's exit from non-strategic and agency brands also contributed to a CAAP decline. This was partially offset by the shift to higher margin core brands. Reduced operating costs primarily reflect an overall reduction in employee costs of \$1.1 million related to restructuring activities in 1H24 and an increase in other expenses including new sales software licence fees and increased market research.

EBITDA from Continuing Operations after material items was (\$5.0) million, down from \$8.5 million in FY23. Material items from Continuing Operations were \$12.7 million pre-tax and are discussed in more detail below.

TOTAL GROUP

Total Group results	FY24 (\$m)	FY23 (\$m)	Change (\$m)	Change (%)
Revenue	197.6	210.3	(12.6)	(6.0%)
Underlying EBITDA	15.2	15.0	0.2	1.1%
Material items (before tax)	(26.7)	(12.0)	(14.7)	(123.2%)
EBITDA including material items	(11.5)	3.1	(14.6)	(473.6%)

Total Group revenue was down 6.0% on the previous year, with revenue from continuing operations down 6.8%, largely reflecting the decision to exit non-strategic agency brand relationships; and revenue from discontinued operations (Multix) down 3.8%, reflecting the continued shift of consumers to private label products in the bags, wraps and foils category.

Total Group underlying EBITDA for the year was steady at \$15.2 million, with EBITDA margin increasing +0.5 pts to 7.7%. This uplift primarily reflects an improved underlying EBITDA result from the Multix business, which benefited from more favourable commodity and freight prices during the year.



TOTAL GROUP SALES

\$197.6m


 TOTAL GROUP
UNDERLYING EBITDA

\$15.2m

DIVESTMENT OF MULTIX

On 28 June 2024, McPherson’s announced it had completed the sale of the Multix brand and inventory assets for \$19 million (prior to completion adjustments). The sale followed a strategic review of the Multix brand, which concluded that the revenue drivers, opportunities and challenges for Multix were different to those for McPherson’s core brands, and that there was not sufficient strategic alignment with McPherson’s core business to retain Multix. In particular, the review considered:

- Structural changes in the bags, wraps and foils category due to changing consumer preferences and government and regulatory focus on packaging materials;
- The strong representation of private label products within the competitor universe and the challenges of establishing a point of difference; and
- The volatility of McPherson’s earnings from Multix as a result of cyclical currency, commodity and freight cost exposures.

McPherson’s impaired the Multix brand by \$8.3 million in FY23 because of these factors. With an improvement in commodity and freight costs in FY24, the Board determined it was an opportune time for the divestment of the brand and inventory assets. Due to its relative size and nature, the Multix business is reported as a discontinued operation.

Results	FY24 (\$m)	FY23 (\$m)	Change (\$m)	Change (%)
Revenue	53.0	55.1	(2.1)	(3.8%)
Underlying EBITDA	7.5	2.9	4.6	160.7%
Material items (before tax)	(14.0)	(8.3)	(5.7)	(68.9%)
EBITDA including material items	(6.5)	(5.4)	(1.1)	(19.9%)
Loss on sale after tax	(9.4)	—	(9.4)	100%
Loss from discontinued operations	(4.6)	(3.8)	(0.8)	(21.6%)

Revenue from discontinued operations was \$53.0 million, down 3.8% compared to \$55.1 million in FY23. In addition to the shift of consumers to private label products, the decline in sales revenue during FY24 reflects the full year impact of range reductions by a key grocery customer during FY23.

Underlying EBITDA of \$7.5 million, represents a significant increase on the prior year, and reflects the combined impact of favourable commodity and freight prices (net of unfavourable FX), and reduced operating costs – primarily reduced A&P investment and employee costs.

OPERATIONAL TRANSFORMATION UPDATE

Following the divestment of Multix, notwithstanding the exit of direct variable costs, the continuing operations retain a large portion of the shared fixed cost base that supports its remaining brands, including warehouse capacity and associated distribution and operating costs.

Addressing this residual cost base, and ensuring the business has the right cost structure to drive efficiency and growth in its core and portfolio brands, is now a key priority for the business. The existing cost infrastructure supporting the Group’s brands is significant, underutilised and will increase over time as a result of rent reviews, and outdated and unsupported warehouse systems that will require replacement and modernisation at significant cost.

As a result of these factors, management identified a potential new route to market strategy to assist in right-sizing the cost-base and to support business growth.

With the sale of Multix now completed, McPherson’s is a pure-play health, wellness and beauty company focused on investing in, and growing, its five core brands: Manicare, Lady Jayne, Dr LeWinn’s, Swisspers and Fusion Health. These core brands operate in attractive categories such as beauty accessories, hair accessories, skincare, cotton and vitamins, minerals and supplements, that show strong and consistent growth and the potential for higher margins.



MULTIX BRAND AND INVENTORY ASSET SALE

\$19.0m

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BUSINESS UNIT PERFORMANCE

Australia and New Zealand (ANZ)

Results	FY24 (\$m)	FY23 (\$m)	Change (\$m)	Change (%)
CONTINUING OPERATIONS				
Revenue	139.1	146.6	(7.5)	(5.1%)
Underlying EBITDA	12.8	17.6	(4.8)	(27.3)
TOTAL ANZ				
Revenue	192.1	201.6	(9.5)	(4.7%)
Underlying EBITDA	20.3	20.5	(0.2)	(1.0%)

The ANZ Business Unit reported revenue of \$192.1 million, down 4.7% on FY23, and underlying EBITDA of \$20.3 million, broadly in line with FY23.

When adjusted for discontinued operations, revenue declined 5.1% to \$139.1 million and underlying EBITDA was down \$4.8 million to \$12.8 million. This decline in EBITDA reflects similar drivers to those discussed in relation to the continuing operations of the Group – namely, the impact of a weaker AUD/USD, the performance of the portfolio brands and non-strategic and agency brands, and stock provisioning; partially offset by employee cost savings from restructuring activities during the year.

Revenue from McPherson’s five core brands was \$117.9 million in FY24, marginally behind FY23 (\$118.4) million. Dr LeWinn’s, Swisspers and Lady Jayne grew moderately compared with the previous year, while Manicare was impacted by increased competitor activity and Fusion was hampered by supply challenges.

The ANZ business is typically weighted to 1H, reflecting the timing of seasonal promotional events and the lead-in to Christmas. As a result, core brand sales in 2H24 were below 1H24. However, the relative performance of core brands improved in 2H24, with growth of 2.4% on the prior comparable period, compared to a decline of 2.9% in 1H24.

Revenue from supporting portfolio brands decreased \$2.3 million or 12.2%, with weaker performances by certain brands particularly impacted by supply challenges and the transition of focus from our Oriental Botanical’s brand to the Fusion Health brand.

Revenue from the EDA brands for the full year was below expectations. McPherson’s is reviewing its strategy with respect to EDA brand performance, including opportunities to expand deeper into the pharmacy channel, and different supply chain solutions to expand shelf-life. However, in light of current performance, accounting standards require the inventory prepayment be fully written down during the current period. This recognises that the recoverability of the asset, at this stage, is sufficiently uncertain to warrant amortisation over the remaining 3 years of the initial 5-year term.

In November 2023, McPherson’s announced it would cease private label and exit non-strategic agency brands. In FY24, these brands accounted for \$4.7 million in revenue, down from \$8.8 million in FY23.



ANZ TOTAL SALES

\$192.1m



ANZ TOTAL UNDERLYING EBITDA

\$20.3m¹

1. Earnings before interest, tax, depreciation and amortisation (EBITDA) is a non-GAAP measure and does not have a standardised meaning prescribed by GAAP. However, the Company believes that, in combination with GAAP measures, it assists in providing investors with a comprehensive understanding of the underlying operational performance of the business. A reconciliation of EBITDA to net profit after tax is shown on page 74 of this report.

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REVIEW OF OPERATIONS CONTINUED

International

Results	FY24 (\$m)	FY23 (\$m)	Change (\$m)	Change (%)
CONTINUING OPERATIONS				
Revenue	5.6	9.3	(3.8)	(40.5%)
Underlying EBITDA	(0.6)	(1.3)	0.7	55.9%

The international business achieved revenue of \$5.6 million, down 40.5% from \$9.3 million in FY23. This decline primarily reflects the decision to exit non-strategic agency and distributor partners in Singapore. Notwithstanding some supply constraints, the performance of Dr LeWinn's in China was marginally ahead of the prior year (+0.5%), and sales of Manicare, although modest, increased off a low base.

Underlying EBITDA of \$(0.6) million represents an improvement of 55.9% on FY23. Notwithstanding the decline in sales, this improvement reflects favourable product mix from a higher weighting of core brand sales, coupled with employee and other cost savings.

Material Items

McPherson's has recognised \$26.7 million in pre-tax material items, resulting primarily from the re-set of the business in FY24, but also reflecting the impact of the trading performance of certain non-core brands.

Pre-tax material items from continuing operations were \$12.7 million and comprise:

- \$3.7 million impairment and \$1.2 million amortisation of the EDA inventory prepayment.
- \$2.8 million impairment of other non-core portfolio brands, including Maseur, Oriental Botanicals and Revitanail. These impairments reflect the trading performance of these brands, and the impact of the Multix brand residual cost base on the profitability of other brands in the portfolio.
- \$2.3 million inventory write-down associated with product rationalisation and exit of non-core agency brands.
- \$1.7 million in restructuring costs associated with right-sizing the organisation's employee base.
- \$1.0 million in other material items including transition costs associated with the leadership refresh and professional fees in relation to the ASIC matter.

Pre-tax material items from discontinued operations were \$14.0 million and comprise:

- \$13.4 million loss on divestment of the Multix brand and inventory assets, including \$11.9 million non-cash write-down of brand and allocated goodwill; and \$1.5 million of related transaction and other costs.
- \$0.6 million in restructuring costs associated with the Multix divestment.



INTERNATIONAL SALES

\$5.6m



INTERNATIONAL UNDERLYING EBITDA

\$(0.6)m¹

1. Earnings before interest, tax, depreciation and amortisation (EBITDA) is a non-GAAP measure and does not have a standardised meaning prescribed by GAAP. However, the Company believes that, in combination with GAAP measures, it assists in providing investors with a comprehensive understanding of the underlying operational performance of the business. A reconciliation of EBITDA to net profit after tax is shown on page 74 of this report.

CATEGORY & BRAND OVERVIEW:

We continued to invest in our 5 core brands



MANICARE

Manicare continues to be the #1 beauty tools and accessories brand in Australia holding ~29% market value share¹. During the year, the trading environment in the beauty tools and accessories category has been challenging, as consumers pull back on discretionary spending and seek value alternatives in the Private Label space.

Competition within the category continued to escalate in FY24 with the expansion of Private Label offerings within grocery and pharmacy. The result has been downward pressure on price within the category, which has disproportionately impacted Manicare as the premium brand.

In FY24, Manicare continued to prioritise innovation, particularly within the pharmacy channel, to strengthen brand presence. This year, we successfully expanded our salon beauty device range with the Manicare Salon Firming Face & Body Sculptor which is our first multi-purpose face and body device. Combining LED Red Light, EMS, and Lipo Vacuum Suction technologies, the Sculptor has been clinically proven to reduce forehead wrinkles by 22%, with 80% of users reporting smoother, firmer, and more toned skin. Independent beauty trial teams for Beauty Crew have awarded the Manicare Salon Firming Face & Body Sculptor a 4-star rating, underscoring the strength of our product development.

Manicare also made strides in the on-trend makeup tools segment, delivering premium value to beauty enthusiasts. Products such as the Wet & Dry Puff, Brow & Lash Spoolie Set, Precision Brow Grooming Kit, and Air Cushion Sponge Duo have been well-received in the pharmacy channel. Additionally, the Precision Brow Grooming Kit will be ranged in grocery starting early FY25, marking a notable expansion in distribution.

The reinvention of our core range remains a key pillar of the Manicare strategy. In May 2024, we relaunched the Manicare nail treatment system, introducing three new line extensions. Among them, the Overnight Nail Treatment and All-in-One Oil have received a 4.5-star rating from Beauty Heaven's independent trial teams, further solidifying our brand's credentials in nail care.

Our commitment to media investment saw an increase in the second half of FY24, with the introduction of four new digital assets showcasing beauty routines. These campaigns, designed to elevate beauty routines by featuring both our new products and trusted staples, generated over 34.5 million impressions. The latest consumer brand equity tracking from May 2024 sees Manicare strengthen brand awareness to 67%.²

1. Circana scan data (Grocery & Pharmacy) MAT to end June 2024
2. Brand Health Tracking (Paradigm Shift) April 2024

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GLAM BY MANICARE

Glam continues to be the #1 Eyelash and Eyebrow brand in Australia.¹

The eyelash and eyebrow category faced challenges in FY24, with a 6.5% decline in category sales as consumers reduced discretionary spending.¹ A shift away from ‘party’ occasions contributed to fewer purchases, impacting both Glam and competitors. Despite this, Glam remains top of mind for category shoppers, with Consumer Brand Equity research indicating a record high awareness level of 19%, a significant 10 percentage point increase from the previous year.²

Innovation has been a key driver of success for Glam in FY24, contributing 11% of retail scan sales through New Product Development.¹ The launch of Glam’s Glue-On and Pre-Glued nail range, featuring 8 SKUs, propelled Glam to the #2 position in the artificial nail market in Australia.¹

A standout innovation in the first half of FY24 was the introduction of the Glam Flexi lash range, a breakthrough in lash wear designed to enhance comfort with a stretchy, invisible band that adapts to eye movements. This innovation directly addresses a key consumer pain point of discomfort, further strengthening our position in the market.

During the year, we also expanded our distribution by securing national placement of five lash SKUs in a major supermarket. This strategic move significantly enhances Glam’s market presence and is expected to drive increased category penetration, positioning the brand for growth in the coming fiscal year.

1. Circana scan data (Grocery & Pharmacy) MAT to end June 2024

2. Brand Health Tracking (Paradigm Shift) April 2024



INNOVATION CONTRIBUTING TO

11%¹

of retail scan sales through new product development



LADY JAYNE

Lady Jayne continues to be a #1 hair tools and accessories brand in Australia, maintaining market value share of 27%.¹ The brand has experienced mixed performances across segments, with strong retail scan sales growth in brushes (up 8.9%) and challenges in accessories (down 10.5%).¹

A key focus for Lady Jayne has been the continued elevation of its 'rechargeables' range, which has become a significant growth driver. In FY24, this range generated \$2.2 million in retail scan sales, further boosted by the launch of the Lady Jayne 2-in-1 Rechargeable Hair Styler.¹ This innovative product addresses the increasing demand for convenience and versatility in personal grooming. The Salon Pro Rechargeable 2-in-1 Hair Styler is designed to deliver salon-quality straight or curly styles on the go, offering 45 minutes of cordless styling with heat control and ceramic technology for a smooth finish.

Distribution expansion was also a key objective for Lady Jayne in FY24. Our efforts to extend the reach of the brand were successful, particularly in grocery. Based on FY24 scan data, Lady Jayne was #1 in the hairbrush segment in one of the national supermarkets.¹

Lady Jayne continues to innovate and grow, solidifying its position as a leading brand in hair tools & accessories category across Australia. The brand remains focused on meeting the evolving needs of consumers while expanding its footprint in the market.

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1. Circana scan data (Grocery & Pharmacy) MAT to end June 2024

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DR. LEWINN'S

Dr. LeWinn's remains a key player in the anti-aging skincare sector. The brand has seen a varied performance across its product lines during the year. Notably, the Ultra R4 range achieved robust growth, up 17.5%, driven by its innovative formulations and strong market positioning. The Inner Beauty range also expanded by 8.3%, demonstrating consumer interest in holistic skincare solutions.¹

In FY24, Dr. LeWinn's strengthened its position in the skincare market through a series of innovative product launches and strategic communication efforts. Key innovations included the expansion of the Ultra R4 range, which saw growth, and the introduction of new products in the Cleanser Series and Ceramide range. These launches, such as the Daily Cleansing Balm and Barrier Protect Ceramide Balm, reflect the brand's commitment to delivering luxurious, effective skincare solutions tailored to diverse consumer needs.

Dr. LeWinn's supported these innovations with robust marketing campaigns, leveraging partnerships with leading media partners. These campaigns targeted beauty enthusiasts through digital and influencer channels, ensuring broad reach and engagement. Additionally, personalised events and collaborations with influencers further amplified brand visibility, driving consumer interest and strengthening Dr. LeWinn's presence in the competitive skincare market.

Through these efforts, Dr. LeWinn's continues to be a leader in anti-aging delivering cutting-edge skincare solutions that cater to diverse skin needs.

ULTRA R4 RANGE
ACHIEVED GROWTH BY

17.5%¹



INNER BEAUTY RANGE
EXPANDED BY

8.3%¹



1. Circana scan data (Grocery & Pharmacy) MAT to end June 2024

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SWISSPERS

Swisspers continues to be the #1 cotton brand in Australia, holding a significant 65% market value share.¹ This success was bolstered by strong growth in the Pharmacy channel, where the brand continues to thrive. However, the brand has experienced a difficult trading environment in grocery as consumers pull back on discretionary spending and seek alternatives in the Private Label space.

Competitive pricing dynamic has been a focal point of the category throughout FY24 as Private Label offerings have adjusted their pricing strategies to draw foot traffic from other retailers. The brand has responded with improved range recommendations for both major supermarkets to better align with shopper needs and provide greater value in consumer baskets.

In FY24, Swisspers strategically segmented its marketing efforts to maximise impact. The first quarter featured a social media campaign promoting the 3-in-1 Cleanser Infused Pads, focusing on educating consumers and encouraging a shift from traditional facial wipes.

In the second quarter, the focus shifted to the baby range, using respected parenting platforms like Tell Me Baby, Bounty Parents, and Mouths of Mums to drive awareness and reviews. Samples were also distributed through Bounty Bags, directly reaching new parents.

The brand's marketing efforts in the last two quarters included a relaunch of the 3-in-1 social campaign, complemented by collaborations with paid influencers to further boost visibility and engagement.

Swisspers remains committed to adapting to market conditions and evolving consumer needs, with a focus on maintaining its leadership in the cotton category and continuing to innovate across its product offerings.

#1



COTTON BRAND IN AUSTRALIA¹

MARKET VALUE SHARE



65%¹

1. Circana scan data (Grocery & Pharmacy) MAT to end June 2024

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FUSION HEALTH

Fusion Health which blends modern and ancient medicine, continues to grow awareness and distribution and delivered scan sales growth in the Pharmacy channel of 38.9%,¹ through expanded availability but was challenged by some supply chain issues (now resolved) and declines in the Health Food Store channel. We have focussed the brand on its core strengths in key growth segments, including Immune Health, Mind & Body Support, and Physical Activity Support, where it continues to hold a strong competitive position.

A major strategic objective for Fusion Health was distribution expansion, and a significant milestone was achieved in November 2023, when Fusion Health secured ranging in a large pharmacy group. This new range includes top-selling Fusion Health SKUs and exclusive 30-pack SKUs designed to differentiate the brand for retailers and cater specifically to pharmacy consumers.

In FY24, Fusion Health grew brand awareness through increased investments in television, outdoor, and radio advertising. This heightened visibility contributed to the brand's growth in the Pharmacy channel and bolstered overall brand health

Innovation remained a focal point for Fusion Health, particularly in enhancing its market-leading formulas. The launch of Curcumin Advanced exemplified this commitment. The new formulation, which features 75% more Curcumin and the addition of clinically tested Boswellia extract Après Flex, is designed to relieve symptoms of mild osteoarthritis, such as joint pain and stiffness.

Fusion Health remains dedicated to growth through innovation, distribution expansion, and education, ensuring it continues to meet the evolving needs of both consumers and healthcare professionals.

SALES GROWTH IN THE PHARMACY CHANNEL

38.9%¹



1. Circana scan data (Pharmacy) MAT to end June 2024)

Information on Directors



ARI MERVIS

Independent Chair of the Board

Mr. Mervis was appointed an Independent Non-Executive Director of McPherson's Limited on 16 February 2021, Deputy Chair on 27 April 2021 and Chair of the Board from 21 July 2021.

Mr. Mervis is a professional company director with global experience spanning a range of industries in branded goods, consumer staples, agriculture, food and beverages. Mr. Mervis has vast experience having lived and operated businesses in complex geographies and having led and been involved in both listed and unlisted companies, as well as joint venture structures and not for profit organisations. His experience is further enhanced through having actively participated in significant mergers and acquisitions, and divestments, including post-acquisition integration and synergy delivery. Mr. Mervis is the current Non-Executive Chair of Endeavour Group Limited. His previous roles include Executive Chair for Accolade Wines and CEO and Managing Director for Murray Goulburn. Prior to that, he had a successful career at SABMiller, culminating as CEO for CUB and MD for the Asia Pacific region. He was also Chair of China Resources Snow Beer, SABMiller India and SABMiller Vietnam.

Mr. Mervis holds a Bachelor of Commerce from the University of Witwatersrand, South Africa, with majors in Economics, Commercial Law and Marketing.

Special Responsibilities

- Executive Chair (from 1 June 2023 until 31 July 2023)
- Member of the Audit Committee (appointed 22 February 2022)
- Member of the People & Culture Committee (appointed 22 February 2022)

Other current listed Directorships

- Endeavour Group Limited (Non-Executive Chair)

Former listed Directorships (last three years)

- Myer Holdings Limited (from September 2021 to March 2024)

Interests in shares and options

- 150,000 ordinary shares in McPherson's Limited
- No performance rights held



BRETT CHARLTON

Chief Executive Officer and Managing Director

Mr. Charlton was appointed CEO and Managing Director of McPherson's Limited on 1 August 2023.

Mr. Charlton is a growth-focused CEO, Non-Executive Director, and commercial leader who has developed an international career in the consumer goods industry across the Asia Pacific region. Mr. Charlton has worked with a gold standard set of companies, including Diageo, PepsiCo, Fonterra, Sanofi, and Private Equity, for over 25 years before channelling his experience into advisory and consulting services. Mr. Charlton is a strategic thinker who connects the dots between divisions for organisations, with a speciality in governance and operations of organisations large and small. He is a respected confidant to leaders in the ASX c-suite and a trusted advisor to Boards, CEOs, and functional General Managers.

Mr. Charlton is a Graduate and Fellow of the Australian Institute of Company Directors and the Graduate School of Management from IMD in Lusanne, Switzerland, and holds a Bachelor of Commerce (Marketing and Human Resources) from Griffith University.

Other current listed Directorships

- None

Former listed Directorships (last three years)

- None

Interests in shares and options

- 1,336,000 High Level Performance (HLP) Rights
- 668,000 Exceptional Level Performance (ELP) Rights



JANE MCKELLAR

Independent Non-Executive Director

Ms. McKellar was appointed an Independent Non-Executive Director of McPherson's Limited on 23 February 2015.

Ms. McKellar is an experienced international senior executive with extensive customer-focused, brand, marketing and digital experience across a number of high-profile, global brands. Ms. McKellar commenced her career at Unilever in London and her subsequent roles have included global CEO of Stila Corporation, Managing Director of Elizabeth Arden Australia, Founding CEO of Excite.com Asia Pacific, Director of Sales and Marketing for Microsoft (MSN), and Founding Director of Ninemsn. Ms. McKellar is also on the Board of The NRMA.

Ms. McKellar holds a Master of Arts (Hons) from the University of Aberdeen and is a Graduate of the Australian Institute of Company Directors and Cambridge Institute of Sustainability Leadership.

Special Responsibilities

- Chair of the People & Culture Committee (appointed 27 April 2015)
- Member of the Risk & Compliance Committee (appointed 22 February 2022)

Other current listed Directorships

- Non-Executive Director of Noumi Limited

Former listed Directorships (last three years)

- Non-Executive Director of GWA Group Limited (from October 2016 to October 2023)

Interests in shares and options

- 11,533 ordinary shares in McPherson's Limited
- No performance rights held

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ALISON COOK

Independent Non-Executive Director

Ms. Cook was appointed an Independent Non-Executive Director of McPherson's Limited on 24 July 2018.

Ms. Cook has more than 30 years of leadership and executive management experience in Australasia across a diverse range of functions within the biopharmaceutical and health services sectors. Her experience includes product manufacturing, quality systems, logistics, sales and marketing, as well as research and development. Ms. Cook is also familiar with the regulatory environment that governs the healthcare market. In addition to these technical and operational activities, Ms. Cook has been involved in corporate acquisitions and divestments as well as the strategic planning process. Ms. Cook has held the positions of Chief Operating Officer and then Chief Executive Officer of Genetic Technologies Limited, an ASX and NASDAQ listed leading edge genetic testing services business.

Ms. Cook holds a Bachelor of Science and a Master of Science (Microbiology), has undertaken the Executive Development Programme at Melbourne Business School and is a Graduate of the Australian Institute of Company Directors.

Special Responsibilities

- Interim Chief Operating Officer (from 1 June 2023 until 8 August 2023)
- Chair of the Risk & Compliance Committee (appointed 22 February 2022)
- Member of the Audit Committee (appointed 22 February 2022)
- Member of the People & Culture Committee (appointed 22 February 2022)

Other current listed Directorships

- None

Former listed Directorships (last three years)

- None

Interests in shares and options

- 15,500 ordinary shares in McPherson's Limited
- No performance rights held

HELEN THORNTON

Independent Non-Executive Director

Ms. Thornton was appointed as Non-Executive Director on 20 December 2021.

Ms. Thornton is a professional company director and has extensive financial, risk management, audit and governance expertise, aligned with strong strategic and leadership capabilities. Ms. Thornton is a Chartered Accountant with a diverse background in financial services, manufacturing, utilities, mining and property in both public and private corporations, and also with government statutory authorities. Ms. Thornton's executive roles have included Vice President - Risk Management of BlueScope Steel Ltd and senior roles at BHP, Deloitte and KPMG. Current non-executive directorships include ISPT Pty Ltd, Arena REIT Limited, Treasury Corporation of Victoria and Ansvar Insurance Ltd.

Ms. Thornton holds a Bachelor of Economics from Monash University and is a member of Chartered Accountants Australia and New Zealand and a graduate member of the Australian Institute of Company Directors.

Special Responsibilities

- Chair of the Audit Committee (appointed 22 February 2022)
- Member of the Risk & Compliance Committee (appointed 22 February 2022)

Other current listed Directorships

- Non-Executive Director of Arena REIT Limited

Former listed Directorships (last three years)

- None

Interests in shares and options

- 20,000 ordinary shares in McPherson's Limited
- No performance rights held

Directors' Report

THE BOARD OF DIRECTORS PRESENTS THE FOLLOWING REPORT ON THE CONSOLIDATED ENTITY CONSISTING OF MCPHERSON'S LIMITED (THE COMPANY OR MCPHERSON'S) AND THE ENTITIES IT CONTROLLED (COLLECTIVELY REFERRED TO HEREAFTER AS THE GROUP) AT THE END OF, OR DURING, THE YEAR ENDED 30 JUNE 2024.

A) DIRECTORS

The following persons were Directors of McPherson's Limited from the beginning of the financial year to the date audit of this report except as indicated:

A. Mervis	<ul style="list-style-type: none">– Chair of the Board– Member of the Audit Committee and the People and Culture Committee– Appointed as Executive Chair on 1 June 2023 until 31 July 2023
B. Charlton	<ul style="list-style-type: none">– Appointed as Chief Executive Officer and Managing Director on 1 August 2023
J.M. McKellar	<ul style="list-style-type: none">– Chair of the People and Culture Committee– Member of the Risk and Compliance Committee
A.J. Cook	<ul style="list-style-type: none">– Chair of the Risk and Compliance Committee– Member of the Audit Committee and the People and Culture Committee– Appointed as Interim Chief Operating Officer on 1 June 2023 until 8 August 2023
H. Thornton	<ul style="list-style-type: none">– Chair of the Audit Committee– Member of the Risk and Compliance Committee

B) PRINCIPAL ACTIVITIES

McPherson's, established in 1860, is a leading supplier of Health, Wellness and Beauty products with operations in Australia, New Zealand and Asia. McPherson's markets and distributes beauty care, hair care, skin care, vitamins, supplements and personal care items such as facial wipes, cotton pads and foot comfort products.

McPherson's revenue is primarily derived from its diversified portfolio of owned market-leading brands, including Dr. LeWinn's, A'kin, Manicare, Lady Jayne, Swisspers, Fusion Health, Oriental Botanicals and Maseur. McPherson's also manages a small number of brands for agency partners.

Manufacturing is outsourced to various suppliers, predominantly in Asia and Australia. McPherson's maintains a presence in Hong Kong and has representation in mainland China, focused on product sourcing and quality assurance.

On 28 June 2024, the Group completed the sale of its Multix brand and inventory to International Consolidated Business Group for \$19.2 million (inclusive of post-completion adjustments). There have been no other significant changes in the activities of the Group during the year.

C) DIVIDENDS

Details of dividends paid or declared in respect of the current financial year are as follows:

	\$'000
2024 Interim ordinary dividend of 2.0 cents per fully paid ordinary share paid on 22 March 2024 (fully franked)	2,879
2024 Final ordinary dividend	–
Total dividends in respect of the financial year	2,879

The 2023 final ordinary dividend of \$1,439,000 (1.0 cents per fully paid ordinary share) was paid on 22 September 2023. A full year dividend of \$4,318,000 (3.0 cents per fully paid ordinary share) was paid in respect of the 2023 financial year.

D) REVIEW OF OPERATIONS

An extract of the review of operations of the Group is set out on pages 15 to 19 of the Annual Report and forms part of the Directors' Report.

Risk management and compliance

Risk and risk management is an integral part of the Company's decision-making process and all risks and opportunities are adequately and appropriately assessed to ensure that material risk exposures are minimised and managed appropriately. The Company's risk management and compliance framework is designed to ensure that material risks and compliance obligations are identified, assessed, managed and reported, that the Company's risk management and compliance systems and processes are adequate and effective and that appropriate insurances are in place to mitigate the financial impact of any covered occurrences.

The Company's Board, through the Risk & Compliance Committee, has the primary responsibility for the oversight of risk management and compliance, as well as responsibility for matters pertaining to compliance and governance. The Managing Director is accountable to the Board for the development and management of the Company's risk and compliance framework and is supported by the Group General Counsel & Company Secretary in terms of adopting appropriate risk management and compliance policies, systems and processes, including regular reporting to the Risk & Compliance Committee of the Board. The Executive Leadership Team of the Company is also actively involved in the identification, assessment, management and reporting of material risks and each Executive Leadership Team member and senior manager below them is also responsible for the identification, assessment, management and reporting of relevant compliance obligations.

Directors' Report

D) REVIEW OF OPERATIONS CONTINUED

Risk management and compliance continued

The material risks that have potential to affect the Company's financial prospects, and how the Company seeks to mitigate these risks, include:

– Workplace health and safety

Given the physical nature of the Company's operations, workplace health and safety is of paramount importance. A tone of 'safety first' is set at the top of the organisation and is reinforced through policies, procedures, employee engagement, training and mandatory safety incident (including 'near miss') reporting.

– Transformation execution

The Company is currently embarking on a transformation journey centred on its customers, its core and portfolio brands and its people to achieve increasing profitability and improving returns for shareholders. The Company's transformation activities aim to drive productivity and growth in higher margin and higher growth categories where the Company has a competitive advantage and allows for disciplined re-investment into core brands and portfolio expansion opportunities. There are execution risks in any corporate transformation. However, these risks are mitigated by the Company having a well-defined and resourced transformation plan (including contingencies) and deliberate project management structures in place (such as the appointment of a dedicated project management officer) for the Executive Leadership Team to carefully consider all aspects of transformation activities including risks and mitigation strategies.

– Inflationary pressures

In recent years, the global economy has experienced significant inflationary pressure. The Company has been impacted by material cost increases in many input costs, most materially in sea freight. The Company seeks to mitigate the impact of cost increases by improving operational efficiencies, using local manufacturers and suppliers, where appropriate and increasing selling prices, where required.

– Foreign currency fluctuation

The Company sources a large proportion of its inventory in currencies other than Australian dollars, with the US dollar the predominant sourcing currency. Consequently, significant fluctuations in the AUD / USD exchange rate can materially impact the Company's result. The Board has established, and regularly reviews the Company's foreign currency hedging policy with the objective of mitigating short to medium term foreign currency risk. Consistent with the policy, the Company continues to operate a comprehensive foreign exchange hedging program, which mitigates the impact of AUD and USD movements over the short to medium term. The Company's foreign exchange hedging and the instruments used for foreign exchange hedging remain unchanged, being options and foreign exchange contracts on a forward rolling basis.

– Raw material price fluctuation

Prior to the divestment of Multix on 28 June 2024, the Company's inventory costs were influenced by movements in the price of commodities such as resin and aluminium. Such commodity prices were usually denominated in US dollars and historically had some correlation with movements in the AUD / USD exchange rate. This correlation usually provided a degree of natural hedge against the profit impact of AUD / USD currency movements. Post the sale of Multix, this is no longer considered to be a key business risk.

– Reduction in consumer demand or decline in a singular product category

Given the Company's reliance on consumer sentiment and spending, adverse changes to the general economic landscape in Australasia or consumer demand for the Company's products could impact its financial results. This risk is mitigated through monitoring and analysis of consumer data, consumer purchasing trends, such as the increase in on-line shopping, economic research, participation in international trade shows, innovative product development and brand building. The Company also mitigates against the risk of singular category decline, by maintaining broad category and sales and distribution channel participation, in Beauty Essentials, Skincare, Haircare and Vitamins, Mineral and Supplements.

– Loss of a major customer or deranging of a major product range

A significant proportion of the Company's sales from continuing operations are to two significant Australian pharmacy customers and a large customer in the grocery channel. The deletion of a core product or reduction in a core product range by these customers could materially reduce the Company's profitability. To mitigate this risk, the Company strives to provide quality products, delivered on time and in full, superior customer service (including analytics and information that is data driven), product and packaging innovation and competitive pricing (including trade promotions). The Alliance with Chemist Warehouse, established in March 2022, has formalised a much closer relationship with this key customer and is part of the Company's risk mitigation.

– Loss of key suppliers

The Company places significant reliance on key manufacturers and suppliers of its products. Many such suppliers are based in China, with key skincare and health product suppliers predominantly based in Australia. Alternate suppliers have been identified for all key suppliers. The Company also regularly reviews its manufacturers and suppliers and actively manages their performance, particularly around product quality and meeting customer delivery metrics. Manufacturers and suppliers who do not meet the Company's expectations in this regard will be performance managed and may be replaced.

Directors' Report

D) REVIEW OF OPERATIONS CONTINUED

Risk management and compliance continued

– Investment of capital

In seeking to grow the business and, in turn, shareholder value, the deployment of capital to investments that do not ultimately result in those outcomes may present a risk. The following measures are taken to mitigate this risk:

- restriction of the number of opportunities under review to ensure appropriate focus and resourcing;
- careful assessment of risk and return metrics associated with opportunities; and
- engagement of external assistance, such as due diligence expertise were deemed necessary for smaller investments and mandatory for investments more than \$10 million.

– Deficiency in product quality

As a supplier of branded consumer products to retailers, the Company has an exposure to product faults which could lead to liability claims and product withdrawals or recalls. To mitigate this risk, the Company conducts, or has conducted, due diligence on existing manufacturers and suppliers. The Company also conducts, where appropriate, competitive tenders for manufacturing and supply arrangements with experienced counterparties who can demonstrate the required capability. The Company also adopts appropriate quality control, supplier review and verification procedures and conducts regular reviews of customer complaints and other external communications to the Company about its products. Changes in processes may result after these reviews. The Company also maintains adequate product and public liability and product recall cover.

– Compliance with debt facility undertakings

A portion of the Company's capital requirement is in the form of debt facilities supplied by Financial Institutions that require the Company to comply with various undertakings, including specific financial ratios or covenants, for the Company to continue to access facilities. This risk is mitigated by the Company seeking to adopt a debt structure that in both quantum and terms has sufficient capacity to withstand a short-term decline in earnings or assets that may impact its ability to meet its various debt facility undertakings. The Company also regularly reports to the debt facility manager on compliance with financial ratios and covenants and the manager also receives regular formal updates on the Company's operations and financial position.

– Cyber security

The Company places significant reliance on its Information Technology (IT) systems to transact with customers and connect with consumers. The inability to utilise or access our IT systems through a successful denial of service, ransomware or other form of attack could materially impact the Company's ability to transact and hence affect its earnings. The Company uses firewall monitoring software and anti-virus software to block potential cyber threats. Additionally, it has a network monitoring and alert tool that is designed to detect and signal unusual network behaviour. Ongoing internal staff training, external review and input are implemented to ensure the effectiveness of 'cyber' controls to meet ever evolving threats of this nature.

– Talent management

The loss, and potential underutilisation, of key management talent represents a risk to the business. This risk is mitigated by the Company establishing and maintaining talent development plans, good practice recruitment to contribution profiles, market benchmarked remuneration and incentive programs and adequate succession plans, where appropriate.

– ESG / Sustainability

The rapid evolution of regulatory requirements and social expectations in Environmental, Social and Corporate Governance is manifest in legislation and the expectations of key stakeholders such as customers, consumers and employees to adopt more sustainable products and practices. The Company recognises the need to have a well-articulated ESG strategy in relation to the packaging of its products, a sustainable supply chain and in climate related disclosures. This risk is mitigated by the Company having a well-defined ESG strategy based on a rigorous and independently conducted materiality assessment as well as the Company having experienced internal resources to manage the implementation and execution of the Company's ESG strategy. These steps seek to ensure that the ESG strategy is embedded, where appropriate, in the Company's operations. Progress in the implementation and execution of the Company's ESG strategy is overseen by the Company's Risk & Compliance Committee.

– Regulatory compliance

The general risk of compliance with changes in Australian Consumer Law and product standards, with related implications for supplier and inventory management, as well as penalties for non-conformance, is managed by the employment of appropriately experienced employees having the benefit of industry updates, internal resources and external advice on changes in law and standards. Additionally, staff training has been conducted by the Company's external advisors in Australian Consumer Law.

– Intangible asset valuation

As an owner of brands and other intangible assets, the size of this asset class on the Company's balance sheet is relatively high. Given the sensitivity of key assumptions (such as discount rates) used to determine the valuation of intangible assets, it is an area of high inherent risk. This risk is managed through regular assessment of individual brand and cash generating unit cashflow projections and the engagement of external valuation experts in the review of key assumptions and valuation methodologies.

E) SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 28 June 2024, the Group completed the sale of its Multix brand and inventory to International Consolidated Business Group. Multix is disclosed as a discontinued operation as at 30 June 2024. There were no other significant changes in the state of affairs of the Group during the financial year.

Directors' Report

F) EVENTS SUBSEQUENT TO BALANCE DATE

On 19 August 2024, an amendment to the terms of the \$45 million working capital facility was approved. In respect of the calculation period ending on 30 June 2024, the Divestment of Multix was removed from the calculation of the Interest Cover Ratio.

In August 2024, the Group announced its intention to streamline Hong-Kong operations, with supply and procurement functions to operate from a centrally managed hub in Australia. As a result, several roles in Hong Kong will be impacted. The Group expects the restructuring associated with the reduction in positions to cost between \$0.7 million and \$1.0 million in 2025.

There are no other items, transactions or events of a material or unusual nature that have arisen in the period between 30 June 2024 and the date of this report that, in the opinion of the directors, have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

G) LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

McPherson's is a pure-play health, wellness and beauty company focused on investing in, and growing, its five core brands: 'Manicare', 'Lady Jayne', 'Dr LeWinns', 'Swisspers' and 'Fusion.' These core brands operate in highly attractive categories, where McPherson's considers it has a competitive advantage. In addition, the Company supplies a supporting portfolio of other popular brands in attractive segments of the market including haircare, vitamins and supplements, fragrance, and nutrition.

A key part of McPherson's strategy is becoming a more simplified, streamlined organisation with a focus on driving productivity and efficiency. As part of this, McPherson's may implement a new route to market for its brands, at such time as its current Kingsgrove warehouse and office property can be re-let. In addition the Company will conduct a review of its capital allocation framework and dividend policy to better align with McPherson's refreshed strategy. The review will include exploring the most efficient way to distribute the Company's franking credits to shareholders.

The Company's strategy is part of a clear plan to unlock value. The Board's view is that, by using the company's balance sheet to fund continued investment, the Company can de-risk and accelerate the substantial transformation of the business that is underway.

In the opinion of the Directors, it would prejudice the interests of the Group to include additional information, except as noted above, and as reported elsewhere in the Directors' Report and the financial statements, which relates to likely developments and the expected results of operations in financial periods subsequent to 30 June 2024.

H) INFORMATION ON DIRECTORS

Particulars of the qualifications, experience and special responsibilities of each Director as at the date of this report are set out on pages 26 to 27 of the Annual Report and form part of the Directors' Report.

I) COMPANY SECRETARIES

Craig Durham

General Counsel and Company Secretary

Mr Durham was appointed General Counsel & Company Secretary of McPherson's Limited on 15 January 2024. With a career spanning over 30 years, he brings extensive executive leadership, legal and corporate governance experience from both listed and unlisted environments and in highly regulated industries including beverages, intelligent traffic systems, gaming technology and financial services.

Mr Durham holds a Bachelor of Laws (Honours) from QUT, a Master of Laws from the University of Melbourne, a Graduate Diploma in Legal Practice from QUT and a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia (GIA). He is a Member of the Australian Institute of Company Directors, a Fellow of the GIA, a Member of the Institute of Chartered Secretaries and Administrators, a Member of the New York Bar, the New York State Bar Association, and the American Bar Association. He is also admitted in Queensland, Victoria and New York in the United States and holds a current practising certificate in New South Wales.

Paul Witheridge (until 30 April 2024)

Mr Witheridge was appointed Chief Financial Officer and Joint Company Secretary of McPherson's Limited on 1 December 2011 and resigned on 30 April 2024. Mr Witheridge has significant financial experience, having held senior financial and company secretarial positions with a number of listed companies in the retail sector including as Chief Financial Officer of Angus and Coote Limited and OPSM Limited. Prior to that, Mr. Witheridge spent six years within KPMG's Audit and Assurance Practice. Mr. Witheridge holds a Bachelor of Commerce and is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand.

Linda Gough (until 30 November 2023)

Ms. Gough was appointed Company Secretary of McPherson's Limited on 16 January 2023 and resigned on 30 November 2023. Ms. Gough has over twenty years legal and governance experience, advising listed and non-listed entities in ANZ, Asia and North America, including WPP AUNZ Limited, Fairfax Media Limited, SAP Australia and George Weston Foods. She holds a Bachelor of Law from the University of Toronto, Canada, a Master of Laws from the University of New South Wales, a graduate diploma in governance from the Governance Institute of Australia and is a graduate member of the Australian Institute of Company Directors.

Directors' Report

J) REMUNERATION REPORT

Letter from the Chair of the People and Culture Committee

Dear Shareholders,

On behalf of the Board, I am pleased to present the Company's remuneration report for FY24.

This past year has been a period of significant transformation for McPherson's. Amid the Company's strategic reset (see ASX announcement dated 15 November 2023) and the sale of the 'Multix' brand assets during the year, the Board has remained committed to ensuring that remuneration structures are strongly aligned with shareholder interests and value creation while also attracting and retaining experienced executive leadership, reflecting current industry benchmarking and being underpinned by sound risk management practices.

Our People

From a people and culture perspective, the actions we have taken this year support the Company's transformation journey. Eight new executive appointments were made during the financial year in areas including marketing, customer insights, supply chain, information and data, and people and culture. As part of these executive appointments, two new critical KMP appointments were made during the financial year:

- **Brett Charlton** was appointed CEO and Managing Director of McPherson's Limited on 1 August 2023. Brett brings significant experience from over two decades in leadership roles in the consumer goods industry across the Asia Pacific region, where he has led significant turnaround and growth initiatives.
- **Mark Sherwin** was appointed CFO of McPherson's on 6 May 2024. Mark has over 18 years' experience across a range of industries, including consumer goods, construction and engineering, with his expertise extending beyond core financial disciplines to encompass investor relations and risk management.

The appointment of this new experienced leadership team brings fresh perspectives and will support the delivery of the Company's transformation.

FY24 Performance and Remuneration

The FY24 remuneration outcomes are reflective of the overall Group financial performance in this year of transformation. The executives did not qualify for an STI award in FY24 as minimum thresholds were not achieved. Executive LTIs, in the form of performance rights issued during FY21, which have been assessed on FY24 outcomes, did not vest in the current year as the Earnings Per Share (EPS) and Total Shareholder Return (TRS) measures were below the minimum thresholds set by the Board. Total Fixed Remuneration (TFR) for KMP and non-executive directors was also not adjusted in FY24.

Detail about McPherson's financial performance is available in the Review of Operations section on pages 15 to 19 of this report.

Changes to remuneration structures

The Board regularly reviews executive remuneration to ensure it continues to drive shareholder value. A 50% deferral component was introduced this year in respect to any payment of the CEO and Managing Director's STI award. There were no changes in the STI performance measures or to their respective weightings. Further, no changes were made to the LTI performance measures during the year. Additional detail is provided in section 3.

The Board remains confident that the Company's remuneration structure continues to support the Group's strategic goals and financial objectives. The Board also remains committed to transparency on remuneration structure and, to this end we have sought to improve the remuneration report to provide clear and concise and readily understood information. We are confident in the current actions being taken by the Company and management to streamline core operations and drive value creation, laying a foundation for future success.

On behalf of the Board, I encourage you to read the full remuneration report and we thank you for your continued support of the Company.

Yours sincerely

JANE McKELLAR

Chair of the People and Culture Committee

Directors' Report

J) REMUNERATION REPORT CONTINUED

Content

The McPherson's Limited FY24 remuneration report sets out key aspects of the Company's remuneration policy and framework, and details of the remuneration awarded this year.

The remuneration report contains the following sections:

1. Key Management Personnel (KMP)
2. Remuneration Framework and Governance
3. Elements of remuneration
4. Performance and executive remuneration outcomes in FY24
5. Statutory remuneration
6. Contractual arrangements for executive KMP
7. Non-Executive Director arrangements
8. Share-based compensation
9. Additional statutory information

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

1. Key Management Personnel

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly, including any director (whether executive or otherwise) of that entity including:

- Executive directors and certain senior executives (collectively the Executives)
- Non-executive directors

Name	Role	Term as KMP in FY24
EXECUTIVES		
B. Charlton	Chief Executive Officer and Managing Director	Appointed on 1 August 2023
A.J. Cook	Interim Chief Operating Officer	Appointed on 1 June 2023 until 8 August 2023
A. Mervis	Executive Chair	Appointed on 1 June 2023 until 31 July 2023
M. Sherwin	Chief Financial Officer	Appointed on 6 May 2024
P. Witheridge	Chief Financial Officer and Joint Company Secretary	Resigned on 30 April 2024
NON-EXECUTIVE DIRECTORS		
A. Mervis	Chair of the Board	Full year
J.M. McKellar	Non-executive Director	Full year
A.J. Cook	Non-executive Director	Full year
H.L. Thornton	Non-executive Director	Full year

Changes since the end of the reporting period

There have been no other changes in KMP since the end of the reporting period.

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Directors' Report

J) REMUNERATION REPORT CONTINUED

2. Remuneration Framework and Governance

How we determine executive remuneration policies and structures

The Company's remuneration policies and structures are focused on the alignment between performance, sound risk management and reward outcomes. In particular, the board aims to ensure that remuneration practices are:

- Market-competitive, enabling the attraction and retention of high performing talent required to deliver superior and sustained results to shareholders.
- Performance-based, promoting mutually beneficial outcomes by aligning employee, customer and shareholder interests and underpinned by a sound risk management framework.
- Equitable, providing a fair level of reward to all employees.

Our remuneration policies and structure

We reward executives with a level and mix of remuneration appropriate to their position, responsibilities and performance, in a way that aligns with the business strategy. The table below provides a summary of the structure of executive remuneration in FY24:

Element ¹	Purpose	Performance Measures	Potential Value	
Fixed Remuneration including superannuation and benefits	Provide competitive market salary which may be delivered as cash, prescribed non-cash financial benefits including motor vehicles and superannuation contributions.	Nil	Market rate Reviewed annually to reflect increases in responsibility and to ensure it remains market competitive. Increases are not guaranteed in the executives' contracts.	
Short-term performance incentives (STI)	Reward for current year performance available when value has been created for shareholders and when profit and other outcomes are consistent with or exceed financial targets for the business plan.	Growth in underlying profit before tax (PBT) and growth in sales revenue, together with pre-determined significant role specific objectives.	Managing Director Up to 75% of fixed remuneration	
			Chief Financial Officer Up to 50% of fixed remuneration	
			Former Chief Financial Officer Up to 50% of fixed remuneration	
Long-term incentives (LTI)	Alignment to long-term shareholder returns via the Performance Rights plan. Participants benefit from the vesting of Performance Rights if performance objectives are met.	Managing Director <ol style="list-style-type: none"> High Level Performance Rights (HLP) – 100% of vesting is determined with reference to EPS CAGR, over three years. Exceptional Level Performance Rights (ELP) – 100% vesting is determined with reference to the TSR CAGR outcome, over three years. 	Managing Director <ol style="list-style-type: none"> High Level Performance Rights (HLP) – 100% of fixed remuneration. Exceptional Level Performance Rights (ELP) – 50% of fixed remuneration. 	
			Chief Financial Officer 67% of vesting is determined with reference to EPS CAGR and 33% with reference to TSR CAGR, each over three years.	Chief Financial Officer Up to 50% of fixed remuneration
			Former Chief Financial Officer 67% of vesting is determined with reference to EPS CAGR and 33% with reference to TSR CAGR, each over three years	Former Chief Financial Officer Up to 40% of fixed remuneration

1. Fixed Remuneration is a contractual entitlement. Participation in the STI and LTI schemes are at the discretion of the board.

Alison Cook received fixed monthly remuneration of \$33,000 inclusive of superannuation for her services as Chief Operating Officer in addition to the remuneration she received for her non-executive director responsibilities. No additional remuneration was received by Ari Mervis for his services as Executive Chair.

Directors' Report

J) REMUNERATION REPORT CONTINUED

2. Remuneration Framework and Governance continued

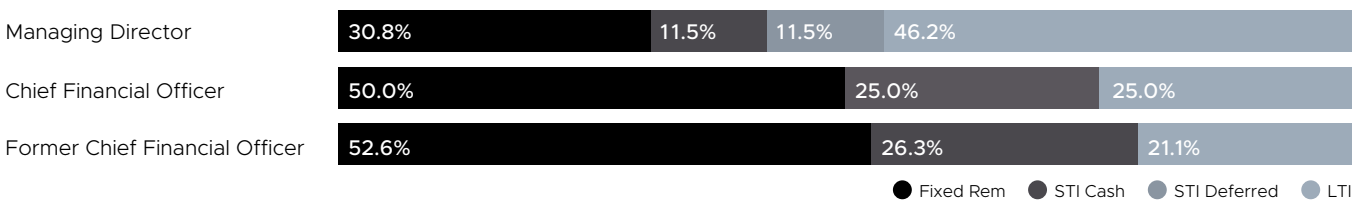
Governance framework

The illustration below summarises the Company's remuneration governance framework:



Remuneration Mix – at Target

The graph below shows the structure of the FY24 remuneration opportunity mix for KMP. It reflects the STI opportunity for the current year that will be available if the performance conditions are satisfied at target, and the value of the LTI performance rights granted during the year, as determined at the grant date.



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Directors' Report

J) REMUNERATION REPORT CONTINUED

3. Elements of remuneration

Fixed annual remuneration

Fixed remuneration consists of base salary, superannuation and other non-monetary benefits and is designed to reward for:

- The scope of the executive's role
- The executive's skills, experience and qualifications
- Individual performance

Remuneration reviews may occur annually to ensure it remains market competitive. Executive Fixed Annual Remuneration will not automatically be increased as a result of any review. In FY24, there was no increase in annual fixed remuneration given to executive KMPs.

Short-term incentives (STI)

Each year the People and Culture Committee considers the appropriate targets and key performance indicators for the Executive Leadership Team, together with the appropriate STI payable should targets be met or exceeded.

How is it paid?	The Managing Director, CFO & former CFO receive their awards in cash. The Managing director receives his reward as 50% paid in cash after the assessment of annual performance and 50% deferred for a further one year period. The CFO and former CFO receive their award as 100% paid in cash after the assessment of annual performance.		
How much can executives earn?	The maximum STI opportunities of executives are summarised below: <ul style="list-style-type: none"> – Managing Director: 75% of fixed remuneration – CFO: 50% of fixed remuneration – Former CFO: 50% of fixed remuneration 		
How is performance measured?	STI performance measures were chosen as they reflect the core drivers of short-term performance and also provide a framework for delivering sustainable value to the Group, its shareholders and customers.		
	Metric	FY24 Target	Weighting
	Profit before Tax	Vesting commences at \$11.0 million, then pro rata 0% from \$11.0 million to 100% at \$15.8 million being 18% above the budgeted FY24 underlying PBT	50%
	Sales Revenue	Vesting commencing at \$10.0 million below budgeted FY24 sales revenue, then pro rata to 100% vesting at \$10.0 million above budgeted FY24 sales revenue	20%
	Individual performance	Specific to individuals	30%
	From time to time additional short-term cash bonuses are paid to executives in relation to the achievement of specific outcomes associated with certain significant events. Examples of such events may include, among others, completing a significant acquisition or investment, achieving a required divestment outcome, completing a significant restructure project or completing a refinancing of the business. The Board is responsible for approving such bonus payments. In FY24, no such additional short-term cash bonuses were paid to executives.		
When is it assessed and paid?	The STI award is determined after the end of the financial year following a review of performance against measures by the People & Culture Committee and the Board. Payments are normally made following the release of statutory audited results.		

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Directors' Report

J) REMUNERATION REPORT CONTINUED

3. Elements of remuneration continued

Long-term incentives (LTI)

The FY24 LTI program for KMP was structured as follows:

How is it paid?	Certain Executives are eligible to receive performance rights, being a right to an ordinary share in McPherson's Limited with zero exercise price, subject to meeting vesting conditions over the performance period.										
How much can executives earn?	<p>The maximum LTI opportunities of executives are summarised below:</p> <table border="1"> <thead> <tr> <th style="text-align: left;">Executive</th> <th style="text-align: left;">LTI Opportunity</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Managing Director</td> <td>HLP: 100% of fixed remuneration</td> </tr> <tr> <td>ELP: 50% of fixed remuneration</td> </tr> <tr> <td>CFO</td> <td>50% of fixed remuneration</td> </tr> <tr> <td>Former CFO</td> <td>40% of fixed remuneration</td> </tr> </tbody> </table> <p>The number of performance rights granted is determined using the 20 day volume weighted average price share price prior to the time of grant.</p>	Executive	LTI Opportunity	Managing Director	HLP: 100% of fixed remuneration	ELP: 50% of fixed remuneration	CFO	50% of fixed remuneration	Former CFO	40% of fixed remuneration	
Executive	LTI Opportunity										
Managing Director	HLP: 100% of fixed remuneration										
	ELP: 50% of fixed remuneration										
CFO	50% of fixed remuneration										
Former CFO	40% of fixed remuneration										
How is performance measured?	<p>LTI performance measures are chosen to align executives with the objective of improving long-term shareholder returns. The Board considers EPS to be the most effective measure for determining the underlying profitability of the business. The Absolute TSR hurdle was selected as it focuses executives on shareholder value creation.</p> <p>Performance measures are summarised below:</p> <table border="1"> <thead> <tr> <th style="text-align: left;">Executive</th> <th style="text-align: left;">LTI Opportunity</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Managing Director</td> <td>HLP: 100% of vesting is determined with reference to EPS CAGR, over three years.</td> </tr> <tr> <td>ELP: 100% of vesting is determined with reference to the TSR CAGR outcome over three years.</td> </tr> <tr> <td>CFO</td> <td>67% of vesting is determined with reference to EPS CAGR and 33% with reference to TSR CAGR, each over three years.</td> </tr> <tr> <td>Former CFO</td> <td>67% of vesting is determined with reference to EPS CAGR and 33% with reference to TSR CAGR, each over three years.</td> </tr> </tbody> </table>	Executive	LTI Opportunity	Managing Director	HLP: 100% of vesting is determined with reference to EPS CAGR, over three years.	ELP: 100% of vesting is determined with reference to the TSR CAGR outcome over three years.	CFO	67% of vesting is determined with reference to EPS CAGR and 33% with reference to TSR CAGR, each over three years.	Former CFO	67% of vesting is determined with reference to EPS CAGR and 33% with reference to TSR CAGR, each over three years.	
Executive	LTI Opportunity										
Managing Director	HLP: 100% of vesting is determined with reference to EPS CAGR, over three years.										
	ELP: 100% of vesting is determined with reference to the TSR CAGR outcome over three years.										
CFO	67% of vesting is determined with reference to EPS CAGR and 33% with reference to TSR CAGR, each over three years.										
Former CFO	67% of vesting is determined with reference to EPS CAGR and 33% with reference to TSR CAGR, each over three years.										
How are payouts determined?	<p>Awards are subject to two measures:</p> <p>Earnings per share compound annual growth rate (EPS CAGR): The EPS CAGR will be determined by calculating the compound annual growth rate for EPS over the vesting period from an EPS base determined by the Board prior to the offer, to the actual underlying EPS at 30 June 2026. The proportion of performance rights that may vest based on EPS performance is determined based on the following vesting schedule:</p> <table border="1"> <thead> <tr> <th style="text-align: left;">EPS CAGR Achieved</th> <th style="text-align: left;">Percentage vesting</th> </tr> </thead> <tbody> <tr> <td>Below the 40th percentile</td> <td>0%</td> </tr> <tr> <td>At the 40th percentile</td> <td>30%</td> </tr> <tr> <td>Between the 40th and 60th percentile</td> <td>Straight-line vesting between 30-100%</td> </tr> <tr> <td>At or above the 60th percentile</td> <td>100%</td> </tr> </tbody> </table> <p>The actual underlying EPS will be normalised by the Board as considered necessary (at the Board's discretion) so that it reflects underlying profit.</p>	EPS CAGR Achieved	Percentage vesting	Below the 40 th percentile	0%	At the 40 th percentile	30%	Between the 40 th and 60 th percentile	Straight-line vesting between 30-100%	At or above the 60 th percentile	100%
EPS CAGR Achieved	Percentage vesting										
Below the 40 th percentile	0%										
At the 40 th percentile	30%										
Between the 40 th and 60 th percentile	Straight-line vesting between 30-100%										
At or above the 60 th percentile	100%										

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Directors' Report

J) REMUNERATION REPORT CONTINUED

3. Elements of remuneration continued

Long-term incentives (LTI) continued

How are payouts determined? continued	<p>Absolute total shareholder return compound annual growth rate (TSR CAGR):</p> <p>The TSR CAGR will be determined by calculating the amount by which the 20-trading day volume-weighted average price of the Company's ordinary Shares in the period ending at close of trade on 30 June 2026 exceeds a base share price determined by the Board prior to the offer, plus dividends paid by the Company during the three-year period. The proportion of performance rights that may vest based on TSR performance is determined based on the following vesting schedule:</p> <table><thead><tr><th>TSR CAGR achieved</th><th>Percentage vesting</th></tr></thead><tbody><tr><td>Below the 50th percentile</td><td>0%</td></tr><tr><td>At the 50th percentile</td><td>30%</td></tr><tr><td>Between the 50th and 75th percentile</td><td>Straight-line vesting between 30-100%</td></tr><tr><td>At or above the 70th percentile</td><td>100%</td></tr></tbody></table>	TSR CAGR achieved	Percentage vesting	Below the 50 th percentile	0%	At the 50 th percentile	30%	Between the 50 th and 75 th percentile	Straight-line vesting between 30-100%	At or above the 70 th percentile	100%
TSR CAGR achieved	Percentage vesting										
Below the 50 th percentile	0%										
At the 50 th percentile	30%										
Between the 50 th and 75 th percentile	Straight-line vesting between 30-100%										
At or above the 70 th percentile	100%										
When is performance measured?	<p>The performance measures are tested at the end of the three year performance period to determine the number of performance rights that vest. There is no opportunity for re-testing. Performance rights will lapse if the performance measures are not met at the end of the performance period.</p>										

Sign on Payments

No sign on payments were made to new executives on commencement of employment in FY24.

Voting and comments made at the Company's 2023 Annual General Meeting (AGM)

Of the total votes cast in relation to the adoption of the 2023 remuneration report by shareholders participating in the AGM and by proxy, 95.89% voted in favour of the resolution. Several general questions relating to remuneration and the 2023 remuneration report were asked by shareholders at the 2023 AGM, which were appropriately responded to by the Chair of the Board and other Non-Executive Directors at the meeting.

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Directors' Report

J) REMUNERATION REPORT CONTINUED

4. Link between remuneration and performance

FY24 performance and impact on remuneration

The FY24 financial result reflects the scale of transformation underway within the business, including one-off costs incurred. As a result, the Profit before Tax and Revenue results fell below targets set. The remuneration outcomes reflect the Group's financial performance in this year of transformation. For more information on 2024 results and strategic priorities, refer to the Review of Operations section on pages 15 to 19 of this report.

Performance against STI measures

Neither Profit Before Tax or Sales Revenue targets for FY24 were met, resulting in no STI payments being made to Executives.

Performance against LTI measures

Metric	Vesting hurdle	Outcome
Vesting during FY24		
FY21 Grant to P. Witheridge		
3 year EPS	First 50% of Rights: Zero Rights vesting at +3.0% of underlying EPS CAGR then pro-rata to 100% of Rights vesting at +8.0% of underlying EPS CAGR	Below target, 0% vesting
3 year TSR	Remaining 50% of rights: 25% of Rights vesting at +8% of underlying TSR CAGR then pro-rata to 100% of Rights vesting at +13.0% of underlying EPS CAGR	Below target, 0% vesting
Vesting post FY24		
Refer to Section 8. Share based compensation for further details on Performance Rights vesting post FY24.		

Statutory performance indicators

The overall level of executive reward considers the performance of the Company over several years, with greater emphasis given to the current year. The following table summarises the performance of the Company over the last five years:

	FY24	FY23	FY22	FY21	FY20
(Loss) / profit for the year after tax from continuing operations (\$'000)	(11,386)	(1,273)	333	(5,371)	6,062
(Loss) / profit for the year after tax from continuing operations excluding material items (\$'000)	(362)	2,285	6,963	6,184	16,336
Basic EPS (cents) from continuing operations	(7.9)	(0.9)	0.3	(4.4)	5.7
Basic EPS (cents) from continuing operations excluding material items	(0.3)	1.6	5.3	5.1	15.3
Total dividends (cents per share)	2.0	3.0	5.0	5.0	11.0
Share price at year end (\$)	0.41	0.40	0.66	1.10	2.77

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Directors' Report

J) REMUNERATION REPORT CONTINUED

5. Details of remuneration

Amounts of remuneration

Details of the remuneration expense recognised for the Group's key management personnel for the current and previous financial year are set out below.

		Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		Termination payments	Total remuneration	Performance related %
		Salary & Fees	Cash bonus (STI)	Non-monetary benefits ¹	Superannuation	Leave entitlements	Cash-settled	Equity-settled			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	%
B. Charlton (Managing Director) ²	2024	552,292	—	—	25,208	23,815	—	182,540	—	783,855	23%
	2023	—	—	—	—	—	—	—	—	—	0%
G.W. Peck (former Managing Director) ³	2024	—	—	—	—	—	—	—	—	—	0%
	2023	593,542	—	—	27,500	(23,811)	(230,180) ⁴	68,250 ⁵	323,750	759,051	-21%
M. Sherwin (Chief Financial Officer) ⁶	2024	69,901	—	—	4,566	3,870	—	1,273	—	79,610	2%
	2023	—	—	—	—	—	—	—	—	—	0%
P. Witheridge (former Chief Financial Officer) ⁷	2024	325,168	—	—	13,400	1,158	—	105,356 ⁸	224,410	669,492	16%
	2023	378,943	—	—	26,400	(540)	—	6,651	—	411,454	2%
A.J. Cook	2024	130,568 ⁹	—	—	14,362	—	—	—	—	144,930	0%
	2023	124,267 ⁹	—	—	13,048	—	—	—	—	137,315	0%
A. Mervis (Board Chair)	2024	152,340	—	—	16,757	—	—	—	—	169,097	0%
	2023	153,029	—	—	16,068	—	—	—	—	169,097	0%
J.M. McKellar	2024	89,279	—	—	9,821	—	—	—	—	99,100	0%
	2023	89,683	—	—	9,417	—	—	—	—	99,100	0%
G.R. Pearce ¹⁰	2024	—	—	—	—	—	—	—	—	—	0%
	2023	31,411	—	—	3,298	—	—	—	—	34,709	0%
H.L. Thornton	2024	89,279	—	—	9,821	—	—	—	—	99,100	0%
	2023	89,683	—	—	9,417	—	—	—	—	99,100	0%
Total KMP	2024	1,408,827	—	—	93,935	28,843	—	289,169	224,410	2,045,184	
	2023	1,460,558	—	—	105,148	(24,351)	(230,180)	74,901	323,750	1,709,826	

1. Non-monetary benefits comprise salary sacrificed components of remuneration packages including motor vehicles and related fringe benefits tax and allowances.

2. Mr. Charlton was appointed as a Chief Executive Officer and Managing Director on 1 August 2023.

3. Mr. Peck resigned effective 31 May 2023.

4. Includes \$(183,134) from the fair value revaluation of unvested cash based performance rights (624,000 HLP rights and 312,000 ELP rights) retained upon resignation and \$(47,046) forfeiture of 200,000 commencement rights upon resignation of the former Managing Director.

5. Includes expense accelerated in respect to share-based performance rights (909,000 HLP rights and 455,000 ELP rights) retained upon resignation of the former Managing Director.

6. Mr. Sherwin was appointed as a Chief Financial Officer on 6 May 2024.

7. Mr. Witheridge resigned as a Chief Financial Officer on 30 April 2024. Termination benefits are accrued obligations as at 30 June 2024.

8. Includes expense accelerated in respect to share-based performance rights (705,000 performance rights) retained upon resignation of the former Chief Financial Officer.

9. Includes additional remuneration of \$36,590 excl. superannuation (FY23: \$29,864 excl. superannuation) for services as Chief Operating Officer in addition to the remuneration received for non-executive director responsibilities.

10. Mr Pearce resigned effective 22 November 2022.

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Directors' Report

J) REMUNERATION REPORT CONTINUED

6. Contractual arrangements for executive KMP

Use of remuneration consultants

No advice was received from remuneration consultants in FY24.

Executive employment agreements

Remuneration and other terms of employment for the Managing Director and the CFO are formalised in employment agreements. Each of these agreements set out details of the base package amount, inclusive of superannuation and other benefits, and provide for performance incentives. The agreements also provide for participation, when eligible, in the McPherson's Limited Performance Rights Plan.

The agreements do not normally reflect a fixed term of employment or nominate a specified amount to be paid on termination of employment. The agreements normally provide that the termination notice period may be paid out by the Group.

The major provisions of the employment agreements relating to remuneration for the executives considered to be key management personnel are set out below.

Name	Term of agreement	Fixed remuneration including superannuation ¹	Termination notice	Termination of employment (without cause)	Termination of employment (with cause)
B. Charlton Managing Director	Appointed on 1 August 2023	\$630,000	Contract may be terminated on 6 months' notice by either the Company or executive.	STI: Not awarded for that financial year, however any entitlement to STI payments deferred or delayed will still be payable after the deferral period. LTI: An executive has 30 days to exercise any vested Rights from the date employment was ceased. Except in limited circumstances, all Rights which have not yet vested will expire on the date employment is ceased. The Board reserves the right to apply discretion in the case of a "good leaver" (leaving due to ill health, death, redundancy or other circumstances) so that any unvested Rights of the employee will not automatically lapse on the date employment is ceased and instead remain in place.	STI: Not awarded. LTI: Both vested and unvested LTI will expire on the date employment is ceased. In the event of serious misconduct, the Board may also claw back performance-based remuneration paid in previous financial years.
M. Sherwin Chief Financial Officer	Appointed on 6 May 2024	\$478,000	Contract may be terminated on 6 months' notice by either the Company or executive.		

1. The annual fixed remuneration amounts quoted are as at 30 June 2024.

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Directors' Report

J) REMUNERATION REPORT CONTINUED

7. Non-Executive Directors arrangements

The Group's non-executive director fee policy is designed to attract and retain high calibre directors who exemplify strong oversight, governance, independence and objectivity. Non-executive directors receive a board fee and fees for chairing of or participating in board committees. They do not participate in any performance-related incentive awards.

The People & Culture Committee reviews non-executive director remuneration against comparable companies and market data and makes recommendations to the Board accordingly. There was no increase in annual fixed remuneration for non-executive directors in FY24, nor has there been an increase since 1 July 2017. The People & Culture Committee intends to review and may recommend an increase in the remuneration of each non-executive director within the limit of the fee pool during FY25. The current maximum annual aggregate directors' fee pool limit is \$650,000 and was last approved by shareholders at the 2018 Annual General Meeting on 21 November 2018.

There has been no increase in annual fixed remuneration for Non-Executive Directors since 1 July 2017.

The table below summarises Board and Committee fees payable to the non-executive directors for FY24 (inclusive of superannuation):

	\$
BASE FEES	
Chair	\$158,667
Other non-executive directors	\$83,303
ADDITIONAL FEES	
Audit Committee (Chair)	\$10,582
Audit Committee (Member)	\$5,215
People and Culture Committee (Chair)	\$10,582
People and Culture Committee (Member)	\$5,215
Risk and Compliance Committee (Chair)	\$10,582
Risk and Compliance Committee (Member)	\$5,215

The amounts shown above for 2024 are inclusive of company superannuation guarantee contributions at 11.0%, payable on behalf of Directors on the base fees and additional fees (2023: at 10.5%).

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Directors' Report

J) REMUNERATION REPORT CONTINUED

8. Share-based compensation

Performance Rights awarded, vested and lapsed during the year

The table below discloses the number of performance rights (PR) granted, vested or lapsed during the year. Performance rights can only be exercised once the vesting conditions have been met. Unvested performance rights carry no dividend or voting rights.

Name	Grant date	Vesting date	Exercise Price	Number of rights granted	Fair value per right at grant date ¹	Rights vested during the year		Rights forfeited during the year		
						No.	%	No.	%	
B. Charlton ²	HLP	28/11/2023	22/09/2026	Nil	1,336,000 ³	\$0.44	—	—	—	—
	ELP	28/11/2023	22/09/2026	Nil	668,000 ³	\$0.07	—	—	—	—
M. Sherwin ⁴	PR	17/06/2024	22/09/2026	Nil	77,904 ³	EPS: \$0.38 TSR: \$0.07	—	—	—	—
P. Witheridge ⁵	PR	25/09/2020	25/09/2023	Nil	50,000 ⁶	EPS: \$1.27 TSR: \$1.42	—	—	50,000	100
	PR	24/09/2021	24/09/2024	Nil	146,000 ⁷	EPS: \$2.80 TSR: \$1.08	—	—	—	—
	PR	23/09/2022	22/09/2025	Nil	213,000 ⁸	EPS: \$0.59 TSR: \$0.19	—	—	—	—
	PR	12/10/2023	22/09/2026	Nil	346,000 ³	EPS: \$0.34 TSR: \$0.03	—	—	—	—

1. Determined at the time of grant per AASB 2. For details on the valuation of the performance rights including models and assumptions used, please refer to Note 22 in the Financial Statements.

2. Mr. Charlton was appointed as a Chief Executive Officer and Managing Director on 1 August 2023.

3. Refer to section 3. Elements of Remuneration - LTI above for detail on vesting conditions of FY24 Performance Rights.

4. Mr. Sherwin was appointed as a Chief Financial Officer on 6 May 2024.

5. Mr. Witheridge resigned as a Chief Financial Officer on 30 April 2024. It was resolved by the Board that Mr. Witheridge was a "good leaver". As such, unvested rights will be able to be exercised by Mr Witheridge in accordance with the Plan.

6. Refer to section 4. Link between Remuneration and Performance - Performance against LTI measures above for detail on vesting conditions of FY21 Performance Rights.

7. Vesting conditions for FY22 Performance Rights are as follows:

- 50% of Rights are subject to the satisfaction of a vesting condition relating to EPS CAGR - 30% of Rights vesting at +15.0% of underlying EPS CAGR, then pro rata to 100% of Rights vesting at +20.0% of underlying EPS CAGR.
- 50% of Rights are subject to the satisfaction of a vesting condition relating to TSR CAGR - 30% of Rights vesting at +15.0% underlying TSR CAGR, then pro rata to 100% of Rights vesting at +20.0% TSR CAGR.

8. Vesting conditions for FY23 Performance Rights are as follows:

- 66.7% of Rights are subject to the satisfaction of a vesting condition relating to EPS CAGR - 30% of Rights vesting at +20.0% of underlying EPS CAGR, then pro rata to 100% of Rights vesting at +35.0% of underlying EPS CAGR.
- 33.3% of Rights are subject to the satisfaction of a vesting condition relating to TSR CAGR - 30% of Rights vesting at +30.0% of underlying TSR CAGR, then pro rata to 100% of Rights vesting at +45.0% TSR CAGR.

Performance rights holdings of KMP

Name		Balance at start of the year	Granted as compensation	Vested and exercised rights	Forfeited	Balance at the end of the year	Vested and exercisable	Unvested
B. Charlton ¹	HLP	—	1,336,000	—	—	1,336,000	—	1,336,000
	ELP	—	668,000	—	—	668,000	—	668,000
M. Sherwin ²	PR	—	77,904	—	—	77,904	—	77,904
P. Witheridge ³	PR	409,000	346,000	—	(50,000)	705,000	—	705,000

1. Balances for Mr. Charlton at the start of the year reflect balances at the date he commenced being a KMP 1 August 2023.

2. Balances for Mr. Sherwin at the start of the year reflect balances at the date he commenced being a KMP 6 May 2024.

3. Balances at the end of the year for Mr. Witheridge reflect balances at the date he ceased being a KMP on 30 April 2024.

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Directors' Report

J) REMUNERATION REPORT CONTINUED

8. Share-based compensation continued

Shares issued on exercise of performance rights

No shares were issued in exercise of performance rights during the year.

Shares held by key management personnel

Name	Balance at the start of the year	Received during the year on the exercise of performance rights	Other changes during the year	Balance at the end of the period
B. Charlton ¹	—	—	—	—
M. Sherwin ²	—	—	—	—
P. Witheridge ³	60,000	—	—	60,000
A.J. Cook	15,500	—	—	15,500
A. Mervis	150,000	—	—	150,000
J.M. McKellar	11,533	—	—	11,533
H.L. Thornton	20,000	—	—	20,000

1. Mr. Charlton was appointed as a Chief Executive Officer and Managing Director on 1 August 2023.

2. Mr. Sherwin was appointed as a Chief Financial Officer on 6 May 2024.

3. Mr. Witheridge resigned as a Chief Financial Officer on 30 April 2024. His share balance at the end of the period refers to shares held on the date of resignation.

9. Additional statutory information

Loans to Directors and Executives

There were no loans made to the Directors of McPherson's Limited or to any KMP of the Company, including their related entities during the year, nor were there any loans outstanding at the end of the current or prior financial year.

Other Transactions with Directors and Executives

During the year, the Company sold minor quantities of its products for domestic use to the KMP on terms and conditions no more favourable than those adopted when dealing with other employees at arm's length in the same circumstances.

There were no transactions between the Company and the Directors of McPherson's Limited or with any KMP of the Company, including their related entities, during the current financial year other than those disclosed above.

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Directors' Report

K) SHARES UNDER OPTION

At the date of this report, there were no unissued ordinary shares of McPherson's under vested performance rights. There were no shares issued from the exercise of vested performance rights or options during the year ended 30 June 2024 and up to the date of this report.

L) INDEMNIFICATION AND INSURANCE OF OFFICERS

The Group has agreed to indemnify the current Directors and certain current executives of the Group against all liabilities to another person (other than the Group or a related body corporate) that may arise from their position as Directors or officers of the Group, to the extent permitted by law. The agreement stipulates that the Group will meet the full amount of any such liabilities, including costs and expenses.

During the financial year, McPherson's Limited paid a premium to insure Directors and certain officers of the Group. The Directors and officers covered by the insurance policy include the current Directors and Secretaries of McPherson's Limited, Directors or Secretaries of controlled entities who are not or were not also Directors or Secretaries of McPherson's Limited, senior management of the Group and senior management of divisions and controlled entities of McPherson's Limited. As the insurance policy operates on a claim made basis, former Directors and officers of the Group are also covered.

The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company or controlled entities. The insurance policy outlined above does not contain details of premiums paid in respect of individual Directors and officers of the Company. The insurance policy prohibits disclosure of the premium paid.

M) ENVIRONMENTAL REGULATION

The Company is not subject to significant environmental regulation in respect of its operations. The Company is committed to achieving a high standard of environmental performance and the Company monitors its compliance with environmental regulations. The Board is not aware of any significant breaches of environmental regulation during the period covered by this report.

N) PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

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

O) AUDIT AND NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers Australia) for audit and non-audit services during the year are disclosed in note 25 Remuneration of Auditors.

The Company may decide to employ the external auditor on assignments additional to their statutory audit duties, where the external auditor's expertise and experience with the Company are relevant.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

A copy of the auditor's independence as required under section 307C of the *Corporations Act 2001* is set out on page 46.

P) ROUNDING

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and, in accordance with that instrument, all financial information in this Directors' Report and the Financial Report have been rounded to the nearest thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors:



ARI MERVIS
Chair

29 August 2024



BRETT CHARLTON
Managing Director

29 August 2024

Auditor's Independence Declaration



Auditor's Independence Declaration

As lead auditor for the audit of McPherson's Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of McPherson's Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'P.J. Carney'.

Paddy Carney
Partner
PricewaterhouseCoopers

Sydney
29 August 2024

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Directors' Declaration

In the Directors' opinion:

- a) the financial statements and notes as set out on pages 54 to 99 and the remuneration report on pages 32 to 44 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 2024 and of its performance for the financial year ended on that date;
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- c) at the date of this declaration, there are reasonable grounds to believe that the parties to the Deed of Cross Guarantee identified in Note 29 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee described in Note 29; and
- d) the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct.

Note 1(a) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declaration by the Chief Executive Officer and Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

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



ARI MERVIS

Chair

29 August 2024

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Independent Auditor's Report



Independent auditor's report

To the members of McPherson's Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of McPherson's Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the Consolidated Balance Sheet as at 30 June 2024
- the Consolidated Statement of Comprehensive Income for the year then ended
- the Consolidated Statement of Changes in Equity for the year then ended
- the Consolidated Statement of Cash Flows for the year then ended
- the Notes to and forming part of the Consolidated Financial Statements, including material accounting policy information and other explanatory information
- the Consolidated Entity Disclosure Statement as at 30 June 2024
- the Directors' Declaration.

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

Independence

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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

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Independent Auditor's Report



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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit Scope

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

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 for the current period. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit Committee.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of goodwill (\$23.7 million) and brand names (\$27.7 million) <i>Refer to note 16 Intangible Assets</i></p> <p>Goodwill is allocated to the Australia and New Zealand (ANZ) cash generating unit (CGU). The recoverable amount of the ANZ CGU is determined based on a fair value less costs of disposal calculation. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.</p> <p>Brand names are tested for impairment on an individual basis annually, and more frequently if events or changes in circumstances indicate that they might be impaired. The recoverable amount of a brand name is determined based on the higher of value-in-use (VIU) or fair value less costs of disposal (FVLCD) calculations.</p> <p>This carrying value and impairment assessment of goodwill and brand names was considered to be a key audit matter due the following reasons:</p>	<p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none">• Developed an understanding of the control activities relevant to the impairment assessment and assessed whether they were appropriately designed and implemented.• Assessed whether the Group's determination of CGUs was consistent with our understanding of the nature of the Group's operations.• Assessed whether the ANZ CGU appropriately included all assets, liabilities and cash flows.• Compared the Group's forecast cash flows in the impairment models to the Board approved budget and other supporting evidence.

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Key audit matter	How our audit addressed the key audit matter
<ul style="list-style-type: none"> significant judgement is applied by the Group in relation to estimating the cash flow forecasts used in determining the recoverable amount for each Cash Generating Unit (CGU); and given the magnitude of the amounts involved, a possible misstatement of a significant assumption could result in a material impairment or reversal of impairment. <p>Inventory valuation (\$25.7 million) <i>Refer to note 10 Inventories</i></p> <p>The Group has gross inventories of \$32.7 million and an inventory provision of \$7.0 million.</p> <p>The Group values inventory at the lower of cost and net realisable value and estimates are required to determine the recoverable amount. These estimates are based on the Group's projections of future sales volumes and prices.</p> <p>This was a key audit matter given the level of judgement involved in calculating the inventory provision and the magnitude of inventory recognised on the Group's consolidated balance sheet.</p>	<ul style="list-style-type: none"> Assessed the Group's historical ability to forecast cash flows by comparing budgets to reported actual results. Together with PwC valuation experts, assessed the valuation methodology and mathematical accuracy of relevant calculations in the impairment models and compared the discount rates, growth rates and royalty rates to historical company data and market observable inputs. Assessed the reasonableness of the disclosures made in the financial report, in light of the requirements of Australian Accounting Standards. <p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> Developed an understanding of the control activities relevant to our audit of inventory and assessed whether they were appropriately designed and implemented. Tested the mathematical accuracy of the inventory provision calculation. Assessed the inventory provision estimate, in particular the identification and valuation of inventory considered to be at risk of requiring a provision. For a selection of inventory we: <ul style="list-style-type: none"> compared inventory on hand to forecast sales; compared forecast sales to historical sales; and compared the sales price, adjusted for costs to sell, to the carrying value. Assessed the reasonableness of the disclosures made in the financial report, in light of the requirements of Australian Accounting Standards.

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Key audit matter	How our audit addressed the key audit matter
<p>Multix divestment <i>Refer to note 13 Discontinued Operations</i></p> <p>On 28 June 2024, following a strategic review, McPherson's Limited completed the sale of its Multix brand and inventory for \$19.0 million.</p> <p>We considered the Multix divestment to be a key audit matter due to:</p> <ul style="list-style-type: none"> the significance of the transaction to the consolidated financial statements and performance during the year; and the judgement involved in determining the allocation of assets and costs to the discontinued operation. 	<p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> Obtained and inspected the relevant contracts between McPherson's Limited and International Consolidated Business Group Pty Ltd. Together with PwC accounting specialists, assessed the classification of the disposal as a discontinued operation in accordance with Australian Accounting Standards. Together with PwC valuation experts, assessed the methodology and mathematical accuracy of the allocation of revenue, costs and goodwill to the discontinued operation. Tested the mathematical accuracy of the loss on disposal. Assessed the disclosures made in the financial report in light of the requirements of Australian Accounting Standards.
<p>Carrying value of other assets (\$2.9 million) <i>Refer to note 12 Other Assets</i></p> <p>During the year, the amortisation period of the Exclusive Distribution Agreement (EDA) was reduced from 20 years to 5 years (resulting in amortisation of \$1.2 million for the year to 30 June 2024). At 30 June 2024, the remaining carrying amount of the EDA was fully impaired (\$3.67 million) in light of current performance.</p> <p>The key assumptions used in assessing the recoverability of the Preferred Brand Agreement (PBA) and EDA assets are the sales growth rates, the discount rate and the term of the agreement.</p> <p>The carrying value of other assets was a key audit matter due to the:</p> <ul style="list-style-type: none"> magnitude of the PBA balance; magnitude of the EDA impairment and amortisation; and 	<p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> Assessed the Group's impairment assessment by comparing the recoverable amount for the PBA and EDA to the carrying value at 30 June 2024. Assessed the amortisation methodology used by the Group by comparing the useful life applied to the terms of the agreements and tested the resulting calculations for mathematical accuracy. Compared the Group's forecast cash flows to Board approved budgets and actual results. Assessed the expected term and exercise of extension options of individual brands under the EDA, based on forecast sales. Assessed the EDA and PBA valuation methodology and mathematical accuracy of

Independent Auditor's Report



Key audit matter

How our audit addressed the key audit matter

- | | |
|---|---|
| <ul style="list-style-type: none">• significant judgement applied by the Group in estimating the cash flow forecasts used in determining the recoverable amount of the EDA and PBA. | <p>the impairment model and assessed the reasonableness of the discount rate in comparison to the discount rate for brand impairment.</p> <ul style="list-style-type: none">• Assessed the reasonableness of the disclosures made in the financial report, in light of the requirements of Australian Accounting Standards. |
|---|---|

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Directors' Report. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 have no realistic alternative but to do so.

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Independent Auditor's Report



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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of McPherson's Limited for the year ended 30 June 2024 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.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Paddy Carney'.

Paddy Carney
Partner

Sydney
29 August 2024

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Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$'000	2023 ¹ \$'000
CONTINUING OPERATIONS			
Revenue			
Sales revenue		144,625	155,174
Other income		28	60
Total revenue and other income		144,653	155,234
Expenses			
Materials and consumables		(68,078)	(65,962)
Employee costs		(35,551)	(35,460)
Advertising and promotions		(22,170)	(21,544)
Cartage and freight		(4,787)	(4,981)
Third party warehousing		(838)	(939)
Rental expenses		(311)	(408)
Depreciation		(5,359)	(5,510)
Amortisation		(551)	(475)
Other expenses		(15,156)	(14,292)
Impairment of intangible assets	16	(2,761)	(3,162)
Operating (loss) / profit before finance costs and income tax		(10,909)	2,502
Interest income	18	78	24
Borrowing costs	18	(1,905)	(1,786)
Net finance costs		(1,827)	(1,762)
(Loss) / profit before income tax from continuing operations		(12,736)	740
Income tax benefit / (expense)	6	1,350	(2,013)
(Loss) / profit for the year after tax from continuing operations		(11,386)	(1,273)
DISCONTINUED OPERATIONS			
(Loss) / profit from discontinued operations, net of income tax	13	(4,605)	(3,788)
(Loss) / profit for the year after tax		(15,991)	(5,061)
Other Comprehensive Income			
<i>Items that may be reclassified to profit or loss</i>			
Changes in fair value of cash flow hedges		(80)	(1,621)
Exchange differences on translation of foreign operations		2	(490)
Income tax benefit relating to these items		34	469
Other comprehensive (expense) / income for the year		(44)	(662)
Total comprehensive (expense) / income for the year		(16,035)	(5,723)
Total comprehensive income for the year to owners of McPherson's Limited arises from:			
Continuing operations		(11,430)	(1,935)
Discontinued operations		(4,605)	(3,788)
		(16,035)	(5,723)
Earnings per share			
		Cents	Cents
Basic (loss) / earnings per share	26	(11.1)	(3.5)
Diluted (loss) / earnings per share	26	(11.1)	(3.5)
Basic (loss) / earnings per share from continuing operations	26	(7.9)	(0.9)
Diluted (loss) / earnings per share from continuing operations	26	(7.9)	(0.9)

1. The 2023 comparative numbers of the Group have been restated to show the discontinued operations separately from the continuing operations.

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

AS AT 30 JUNE 2024

	Note	2024 \$'000	2023 \$'000
CURRENT ASSETS			
Cash and cash equivalents	8	24,769	7,031
Trade and other receivables	9	24,002	28,893
Inventories	10	25,663	45,159
Derivative financial instruments	11	100	607
Current tax receivable		524	—
Other assets	12	721	992
Total current assets		75,779	82,682
NON-CURRENT ASSETS			
Property, plant and equipment	14	5,966	6,675
Right-of-use assets	15	8,510	11,438
Intangible assets	16	54,498	78,814
Other assets	12	2,148	7,588
Total non-current assets		71,122	104,515
Total assets		146,901	187,197
CURRENT LIABILITIES			
Trade and other payables	17	26,475	33,247
Borrowings	18	10,673	927
Lease liabilities		3,400	3,736
Provisions	19	5,795	7,081
Derivative financial instruments	11	387	866
Current tax liabilities		—	1,369
Total current liabilities		46,730	47,226
NON-CURRENT LIABILITIES			
Other payables	17	—	706
Borrowings	18	—	12,592
Lease liabilities		5,564	8,194
Provisions	19	1,435	1,549
Deferred tax liabilities	6	3,535	7,478
Total non-current liabilities		10,534	30,519
Total liabilities		57,264	77,745
Net assets		89,637	109,452
EQUITY			
Contributed equity	20	217,218	217,218
Reserves	21(a)	(1,472)	(1,966)
Accumulated losses	21(b)	(126,109)	(105,800)
Total equity		89,637	109,452

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 30 June 2023		217,218	(1,966)	(105,800)	109,452
Loss for the year		—	—	(15,991)	(15,991)
Other comprehensive income		—	(44)	—	(44)
Total comprehensive income		—	(44)	(15,991)	(16,035)
Transactions with shareholders					
Dividends provided for or paid	4	—	—	(4,318)	(4,318)
Share-based payment transactions with employees	21(a)	—	538	—	538
Total transactions with shareholders		—	538	(4,318)	(3,780)
Balance at 30 June 2024		217,218	(1,472)	(126,109)	89,637

	Note	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 30 June 2022		207,244	8,543	(94,981)	120,806
Loss for the year		—	—	(5,061)	(5,061)
Other comprehensive income		—	(662)	—	(662)
Total comprehensive income		—	(662)	(5,061)	(5,723)
Transactions with shareholders					
Dividends provided for or paid	4	—	—	(5,758)	(5,758)
Shares vested and transferred to employees	21(a)	231	(231)	—	—
Share-based payment transactions with employees	21(a)	—	127	—	127
Shares issued for Contract Assets and prepayment for inventory	21(a)	9,743	(9,743)	—	—
Total transactions with shareholders		9,974	(9,847)	(5,758)	(5,631)
Balance at 30 June 2023		217,218	(1,966)	(105,800)	109,452

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$'000	2023 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers, inclusive of GST		220,306	233,421
Payments to suppliers and employees, inclusive of GST		(203,985)	(226,583)
Interest received		78	24
Interest and borrowing costs paid		(1,474)	(1,600)
Income taxes (paid)/received		(2,582)	1,286
Net cash inflows from operating activities	30	12,343	6,548
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant and equipment		(1,139)	(1,788)
Payments for purchase of other intangible assets		(1,567)	(61)
Proceeds from sale of business assets		19,000	—
Net cash inflows / (outflows) from investing activities		16,294	(1,849)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issue transaction costs		—	(2)
Proceeds from borrowings		27,185	47,633
Repayment of borrowings		(30,224)	(49,000)
Repayment of lease liabilities		(3,544)	(3,783)
Dividends paid		(4,318)	(5,758)
Net cash (outflows) from financing activities		(10,901)	(10,910)
Net increase / (decrease) in cash held		17,736	(6,211)
Cash at beginning of financial year		7,031	13,139
Effects of exchange rate changes		2	103
Cash held at end of financial year	8	24,769	7,031

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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Consolidated Financial Statements

1. Summary of material accounting policies

The accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of McPherson's Limited and its controlled entities.

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*. McPherson's Limited is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

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

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities, including derivative instruments, which are carried at fair value.

New and amended standards adopted by the Group

The Australian Accounting Standards Board (AASB) has issued a number of standards and amendments to standards that are mandatory for the first time in the reporting period commenced 1 July 2023. The Group has assessed and determined that there are no new or amended standards applicable for the first time for the financial report for the year ended 30 June 2024, that materially affect the Group's accounting policies or any of the amounts recognised in the financial statements.

New standards and interpretations not yet adopted by the Group

AASB 18 Presentation and Disclosure in Financial Statements

The AASB issued AASB 18 in June 2024, which sets out requirements for the presentation and disclosure of information in general purpose financial statements. AASB 18 is effective for annual reporting periods beginning on or after 1 January 2027. The Group is continuing to assess the full impact of adopting AASB 18.

Other new or amended accounting standards

The AASB has issued a number of new or amended accounting standards and interpretations that are not mandatory for the first time in the reporting period commenced 1 July 2023. The Group has assessed these standards and interpretations and determined that there are no standards or amendments to standards that are not yet effective that are expected to have a material impact on the Group in the current or future reporting periods.

B) PRINCIPLES OF CONSOLIDATION

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 1(h)).

Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in controlled entities are accounted for at cost in the individual financial statements of the parent entity.

Changes in ownership interests

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture 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.

Joint arrangements

Under AASB 11, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Equity method

Under the equity method, investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-investment profits or losses of the investee, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from the investee are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

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

Consolidated Financial Statements

1. Summary of material accounting policies

continued

C) 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 has been identified as the Chief Executive Officer and Managing Director of McPherson's Limited.

D) FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is McPherson's Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- Income and expenses for the statement of comprehensive income are translated at average exchange rates, unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions; and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

E) REVENUE RECOGNITION

Sales revenue

The Group markets and distributes Health, Wellness and Beauty products. Sales are recognised at a point in time when the control of the products has transferred, being when the products are delivered to the customer, or when the customer has directed the Group to warehouse finished goods on its behalf, with the risks of control and ownership transferring to the customer. The customer has full discretion over the price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been delivered to the specific location, the risks of obsolescence and loss have been transferred to the customer, and the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group's products are often sold on terms that include settlement discounts and volume rebates. Revenue from these sales is recognised based on the price specified in the contract, net of estimated discounts and rebates, using the expected value method. A contract liability is recognised for expected discounts and rebates payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as sales are made with credit terms normally between 30 and 60 days, which is consistent with market practice.

A receivable is recognised when the goods are delivered to the customer, or when the customer directs the Group to warehouse finished goods on its behalf, with the risks of control and ownership transferring to the customer, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Accounting for refunds

When the customer has a right to return the product within a given period, the entity has a potential obligation to refund the purchase price. A refund liability for the expected refunds to customers is recognised as an adjustment to revenue in trade and other payables. At the same time, the Group has a right to recover the product from the customer where the customer exercises its right of return and recognises an asset in trade and other receivables and a corresponding adjustment to cost of sales. The asset is measured by reference to the former carrying amount of the product. The costs to recover the products are not material because the customer usually returns the product in a saleable condition to the Group.

The Group does not have any contracts where the period between the supply of goods or services to the customer and payment by the customer exceeds one year. Consequently, the Group does not adjust any of the transaction prices for the time value of money.

Other income

Other income is recognised when the income is received or becomes receivable.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

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Consolidated Financial Statements

1. Summary of material accounting policies

continued

F) INCOME TAX

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from 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 end of the reporting period 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 liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations 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.

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.

Tax consolidation legislation

McPherson's Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity. McPherson's Limited, as the head entity in the tax consolidated Group, recognises current tax amounts relating to transactions, events and balances of the wholly-owned Australian controlled entities in this Group as if those transactions, events and balances were its own, in addition to the current and deferred tax amounts arising in relation to its own transactions, events and balances. Amounts receivable or payable under a Tax Funding Agreement with the tax consolidated entities are recognised separately as tax-related amounts receivable or payable. Expenses and revenues arising under the Tax Funding Agreement are presented as income tax expenses or credits.

G) LEASES**Lease contracts**

The Group leases various offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods of 12 months to 5 years, but may have extension options. Extension and termination options that are reasonably certain are included in a number of property and equipment leases across the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Lease liabilities

Lease liabilities are initially measured on a present value basis of the following lease payments:

- Fixed payments less any lease incentives receivable; and
- Variable lease payments based on a rate initially measured at the commencement date, such as CPI.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group's incremental borrowing rate is used, being the rate that an individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets

Right-of-use assets are measured at present value comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Short term leases

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

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1. Summary of material accounting policies

continued

H) BUSINESS COMBINATIONS

The acquisition method is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition comprises the fair value of the assets transferred, shares issued, and liabilities incurred or assumed at the date of exchange. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair value at the acquisition date. The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (refer to Note 1(r)). If the consideration transferred is less than the fair value of the net assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase, but only after a reassessment of the identification and measurement of the net assets acquired. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

I) IMPAIRMENT OF ASSETS

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

J) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and deposits at call which are readily convertible to cash on hand and are used in the cash management function on a day-to-day basis net of outstanding bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities in the balance sheet.

K) TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement no more than 60 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

L) INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on a weighted average basis. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of inventory. Cost of work in progress and finished manufactured products includes materials, labour and an appropriate proportion of factory overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts. Unrealised profits on intercompany inventory transfers are eliminated on consolidation. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

M) NON-CURRENT ASSETS, OR DISPOSAL GROUPS, HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets, or disposal groups, are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets.

An impairment loss is recognised for any initial or subsequent write down of the asset, or disposal group, to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, or disposal group, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset, or disposal group, is recognised at the date of derecognition.

Non-current assets, including those that are part of a disposal group, are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate cash-generating unit or a group of cash-generating units and is a separate major line of business or geographical area of operations and is part of a single co-ordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately in the statement of comprehensive income.

Consolidated Financial Statements

1. Summary of material accounting policies

continued

N) INVESTMENTS AND OTHER FINANCIAL ASSETS

i) Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

ii) Financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss:

- Debt investments that do not qualify for measurement at either amortised cost or at fair value through other comprehensive income;
- Equity investments that are held for trading; and
- Equity investments for which the entity has not elected to recognise fair value gains and losses through other comprehensive income.

iii) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are equity investments which are not held for trading, and for which the Group's management has elected to present fair value gains and losses in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Impairment losses and reversal of impairment losses on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

iv) Other financial assets at amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- The asset is held within a business model with the objective of collecting the contractual cash flows; and
- The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Financial assets at amortised cost are included in receivables in the balance sheet.

v) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

O) DERIVATIVES AND HEDGING ACTIVITIES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Group documents at the inception of the hedging transaction, the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months. It is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within finance costs.

When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the option contract as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the option contracts are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item are recognised within other comprehensive income in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

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1. Summary of material accounting policies

continued

O) DERIVATIVES AND HEDGING ACTIVITIES

CONTINUED

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Gain or loss relating to the effective portion of the intrinsic value of option contracts where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred aligned time value of the option contracts are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss.
- Gain or loss relating to the effective portion of the spot component of forward contracts where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred aligned forward points are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss.
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance cost' at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remain in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss. Hedge ineffectiveness is recognised in profit or loss within finance cost.

P) FAIR VALUE ESTIMATION

The fair value of financial assets and financial liabilities must be estimated for recognition, measurement and disclosure purposes.

The fair value of interest rate hedge contracts is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts and other foreign currency contracts are determined using forward exchange market rates and volatility at the balance sheet date.

The net nominal value of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Q) PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their net cost over their estimated useful lives.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to Note 1(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in profit or loss.

R) INTANGIBLE ASSETS

i) Goodwill

Goodwill is measured as described in Note 1(h). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

ii) Brand names

The Group recognises brand names that are acquired as part of a business combination or that are specifically acquired from a vendor. The Group does not recognise internally generated brand names. Brand names are initially recognised at fair value, if acquired as part of a business combination, or at cost, if specifically acquired from a vendor. For brand names specifically acquired from a vendor and held at cost, any subsequent adjustments arising from a contingent consideration arrangement associated with the brand acquisition are reflected in the carrying value of the relevant brand name. Subsequent to initial recognition, brand names are recognised at cost less accumulated impairment losses.

The carrying amount of brand names are not amortised as the Directors are of the view that the brand names have an indefinite useful life.

Brand names are tested individually for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired. The recoverable amount of a brand name is determined based on the higher of the value-in-use or fair value less costs to sell.

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1. Summary of material accounting policies

continued

R) INTANGIBLE ASSETS CONTINUED

iii) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

The Group amortises customer relationships with a finite useful life using the straight-line method over 8 years, based on the historical customer attrition rate, which is subject to annual review.

iv) IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that are identifiable and unique software products controlled by the Group and will contribute to future period financial benefits through revenue generation or cost reduction are capitalised as intangible assets. Capitalised costs include external direct costs of materials and services, direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis generally over 3 to 5 years.

IT development costs only include those costs directly attributable to the development phase and are only recognised where the Group has an intention and ability to use the asset.

v) Research and development

Research expenditure and development expenditure that do not meet the criteria in (iv) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

S) TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which remain unpaid. These amounts are unsecured and are normally settled within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method.

T) PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

The cost of products and services provided under warranty is expensed as incurred. The Company provides for warranties based on history of claims and management's best estimate of expected claims.

U) EMPLOYEE BENEFITS

i) Short-term obligations

Liabilities for wages and salaries, including annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave, which is not expected to be settled within 12 months after the end of the period in which the employees render the related service, is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

iii) Bonus plans

A liability for employee benefits in the form of bonuses is recognised in provisions when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- There are formal terms for determining the amount of the benefit;
- The amounts to be paid are determined before the time of completion of the financial report; and
- Past practice gives clear evidence of the amount of the obligation.

iv) Superannuation

Contributions to employee superannuation funds are made by McPherson's Limited and controlled entities. Contributions are recognised as an expense as they become payable.

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1. Summary of material accounting policies

continued

U) EMPLOYEE BENEFITS CONTINUED

v) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of AASB 137 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. The liabilities for termination benefits are recognised in other creditors unless timing of the payment is uncertain, in which case they are recognised as provisions.

vi) Employee benefit on-costs

Employee benefit on-costs are recognised and included in employee benefit liabilities when the employee benefits to which they relate are recognised as liabilities.

vii) Share-based payments

Share-based compensation benefits are provided to employees via the McPherson's Limited Employee Share Scheme and the McPherson's Limited Performance Rights Plan.

The fair value of options or rights granted to employees is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is independently determined at grant date and recognised over the period during which the employees become unconditionally entitled to the options or rights.

Non-market vesting conditions are included in assumptions about the number of options or rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options or rights that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Upon the exercise of options or rights, the balance of the share-based payments reserve relating to those options or rights is transferred to share capital.

V) CONTRIBUTED EQUITY AND DIVIDENDS

i) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

ii) Dividends

Provision is made for any dividend declared by the Directors, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

W) EARNINGS PER SHARE

i) Basic earnings per share

Basic earnings per share is determined by dividing the operating profit after income tax attributable to members of McPherson's Limited by the weighted average number of ordinary shares outstanding during the financial year (refer to Note 26).

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

X) BORROWINGS AND BORROWING COSTS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or financial costs.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan and are amortised over the period of the facility to which they relate, unless a shorter period is considered more appropriate.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs are expensed as incurred.

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1. Summary of material accounting policies

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Y) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Z) ROUNDING OF AMOUNTS

The Group is of a kind referred to in Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in this Directors' Report and the Financial Report have been rounded to the nearest thousand dollars unless otherwise stated.

AA) PARENT ENTITY FINANCIAL INFORMATION

The financial information for the parent entity, McPherson's Limited, disclosed in Note 32 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of McPherson's Limited. Dividends received from subsidiaries are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

AB) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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 area involving a higher degree of judgement or complexity, or area where assumptions and estimates are significant is discussed below.

Estimated recoverable amount of goodwill and indefinite lived brand names

The Group tests goodwill and indefinite lived brand names annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. In calculating the recoverable amount of these assets, the use of key assumptions is required.

Provision for inventory obsolescence

Inventories are valued at the lower of cost and net realisable value. Estimates are required to be made in relation to the recoverable amount of inventory based on projected sales volumes and sell prices.

Amortisation method and period for contract asset and inventory prepayment

The Preferred Brand Agreement contract asset is amortised to the income statement over the five-year term of the agreement corresponding to the run rate of sales benefitting from the agreement. The Exclusive Distribution Agreement inventory prepayment is amortised over five years (2023: 20 years) on a straight line basis. Refer to Note 12 for additional details regarding the change.

The periods for the contract asset and inventory prepayment have been determined by estimating the projected future sales, purchases and margins over the life of the agreements. The judgements involved include estimates of future cash flows, assumptions regarding the exercise of extension options and assessing relevant discount rates.

AC) RECLASSIFICATION

Certain comparative amounts have been reclassified to conform with the current year's presentation to better reflect the nature of the financial position and performance of the Group.

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2. Financial risk management

The Group's activities expose it to financial risks such as currency risk, interest rate risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange and interest rate hedge contracts are used to hedge certain risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or other speculative instruments.

Financial risk management is predominantly controlled by a central treasury function under policies approved by the Board of Directors.

Whilst the Group's hedging policy only allows for highly effective hedge relationships to be established, at times some hedge ineffectiveness can arise. Hedge ineffectiveness can arise from the following hedge risks:

Foreign exchange risk

- If the timing of the hedged highly probable forecast transaction changes from what was originally estimated;
- If the amount of the hedged highly probable forecast transaction decreases to an amount below the associated hedging instrument amount; or
- If differences arise between the credit risk inherent within the hedged item and the hedging instrument.

Interest rate risk

- If the underlying interest rate inherent within the Group's borrowing arrangements differs from the underlying interest rate included within the hedging instrument;
- If the Group's outstanding borrowings reduce to an amount below that included within the hedging instrument;
- If the time period of the hedging instrument goes beyond the maturity date of the related borrowings and it is unlikely that the Group would refinance its borrowings for a further period; or
- If differences arise between the credit risk inherent within the hedged item and the hedging instrument.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, derivative financial instruments and receivables due from customers.

Liquidity risk

Liquidity risk is the risk that an entity will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group holds the following financial instruments:

	Note	2024 \$'000	2023 \$'000
FINANCIAL ASSETS			
Cash and cash equivalents	8	24,769	7,031
Trade and other receivables	9	24,002	28,893
Derivative financial instruments	11	100	607
Total financial assets		48,871	36,531
FINANCIAL LIABILITIES			
Trade and other payables	17	26,475	33,953
Borrowings	18	10,673	13,519
Lease liabilities		8,964	11,930
Derivative financial instruments	11	387	866
Total financial liabilities		46,499	60,268

The fair value measurements of the derivative financial instruments are shown in Note 2(e).

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2. Financial risk management continued**a) Foreign exchange risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the majority of the Group's foreign currency purchases made in USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in currencies that are not the entity's functional currency and net investments in foreign operations.

The Board's foreign exchange risk management policy is to hedge 100% of anticipated cash flows of inventory purchases in USD, for 12 months. At balance date, 100% (2023: 100%) of projected USD purchases qualified as "highly probable" forecast transactions for hedge accounting purposes. The Group also hedges material exposures arising in foreign currencies other than USD. The Group uses a mixture of foreign currency options and forward exchange contracts to hedge its exposures to foreign currency. The weighted average hedged rate for the AUD/USD hedges the Group had in place at 30 June 2024 was 0.6483 (2023: 0.6597).

The Group's exposure to foreign currency risk (being unhedged payable and receivable amounts, and outstanding hedges associated with forecast future transactions) at the reporting date was as follows:

A\$'000	USD	NZD	EUR	GBP	HKD	AUD	CNY
30 JUNE 2024							
Trade receivables	115	—	—	—	—	—	—
Trade payables	—	—	1	—	94	—	251
Forward foreign exchange contracts – buy foreign currency	16,157	—	—	—	—	—	—
Foreign currency options – buy foreign currency	13,725	—	—	—	—	—	—
30 JUNE 2023							
Trade receivables	111	2	40	—	—	—	—
Trade payables	2	6	365	482	170	—	212
Forward foreign exchange contracts – buy foreign currency	29,357	—	—	—	—	—	—
Foreign currency options – buy foreign currency	31,654	—	—	—	—	—	—

Group sensitivity

Based on the financial instruments held at 30 June 2024, had the Australian dollar weakened/strengthened by 5% against other foreign currencies at that date, with all other variables held constant, it is estimated that equity would have been \$628,134 higher / \$(494,406) lower (2023: \$1,209,708 higher / \$(870,498) lower), arising from forward foreign exchange contracts and foreign currency options designated as cash flow hedges. The Group's exposure to unhedged amounts is not material.

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2. Financial risk management *continued*

b) Interest rate risk

The Group's main cash flow interest rate risk arises from long-term borrowings with variable interest rates. The Group manages its interest rate exposure by maintaining a policy to combine, if considered necessary and approved by the Board, fixed and floating rate liabilities through the use of derivative instruments and entry into fixed rate borrowings.

At 30 June 2024, the Group's debt at variable rates are:

	Weighted average interest rate	Balance \$'000	% of total loans
2024			
Bank loans at variable rate	6.4%	10,000	92%
Net exposure to cash flow interest rate risk		10,000	
2023			
Bank loans at variable rate	6.4%	13,000	93%
Net exposure to cash flow interest rate risk		13,000	

c) Credit risk

The maximum exposure to credit risk at balance date is the carrying amount of the financial assets as summarised in Note 2. For derivative instruments, counterparties are limited to approved institutions with secure long-term credit ratings.

Credit limits are set and monitored by management with respect to individual customers and in some instances, debtor insurance is taken out against specific customers in order to minimise the credit risk. Credit limits are based on available credit insurance limits, the customers' financial position and prior payment history.

For derivative financial instruments, the Board determines and reviews on a regular basis the coverage required by the Group. The Group uses the major Australian banks as counterparties for most of the Group's derivative instruments. Derivatives entered into by foreign subsidiaries also use the major banks from within that country. Refer to Notes 9 and 11 for additional information regarding receivables and credit risk exposure.

Trade receivables

The loss allowance provision as at 30 June 2024 is determined as follows. The expected credit losses below also incorporate forward looking information.

2024 \$'000	Neither past due nor impaired	Less than 30 days	30 to 59 days	60 to 89 days	90 to 119 days	120 days or more	Total
Gross carrying amount	15,658	4,545	109	—	—	—	20,312
Loss allowance provision	—	—	2	—	—	—	2
Expected loss rate	0.0%	0.0%	2.0%	0.0%	0.0%	0%	0.0%

Credit risk concentration

Four (2023: four) external customers represent \$14,025,129 (2023: \$15,424,528), which individually amount to 10% or more of the Group's trade receivables. These trade receivables are in relation to the Australia and New Zealand segment.

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2. Financial risk management continued

d) Liquidity risk

Financing Arrangements

The Group has access to the following undrawn borrowing facilities at the end of the reporting period:

	2024 \$'000	2023 \$'000
Bank loans expiring within one year	35,000	—
Bank loans expiring beyond one year	—	32,000
Total undrawn borrowing facilities	35,000	32,000

Following the Multix divestment on 28 June 2024, the Company was in the process of agreeing an amendment to the terms of the working capital facility agreement. As at 30 June 2024, the terms had not been agreed. Therefore, as prescribed by AASB 101 Presentation of Financial Statements, the debt was classified as current. The balance outstanding under the facility was \$10 million as at 30 June 2024. On 19 August 2024, the amendment request was approved and is re-classified as non-current.

Refer to Note 18 for further information regarding the financing facilities available to the Group.

Maturity profile of the Group's borrowings

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 1 Year \$'000	Between 1 & 2 years \$'000	Between 2 & 3 years \$'000	Between 4 & 6 years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
30 June 2024						
NON-DERIVATIVES						
Payables	26,475	—	—	—	26,475	26,475
Borrowings	11,522	—	—	—	11,522	10,673
Lease liabilities	3,400	2,773	2,678	176	9,028	8,964
Total non-derivative financial liabilities	41,397	2,773	2,678	176	47,025	46,112
DERIVATIVES						
Forward foreign exchange contracts – inflow	(16,157)	—	—	—	(16,157)	(16,157)
Forward foreign exchange contracts – outflow	16,182	—	—	—	16,182	16,182
Foreign currency options	25	—	—	—	25	25
	262	—	—	—	262	262
Total derivative financial liabilities / (assets)	287	—	—	—	287	287
30 June 2023						
NON-DERIVATIVES						
Payables	33,247	—	706	—	33,953	33,953
Borrowings	1,755	828	13,828	—	16,411	13,519
Lease liabilities	3,736	3,212	2,617	2,716	12,281	11,930
Total non-derivative financial liabilities	38,738	4,040	17,151	2,716	62,645	59,402
DERIVATIVES						
Forward foreign exchange contracts – inflow	(29,323)	—	—	—	(29,323)	(29,323)
Forward foreign exchange contracts – outflow	28,716	—	—	—	28,716	28,716
Foreign currency options	(607)	—	—	—	(607)	(607)
	866	—	—	—	866	866
Total derivative financial liabilities	259	—	—	—	259	259

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2. Financial risk management *continued*

e) Fair value measurement of financial instruments

The following financial instruments held by the Group were measured and recognised at fair value at 30 June 2024 and 30 June 2023 on a recurring basis:

Recurring fair value measurements	30 June 2024				30 June 2023			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
FINANCIAL ASSETS AT FAIR VALUE								
Derivative financial instruments	—	100	—	100	—	607	—	607
Total financial assets at fair value	—	100	—	100	—	607	—	607
FINANCIAL LIABILITIES AT FAIR VALUE								
Derivative financial instruments	—	(387)	—	(387)	—	(866)	—	(866)
Total financial liabilities at fair value	—	(387)	—	(387)	—	(866)	—	(866)

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level using the following fair value measurement hierarchy:

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The Group holds Level 2 instruments as at 30 June 2024.

Level 2 instruments

The fair value of the derivative financial instruments is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. The fair value of forward exchange and option contracts is determined using forward exchange market rates at the end of the reporting period.

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3. Material Items

The Group's profit / (loss) after income tax includes the following items that are material because of their nature or size:

	Expense / (income) \$'000	Tax (benefit) / expense \$'000	Total \$'000
30 JUNE 2024			
Impairment of Exclusive Distribution Agreement (EDA)	3,667	—	3,667
Brand impairment	2,761	(270)	2,491
Product rationalisation & exit brand provisioning	2,292	(673)	1,619
Restructuring expenses	1,657	(450)	1,207
Amortisation of Exclusive Distribution Agreement (EDA)	1,222	—	1,222
Leadership transition expenses	837	(185)	652
Professional fees in relation to ASIC matters	237	(71)	166
Total material items from continuing operations	12,673	(1,649)	11,024
Restructuring expenses relating to Multix business	643	(193)	450
Loss recognised on divestment of Multix business	13,377	(3,951)	9,426
Total material items from discontinued operations	14,020	(4,144)	9,876
	Expense / (income) \$'000	Tax (benefit) / expense \$'000	Total \$'000
30 JUNE 2023			
Write-back of Dr. LeWinn's inventory provision	(1,036)	311	(725)
Other brand impairment and asset write down	3,422	(60)	3,362
Leadership transition expenses	484	(148)	336
Professional fees in relation to ASIC matters	411	(123)	288
Restructuring expenses	380	(83)	297
Total material items from continuing operations	3,661	(103)	3,558
Non-recurring Multix brand impairment	8,300	(2,490)	5,810
Total material items from discontinued operations	8,300	(2,490)	5,810

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4. Dividends

Details of dividends declared during the year ended 30 June 2024 are as follows:

	2024 \$'000	2023 \$'000
Final 30 June 2023 dividend of 1.0 cents per fully paid share (2022: 2.0 cents per fully paid share) fully franked at 30%	1,439	2,879
Interim 2024 ordinary dividend of 2.0 cents per fully paid share (2023: 2.0 cents per fully paid share) fully franked at 30%	2,879	2,879
Total dividends	4,318	5,758
DIVIDENDS NOT RECOGNISED AT YEAR END		
Since the 2024 financial year end, the Directors have not declared a dividend (2023: 1.0 cents per fully paid share)	—	1,439
FRANKED DIVIDENDS		
Franked dividends paid after 30 June 2024 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ended 30 June 2024.		
Franking credits available for subsequent financial years based on a tax rate of 30%	18,680	18,212

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for the future receipt of the current tax assets.

Dividend reinvestment plan (DRP)

The Company's dividend reinvestment plan remains suspended.

5. Segment Information

Operating segments are reported in a manner which is consistent with the internal reporting provided to the chief operating decision makers. The Chief Operating Decision Maker (CODM) has been identified as the CEO and Managing Director of McPherson's Limited.

The internal reports reviewed by the CODM, which are used to make strategic decisions, are presented in two operating segments:

- Australia and New Zealand (ANZ); and
- International.

The Group's financing (including finance costs, finance income and other income) and income taxes are managed on a Group basis and are not allocated to operating segments. Assets and liabilities are reported on a consolidated level to the Group's Chief Operating Decision Maker.

Segment revenues

Segment revenues are allocated based on the location in which the customer is located. Sales between segments are eliminated on consolidation.

Revenues from continuing operations of approximately \$87,787,126 (2023: \$90,571,261) were derived from three (2023: three) external customers, which individually amount to 10% or more of the Group's revenue. These revenues were attributable to the Australia and New Zealand segment.

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5. Segment Information *continued*

Segment results

	Australia and New Zealand \$'000	International \$'000	Corporate \$'000	Consolidated \$'000	Less: Discontinued Operations \$'000	Continuing Operations \$'000
30 JUNE 2024						
Sales to external customers	192,092	5,551	—	197,643	53,018	144,625
Total sales revenue	192,092	5,551	—	197,643	53,018	144,625
Other income	—	28	—	28	—	28
Total segment revenue and other income (excluding interest)	192,092	5,579	—	197,671	53,018	144,653
EBITDA / (LBITDA) before material items	20,301	(562)	(4,535)	15,204	7,530	7,674
Depreciation and amortisation expense	(5,442)	(130)	(338)	(5,910)	—	(5,910)
Segment EBIT / (LBIT) before material items	14,859	(692)	(4,873)	9,294	7,530	1,764
Material items before tax and borrowing costs	(24,451)	—	(2,242)	(26,693)	(14,020)	(12,673)
Segment EBIT / (LBIT) including material items	(9,592)	(692)	(7,115)	(17,399)	(6,490)	(10,909)
Interest income				78	—	78
Borrowing costs				(1,905)	—	(1,905)
Profit / (loss) before income tax				(19,226)	(6,490)	(12,736)
Income tax (expense)/benefit				3,235	1,885	1,350
Profit / (loss) after income tax				(15,991)	(4,605)	(11,386)

	Australia and New Zealand \$'000	International \$'000	Corporate \$'000	Consolidated \$'000	Less: Discontinued Operations \$'000	Continuing Operations \$'000
30 JUNE 2023						
Sales to external customers	200,927	9,334	—	210,261	55,087	155,174
Inter-segment sales	716	—	(716)	—	—	—
Total sales revenue	201,643	9,334	(716)	210,261	55,087	155,174
Other income	35	21	4	60	—	60
Total segment revenue and other income (excluding interest)	201,678	9,355	(712)	210,321	55,087	155,234
EBITDA / (LBITDA) before material items	20,463	(1,273)	(4,154)	15,036	2,888	12,148
Depreciation and amortisation expense	(5,410)	(237)	(338)	(5,985)	—	(5,985)
Segment EBIT / (LBIT) before material items	15,053	(1,510)	(4,492)	9,051	2,888	6,163
Material items before tax and borrowing costs	(10,894)	(62)	(1,005)	(11,961)	(8,300)	(3,661)
Segment EBIT / (LBIT) including material items	4,159	(1,572)	(5,497)	(2,910)	(5,412)	2,502
Interest income				24	—	24
Borrowing costs				(1,786)	—	(1,786)
Profit / (loss) before income tax				(4,672)	(5,412)	740
Income tax (expense)/benefit				(389)	1,624	(2,013)
Profit / (loss) after income tax				(5,061)	(3,788)	(1,273)

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6. Income tax

a) Income tax expense

	2024 \$'000	2023 \$'000
Current tax	289	1,796
Deferred tax	(3,470)	(1,730)
Under / (over) provision in prior years	(54)	323
Total income tax expense / (benefit)	(3,235)	389
<i>Income tax expense is attributable to:</i>		
Profit / (loss) from continuing operations	(1,350)	2,013
Profit / (loss) from discontinued operations	(1,885)	(1,624)
Total income tax expense / (benefit)	(3,235)	389

b) Numerical reconciliation of income tax expense

	2024 \$'000	2023 \$'000
Profit / (loss) from continuing operations before income tax expense	(12,736)	740
Profit / (loss) from discontinued operations before income tax expense	(6,490)	(5,412)
	(19,226)	(4,672)
Prima facie income tax (benefit) / expense at 30%	(5,768)	(1,402)
<i>Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:</i>		
Tax rate differences in overseas entities	(80)	(170)
Share-based payments (write back) / expense	161	(40)
Under / (over) provision in prior periods	(54)	323
Impairment of intangible assets	558	949
Amortisation and impairment of contract asset and inventory prepayment	1,713	335
Loss on divestment	62	—
Other	173	394
Income tax expense	(3,235)	389

c) Tax expense relating to items of other comprehensive income

	Note	2024 \$'000	2023 \$'000
Cash flow hedges	21(a)	34	469

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6. Income tax *continued*

d) Deferred Tax

Deferred tax recognised comprises temporary differences attributable to:

	Consolidated balance sheet		Consolidated statement of profit or loss	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Brand names	(5,904)	(9,735)	(3,831)	(2,549)
Customer relationships	(447)	(550)	(103)	(100)
Employee benefits	1,499	1,938	439	112
Right-of-use assets	(2,493)	(3,262)	(769)	(401)
Lease liabilities	2,916	3,689	773	379
Other	895	442	21	829
Net deferred tax liability	(3,535)	(7,478)	(3,470)	(1,730)

Reconciliation of deferred tax liabilities, net:

	2024 \$'000	2023 \$'000
As at 1 July	(7,478)	(8,993)
Tax expense during the period recognised in profit or loss	3,470	1,730
Tax income/(expense) during the period recognised in OCI	34	469
Under/(over) provision in prior years	439	(663)
Foreign currency exchange differences	—	(21)
As at 30 June	(3,535)	(7,478)

7. Key management personnel

	2024 \$	2023 \$
KEY MANAGEMENT PERSONNEL COMPENSATION		
Short-term employee benefits	1,408,827	1,460,558
Termination benefits	224,410	323,750
Post-employment benefits	93,935	105,148
Long-term benefits	28,843	(24,351)
Share based payments ¹	289,169	(155,279)
Total key management personnel compensation	2,045,184	1,709,826

1. 2023 includes \$(183,134) from the fair value revaluation of unvested cash based performance rights (624,000 HLP rights and 312,000 ELP rights) retained upon resignation, \$(47,046) forfeiture of 200,000 commencement rights upon resignation and expense accelerated in respect to share-based performance rights (909,000 HLP rights and 455,000 ELP rights) retained upon resignation of the former Managing Director as disclosed in the "Final Director's Interest Notice" provided to the ASX on 2 June 2023. 2024 includes expense accelerated in respect to share-based performance rights (705,000 performance rights) retained upon resignation of the former Chief Financial Officer.

Detailed remuneration disclosures are provided in the Remuneration Report contained within the Directors' Report, which is in section (j) of the Directors' Report.

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8. Cash and cash equivalents

	2024 \$'000	2023 \$'000
Cash on hand	2	4
Cash at bank and on deposit (at call)	24,767	7,027
Total cash and cash equivalents	24,769	7,031

9. Trade and other receivables

	2024 \$'000	2023 \$'000
Trade receivables	20,312	24,378
Provision for impairment	(2)	(8)
Trade receivables, net of impairment	20,310	24,370
Other receivables and prepayments	3,692	4,523
Total trade and other receivables	24,002	28,893

	2024 \$'000	2023 \$'000
Movements in the provision for impairment of trade receivables		
Balance at 1 July	(8)	—
Reversal / (provisions) for impairment	2	(8)
Net receivables written off as uncollectible	4	—
Total provision for impairment	(2)	(8)

Other receivables do not contain impaired assets and are not past due. It is expected that these amounts will be received in full when due. Due to the short-term nature of current receivables, their carrying amounts are assumed to be the same as their fair value.

Credit risk

The credit risk relating to trade and other receivables of the Group has been recognised, net of any provision for impairment. The following provides an overview of the credit risk associated with trade receivables.

	2024 \$'000	2023 \$'000
Neither past due nor impaired	15,658	20,558
Past due, but not impaired:		
– Less than 30 days	4,545	3,706
– 30 to 59 days	109	58
– 60 to 89 days	—	42
– 90 to 119 days	—	5
– 120 days or more	—	9
Gross carrying amount	20,312	24,378
Provision for impairment	(2)	(8)
Net carrying amount	20,310	24,370

Credit risk concentration

Refer to note 2(c) for information about credit risk concentration.

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10. Inventories

	2024 \$'000	2023 \$'000
Raw materials	2,670	4,193
Finished goods	30,029	48,409
Total inventories	32,699	52,602
Provision for inventory obsolescence	(7,036)	(7,443)
Total inventories, net of obsolescence provision	25,663	45,159

Inventories recognised as an expense during the year amounted to \$99,890k (2023: \$107,326k). These were included in Materials and Consumables in the consolidated statement of comprehensive income.

Write-downs of inventories to net realisable value amounted to \$3,882k (2023: net write-back of \$137k). These were recognised as an expense during the year and included in Materials and Consumables in the consolidated statement of comprehensive income.

11. Derivative financial instruments

Derivatives are only used for economic hedging purposes and not as trading or speculative instruments.

	2024 \$'000	2023 \$'000
CURRENT DERIVATIVE FINANCIAL INSTRUMENT ASSETS		
Forward foreign exchange contracts – cash flow hedges	100	607
Total current derivative financial instrument assets	100	607
CURRENT DERIVATIVE FINANCIAL INSTRUMENT LIABILITIES		
Foreign currency options – cash flow hedges	262	866
Forward foreign exchange contracts – cash flow hedges	125	—
Total current derivative financial instrument liabilities	387	866

Derivative financial instruments used by the Group

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates in accordance with the Group's financial risk management policies (refer to Note 2). For information about the methods and assumptions used in determining the fair value of derivatives please refer to Note 2(e).

Forward foreign exchange contracts – cash flow hedges

The Group enters into forward foreign exchange contracts to hedge a portion of highly probable forecast purchases denominated in foreign currencies, predominantly in USD. The terms of these commitments are twelve months or less.

Foreign currency options – cash flow hedges

The Group has also entered into foreign currency option contracts to partially hedge a portion of anticipated USD purchases. At balance date, the outstanding foreign currency option contracts cover the period from July 2024 to June 2025. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the Group adjusts the initial measurement of the component recognised in the balance sheet by the related amount deferred in equity.

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12. Other assets

	2024 \$'000	2023 \$'000
Preferred Brand Agreement (PBA) – current	721	721
Preferred Brand Agreement (PBA) – non-current	2,148	2,970
Total contract asset	2,869	3,691
Exclusive Distribution Agreement (EDA) - current	–	271
Exclusive Distribution Agreement (EDA) - non-current	–	4,618
Total inventory prepayment	–	4,889

The EDA contract asset has an initial 5-year term commencing 1 July 2022, with an additional three 5-year options to extend the arrangements exercisable by McPherson's, subject to minimum performance thresholds on a brand-by-brand basis. The key assumptions used in assessing the recoverability of the EDA asset are the sales growth rates, the discount rate and the term of the agreement.

In the half year ended 31 December 2023 a revised amortisation period of 5 years to 30 June 2027 (2023: 20 year amortisation period to 30 June 2042) was applied to the EDA on a straight line basis, given the difficulties experienced in accurately forecasting the sales volumes under the agreement.

Revenue from the EDA brands for the full year was below expectations. McPherson's is reviewing its strategy with respect to EDA brand performance, including opportunities to expand deeper into the Pharmacy channel, and different supply chain solutions to expand shelf-life. However, in light of current performance, accounting standards require the inventory prepayment be fully written down during the current period. (FY23: \$260,000 write down). This recognises that the recoverability of the asset, at this stage, is sufficiently uncertain to warrant amortisation over the remaining 3 years of the initial 5-year term.

The PBA contract asset is being amortised to the income statement, as a decrease in revenue corresponding to the run rate of sales benefitting from the agreement, over the initial 5-year term of the agreement. While three 5-year options exist to renew the PBA, these options are exercisable at Chemist Warehouse's discretion. Consequently, this asset is being amortised over the initial 5-year term. The key assumptions used in assessing the recoverability of the PBA asset are the sales growth rates and the discount rate.

13. Discontinued Operations

a) Description

On 28 June 2024, following a strategic review, McPherson's Limited completed the sale of its Multix brand and inventory to International Consolidated Business Group Pty Ltd, as trustee for the ICBG Unit Trust, for \$19.2m (inclusive of post-completion adjustments). Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the period ended 28 June 2024 (2024 column) and the year ended 30 June 2023.

	2024 \$'000	2023 \$'000
Revenue	53,018	55,087
Expenses	(45,488)	(52,199)
Profit from operating activities before income tax and impairment	7,530	2,888
Material items before tax	(643)	(8,300)
Income tax expense	(2,066)	1,624
Profit/(Loss) after income tax of discontinued operations	4,821	(3,788)
Loss on sale after income tax (see (c) below)	(9,426)	–
Loss from discontinued operation	(4,605)	(3,788)
Net cash inflow / (outflow) from operating activities	3,904	(2,775)
Net cash inflow / (outflow) investing activities	19,000	–
Net cash inflow / (outflow) financing activities	–	–
Net increase / (decrease) in cash from discontinued operations	22,904	(2,775)

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13. Discontinued Operations continued**c) Details of the sale of the Multix Business**

The details of the disposal are set out below:

	2024 \$'000
Cash consideration received	19,000
Cash consideration receivable	162
Transaction costs	(915)
Net consideration	18,247
Carrying amount of net assets sold	(31,317)
Loss on sale before income tax and extinguishment of foreign exchange options	(13,071)
Extinguishment of foreign exchange contracts before tax	(307)
Income tax benefit	3,951
Loss on sale after income tax	(9,426)

The carrying amounts of assets and liabilities as at the date of sale (28 June 2024) were:

	28 June 2024 \$'000
Inventories	9,451
Intangible assets (Brand Name and Goodwill)	21,866
Total assets	31,317
Total liabilities	—
Net assets	31,317

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14. Property, plant and equipment

	2024 \$'000	2023 \$'000
Leasehold improvements		
At cost	292	292
Accumulated depreciation	(279)	(278)
Total leasehold improvements	13	14
PLANT AND EQUIPMENT		
At cost	43,007	41,943
Accumulated depreciation	(37,054)	(35,282)
Total plant and equipment	5,953	6,661
Total property, plant and equipment	5,966	6,675

a) Reconciliations

	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
Carrying amount at 30 June 2022	10	6,534	6,544
Additions	8	1,780	1,788
Disposals	—	(18)	(18)
Depreciation expense	(4)	(1,653)	(1,657)
Foreign currency exchange differences	—	18	18
Carrying amount at 30 June 2023	14	6,661	6,675
Additions	—	1,139	1,139
Depreciation expense	(1)	(1,849)	(1,850)
Foreign currency exchange differences	—	3	3
Carrying amount at 30 June 2024	13	5,953	5,966

b) Non-current assets pledged as security

Refer to Note 18 for information on non-current assets pledged as security by the parent entity and certain controlled entities.

15. Leases

The Group has lease contracts for various items of buildings and other equipment used in its operations. The Company's obligations are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options.

a) Right-of-use assets

	2024 \$'000	2023 \$'000
Buildings	6,864	9,378
Equipment and Vehicles	1,646	2,060
Total right-of-use assets	8,510	11,438

Additions to right-of-use assets in 2024 were \$580,240 (2023: \$2,169,454).

b) Amounts recognised in the statement of comprehensive income

	2024 \$'000	2023 \$'000
Depreciation charge of right-of-use assets		
Buildings	(2,766)	(2,672)
Equipment and Vehicles	(743)	(1,181)
Total depreciation charge of right-of-use assets	(3,509)	(3,853)
Expenses relating to short-term and low value leases (included in Rental Expense)	(311)	(408)
Interest expense (included in Borrowing Costs)	(189)	(261)
Cash outflow for leases	(3,723)	(4,044)

The maturity analysis of lease liabilities is disclosed in Note 2(d).

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16. Intangible assets

	Goodwill \$'000	Brand Names \$'000	Customer Relationships \$'000	Other Intangibles \$'000	Total \$'000
AT 30 JUNE 2024					
Cost	23,729	41,977	2,700	10,075	78,481
Accumulated amortisation and impairment	—	(14,266)	(1,211)	(8,506)	(23,983)
Net book amount	23,729	27,711	1,489	1,569	54,498
AT 30 JUNE 2023					
Cost	33,729	53,843	2,700	9,213	99,485
Accumulated amortisation and impairment	—	(11,505)	(873)	(8,293)	(20,671)
Net book amount	33,729	42,338	1,827	920	78,814

Reconciliations

Reconciliations of the carrying amounts of each class of intangible assets at the beginning and end of the financial year are set out below:

	Goodwill \$'000	Brand Names \$'000	Customer Relationships \$'000	Other Intangibles \$'000	Total \$'000
Carrying amount at 30 June 2022	33,641	53,843	2,165	815	90,464
Additions	—	—	—	268	268
Amortisation charge	—	—	(338)	(137)	(475)
Impairment charge	—	(11,462)	—	—	(11,462)
Contingent consideration adjustment	—	(43)	—	(38)	(81)
Foreign currency exchange differences	88	—	—	12	100
Carrying amount at 30 June 2023	33,729	42,338	1,827	920	78,814
Additions	—	—	—	1,542	1,542
Disposals	(10,000)	(11,866)	—	—	(21,866)
Amortisation charge	—	—	(338)	(213)	(551)
Impairment charge	—	(2,761)	—	—	(2,761)
Contingent consideration release	—	—	—	(680)	(680)
Foreign currency exchange differences	—	—	—	—	—
Carrying amount at 30 June 2024	23,729	27,711	1,489	1,569	54,498

Acquired brand names are not amortised under AASB 138 *Intangible Assets*, as the Directors consider these to have an indefinite life. The brand names are subject to an annual impairment test.

Acquired customer relationships are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line basis over their estimated useful lives of 8 years.

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16. Intangible assets *continued***Impairment Testing***Goodwill*

Goodwill is allocated to the following cash generating units:

	2024 \$'000	2023 \$'000
Australia and New Zealand (ANZ)	23,729	33,729

Key assumptions used

The Group tests whether goodwill has suffered any impairment on an annual basis and more frequently if events or changes in circumstances indicate that they might be impaired. For the 2024 reporting period, the recoverable amount of the cash-generating units (CGUs) was determined based on a Fair Value less Costs of Disposal (FVLCD) calculation based on a five-year projection period. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. The FVLCD valuation technique is considered to be a more appropriate representation of fair value given the state of transformation in progress in line with the Company's strategic reset (refer to ASX announcement dated 15 November 2023).

For the 2023 reporting period, the recoverable amount of the cash-generating unit (CGU) was determined based on a value-in-use calculation.

The following assumptions were used in the 2024 FVLCD calculation (2023: value-in-use calculation) calculation:

- EBIT growth rates as per the 5-year plan approved by the Board (consistent approach with the previous financial year). The 5-year plan takes into account past performance, the impact of transformation activities and management's expectations of market development.
- 18.4% pre-tax discount rate (FY23: 16.9%) estimated using the Capital Asset Pricing Model (CAPM) and reflecting the risks specific to the CGU.
- 2.5% terminal growth rate (FY23: 2.5%) based on the Reserve Bank of Australia's long-term target inflation rate.
- 2% costs of disposal (FY23: n/a) estimated based on the company's experience with disposal of assets.

As at 30 June 2024, the FVLCD calculation for the ANZ CGU exceeded the carrying value of its net assets. The surplus amount for the ANZ CGU is \$16,564,000 (30 June 2023: ANZ CGU surplus is \$13,413,000).

Impairment charge

No goodwill impairment charge was recognised in 2024 (2023: nil).

Impact of reasonably possible changes in key assumptions

If the year one projected EBIT declined by 20% below current estimates, an impairment charge of \$1.7 million would arise for the ANZ goodwill. The year one projected EBIT would need to reduce by 18.1% to result in the recoverable amount of goodwill equal to its carrying amount.

Brand names

Brand names are tested for impairment on an individual basis annually, and more frequently if events or changes in circumstances indicate that they might be impaired. The recoverable amount of a brand name is determined based on the higher of value-in-use (VIU) or fair value less costs of disposal (FVLCD) calculations. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

The fair value less costs of disposal calculations are prepared using the relief from royalty analysis and the value-in-use calculations are prepared using a discounted cash flow analysis. Each analysis calculates the future net contribution expected to be generated by the brand, which is based on the latest Board approved 2025 budget. Cash flows from financial year 2025 are extrapolated using estimated growth rates from the Company's Board approved five-year plan. The selected royalty rates consider (a) royalty rate benchmarking sourced from third-party databases, as well as (b) recent and forecasted EBIT by brand.

The carrying values of the purchased brand names are:

	2024 \$'000	2023 \$'000
Multix	—	11,866
Manicare	9,366	9,366
Dr. LeWinn's	5,719	5,719
Maseur	1,400	2,161
Fusion Health	4,200	4,200
Swisspers	4,156	4,156
Other brand names	2,870	4,870
Total brand names	27,711	42,338

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16. Intangible assets *continued*

Brand names *continued*

Key assumptions used

The assumptions used in the brand name relief from royalty analysis and the discounted cash flow analysis, are set out below:

30 June 2024						
Brands	Valuation method	Estimated annual sales revenue growth rates	Royalty relief rates as % of revenue	Terminal year growth rates	Post-tax discount rates	Pre-tax discount rates
Manicare	FVLCD	3.0% – 8.0%	7.0%	2.5%	13.5%	18.4%
Dr. LeWinn's	FVLCD	11.7% – 18.4%	4.0%	2.5%	15.0%	20.3%
Maseur	FVLCD	2.9% – 13.0%	2.5%	2.5%	13.5%	18.3%
Fusion Health	FVLCD	5.0% – 16.4%	4.0%	2.5%	13.5%	18.4%
Swisspers	FVLCD	3.0% – 4.9%	2.5%	2.5%	12.0%	16.3%
Other brand names	FVLCD	(1.7%) – 10.2%	0% – 7.5%	(4.0%) – 2.5%	13.5%	18.3% – 18.4%

30 June 2023						
Brands	Valuation method	Estimated annual sales revenue growth rates	Royalty relief rates as % of revenue	Terminal year growth rates	Post-tax discount rates	Pre-tax discount rates
Multix	FVLCD	(8.0%) – 1.7%	2.8%	2.5%	10.0%	13.4%
Manicare	FVLCD	5.5% – 8.0%	6.4%	2.5%	11.0%	14.7%
Dr. LeWinn's	FVLCD	17.5% – 22.9%	3.8%	2.5%	20.0%	26.8%
Maseur	FVLCD	(0.8%) – 3.3%	4.3%	2.5%	14.0%	19.7%
Fusion Health	FVLCD	9% – 17%	4.7%	2.5%	14.0%	19.0%
Swisspers	FVLCD	4.1% – 7.9%	2.4%	2.5%	10.0%	13.3%
Other brand names	VIU / FVLCD	(6.8%) – 11.9%	3.8% – 9.5%	2.5%	11.0% – 12.0%	14.6% – 16.3%

Impairment charge

At 30 June 2024, a total impairment charge of \$2,761,000 was recognised (2023: \$11,462,000), pertaining to the following non-core brands:

- Maseur (\$761,000, FY23: \$2,900,000)
- Revitanail (\$1,100,000, FY23: nil), and
- Oriental Botanicals (\$900,000, FY23: nil)

The impairments reflect reduced royalty rates assigned to these brands. This is driven by lower EBIT margins in the second half of FY24, as a result of a more challenging trading environment and the impact of residual costs from the Multix divestment. The valuations for Revitanail and Oriental Botanicals also reflect an increase in discount rates.

Impact of reasonably possible changes in key assumptions

If the year one projected sales by brand were 10.0% below the current estimate, an impairment charge of \$300,000 would arise for Swisspers. An additional impairment of \$200,000 would arise for Maseur and \$100,000 for Revitanail.

If the royalty rates by brand were 100 basis points below the current estimate, an impairment charge of \$1,600,000 would arise for Swisspers and \$500,000 would arise for Fusion Health. An additional impairment of \$600,000 would arise for Maseur and \$100,000 would arise for Revitanail.

If the discount rates by brand were 100 basis points above the current estimate, an impairment charge of \$200,000 would arise for Swisspers. An additional impairment charge of \$100,000 would arise for both Revitanail and Maseur.

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17. Trade and other payables

	2024 \$'000	2023 \$'000
Trade payables	7,027	13,392
Customer contract liabilities	12,366	14,687
Other payables	7,083	5,168
Total current trade and other payables	26,475	33,247
Other payables	—	706
Total non-current trade and other payables	—	706
Total trade and other payables	26,475	33,953

18. Borrowings

	2024 \$'000	2023 \$'000
Bank loan – unsecured	10,888	927
Debt issue costs	(215)	—
Total current borrowings	10,673	927
Bank loan – secured	—	13,000
Debt issue costs	—	(408)
Total non-current borrowings	—	12,592
Total borrowings	10,673	13,519
	2024 \$'000	2023 \$'000
INTEREST INCOME		
Interest income	78	24
BORROWING COSTS		
Borrowing costs applicable to debt facilities	(1,667)	(1,600)
Amortisation of refinancing costs	(238)	(186)
Total borrowing costs	(1,905)	(1,786)
Net borrowing costs	(1,827)	(1,762)

The Group's three-year facility, denominated in Australian dollars, has a facility limit of \$47.5 million (2023: \$47.5 million) and expires in March 2026. This facility comprises two tranches:

- \$45.0 million revolving working capital facility; and
- \$2.5 million documentary facility, covering the Group's bank guarantee and letters of credit requirements.

Drawings under the \$45.0 million working capital tranche of the facility are required to be backed by eligible trade debtor and eligible inventory assets.

Under the terms of the borrowing facilities, the Group is required to comply with the following key financial covenants:

- Secured leverage ratio must not exceed 2.50 times;
- Interest cover ratio must be at least 3.50 times; and
- Total shareholder funds must not be less than \$70,000,000.

Following the Multix divestment on 28 June 2024, the Company was in the process of agreeing an amendment to the terms of the working capital facility agreement. As at 30 June 2024, the terms had not been agreed. Therefore, as prescribed by AASB 101 *Presentation of Financial Statements*, the debt was classified as current. The balance outstanding under the facility was \$10 million as at 30 June 2024. On 19 August 2024, the amendment request was approved and is re-classified as non-current.

In addition to the three-year \$47.5 million facility, the Group holds a \$5 million overdraft facility (2023: \$5 million).

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18. Borrowings *continued***Security for borrowings**

The Group provides security to its lenders in order to access all tranches of the new debt facility. The Group facilities are secured by the following:

- Fixed and floating charges over the assets of the parent entity and certain controlled entities;
- Mortgages over shares held in certain controlled entities; and
- Cross guarantees and indemnities provided by the parent entity and certain controlled entities.

Assets pledged as security

The following assets are pledged as security:

	2024 \$'000	2023 \$'000
Property, plant and equipment	5,943	6,649
Intangible assets	52,930	77,246
Total non-current assets pledged as security	58,873	83,895
Cash	23,843	5,758
Receivables	26,062	27,030
Inventories	23,547	45,086
Total current assets pledged as security	73,452	77,874
Total assets pledged as security	132,325	161,769

19. Provisions

	2024 \$'000	2023 \$'000
PROVISIONS – CURRENT		
Employee entitlements	5,602	6,849
Employee incentives	193	232
Total current provisions	5,795	7,081
PROVISIONS – NON-CURRENT		
Employee entitlements	465	589
Make good provisions	970	960
	1,435	1,549

A) EMPLOYEE ENTITLEMENTS

Current employee entitlements reflect annual leave and long service leave accrued for the next 12 months. Based on past experience, the Group expects that approximately 35% of the current balance will be taken or paid within the next 12 months.

The non-current provision for employee entitlements relates to the Group's liability for long service leave beyond 12 months from balance date.

B) EMPLOYEE INCENTIVES

Amounts reflect incentive payments to employees on the basis that certain criteria were fulfilled during the financial year.

Movement in provisions

Movements in each class of provision during the financial year, other than employee entitlements, are set out below:

	Employee incentives \$'000	Make good provisions \$'000
Carrying amount at 1 July 2023	232	960
Additional provisions charged to profit or loss	383	10
Unused amounts reversed to profit or loss	(73)	–
Payments	(350)	–
Carrying amount at 30 June 2024	192	970

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20. Contributed equity

	2024 \$'000	2023 \$'000
ISSUED AND PAID UP CAPITAL		
143,949,141 fully paid ordinary shares (June 2023: 143,949,141)	217,218	217,218

Ordinary shares

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Options and Performance Rights

Information relating to the Group's Employee Performance Rights and options plans, including details of Performance Rights issued and outstanding at the end of the year, is set out in the Remuneration Report within the Directors' Report and within Note 22.

Capital risk management

One of the Group's key objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

One measure the Group uses to assess its capital structure is its gearing ratio. This ratio is calculated as net bank debt, excluding lease liabilities divided by total capital. Net bank debt is calculated as total borrowings less cash assets. Total capital is calculated as net bank debt plus total equity.

	Note	2024 \$'000	2023 \$'000
Total borrowings	18	10,673	13,519
Less: Cash assets	8	(24,769)	(7,031)
Net (cash) / bank debt, excluding lease liabilities		(14,096)	6,488
Total equity		89,637	109,452
Total capital		75,541	115,940
Gearing ratio		(18.7%)	5.6%

The Gearing ratio decreased from 5.6% to (18.7%) as a result of an increase in cash assets on hand at year end, driven by proceeds received from the sale of Multix on 28 June 2024.

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21. Reserves and accumulated losses

A) RESERVES

	Note	2024 \$'000	2023 \$'000
Hedging reserve – cash flow hedges		(86)	(40)
Share-based payments reserve		2,163	1,625
Foreign currency translation reserve		2,451	2,449
Financial assets at FVOCI reserve		(6,000)	(6,000)
Total reserves		(1,472)	(1,966)
CASH FLOW HEDGE RESERVE			
Balance 1 July		(40)	1,112
Revaluation – gross		(288)	(208)
Deferred tax	6	91	57
Transfer to cost of sales – gross		208	(1,413)
Deferred tax	6	(57)	412
Total cash flow hedge reserve		(86)	(40)
SHARE-BASED PAYMENTS RESERVE			
Balance at 1 July		1,625	11,472
Share-based payment expenses	22	538	127
Employee share scheme issued during the year		—	(231)
Chemist Warehouse Alliance shares issued		—	(9,743)
Total share-based payments reserve		2,163	1,625
FOREIGN CURRENCY TRANSLATION RESERVE			
Balance 1 July		2,449	1,959
Currency translation differences arising during the year		2	490
Total foreign currency translation reserve		2,451	2,449
FINANCIAL ASSETS AT FVOCI RESERVE			
Balance 1 July		(6,000)	(6,000)
Total financial assets at FVOCI reserve		(6,000)	(6,000)

B) ACCUMULATED LOSSES

	Note	2024 \$'000	2023 \$'000
Balance 1 July		(105,800)	(94,981)
(Loss)/ profit after tax		(15,991)	(5,061)
Dividends provided for or paid	4	(4,318)	(5,758)
Total accumulated losses		(126,109)	(105,800)

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21. Reserves and accumulated losses *continued*

C) NATURE AND PURPOSE OF RESERVES

Cash flow hedge reserve

The hedging reserve is used to record gains or losses on hedging instruments in cash flow hedges that are recognised in other comprehensive income as described in Note 1(o). Amounts are subsequently either transferred to the initial cost of inventory or reclassified to profit or loss as appropriate.

Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of Performance Rights issued at grant date but not exercised or cancelled and shares estimated to be issued under the employee share scheme or commercial agreements, such as the Chemist Warehouse Strategic Alliance.

Foreign currency translation reserve

Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 1(d). The reserve is recognised in profit or loss when the net investment is disposed of.

Financial asset at fair value through other comprehensive income reserve (FVOCI reserve)

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

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22. Share-based payments

A) EMPLOYEE PERFORMANCE RIGHTS PLAN

Long-term incentives are chosen to align executives with the objective of improving long-term shareholder returns. During the current year, the Group continued with its Performance Rights Plan (the McPherson's Limited Performance Rights Plan) to provide long-term incentives to nominated executives. Participants are granted Performance Rights which only vest if certain performance conditions (relating to compound annual growth in earnings per share and total shareholder return as described below) are met and the executive is still employed by the Group at the end of the vesting period, or where not employed at the end of the vesting period is deemed to be a "good leaver" by the Board.

The number of Rights that will vest will be determined proportionately on a straight line basis as follows:

Type of rights	Grant year	Vesting hurdles	Vesting period
HLP	2022	First 50% of Rights 30% of Rights vesting at +15.0% of underlying EPS CAGR, then pro rata to 100% of Rights vesting at +20.0% of underlying EPS CAGR Remaining 50% of Rights 30% of Rights vesting at +15.0% TSR CAGR, then pro rata to 100% of Rights vesting at +20.0% TSR CAGR	3 years
	2023	30% of Rights vesting at +20.0% of underlying EPS CAGR, then pro rata to 100% of Rights vesting at +35.0% of underlying EPS CAGR	3 years
	2024	30% of Rights vesting at +40.0% of underlying EPS CAGR, then pro rata to 100% of Rights vesting at + 60% EPS CAGR	3 years
ELP	2022	30% of Rights vesting at +20.0% TSR CAGR, then pro rata to 100% of Rights vesting at +25.0% TSR CAGR	4 years
	2023	30% of Rights vesting at +35.0% TSR CAGR, then pro rata to 100% of Rights vesting at +50.0% TSR CAGR	4 years
	2024	30% of Rights vesting at +50.0% TSR CAGR, then pro rata to 100% of Rights vesting at + 70% TRS CAGR	3 years
Performance Rights (PR)	2022	First 50% of Rights 30% of Rights vesting at +15.0% of underlying EPS CAGR, then pro rata to 100% of Rights vesting at +20.0% of underlying EPS CAGR Remaining 50% of Rights 30% of Rights vesting at +15.0% TSR CAGR, then pro rata to 100% of Rights vesting at +20.0% TSR CAGR	3 years
	2023	First 66.7% of Rights 30% of Rights vesting at +20.0% of underlying EPS CAGR, then pro rata to 100% of Rights vesting at +35.0% of underlying EPS CAGR Remaining 33.3% of Rights 30% of Rights vesting at +30.0% TSR CAGR, then pro rata to 100% of Rights vesting at +45.0% TSR CAGR	3 years
	2024	First 67% of Rights 30% of Rights vesting at +40.0% of underlying EPS CAGR, then pro rata to 100% of Rights vesting at +60.0% of underlying EPS CAGR Remaining 33% of Rights 30% of Rights vesting at +50.0% TSR CAGR, then pro rata to 100% of Rights vesting at +70.0% TSR CAGR	3 years

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22. Share-based payments *continued*

A) EMPLOYEE PERFORMANCE RIGHTS PLAN *CONTINUED*

Set out below is a summary of Performance Rights granted under the plan:

	2024		2023	
	Average fair value at grant date	Number of rights	Average fair value at grant date	Number of rights
As at 1 July	\$0.83	3,812,000	\$1.26	1,877,000
Granted during the year	\$0.28	4,546,220	\$0.47	2,289,000
Exercised during the year	—	—	—	—
Lapsed during the year	—	(581,817)	—	(354,000)
As at 30 June	\$0.33	7,776,403	\$0.83	3,812,000
Vested and exercisable		—		—

Performance Rights outstanding at the end of the year have the following expiry dates:

Type of Rights	Grant date	Vesting date	Number of rights	
			30 June 2024	30 June 2023
EQUITY-SETTLED PERFORMANCE RIGHTS				
HLP	28 November 2023	22 September 2026	1,336,000	—
ELP	28 November 2023	22 September 2026	668,000	—
HLP	22 November 2022	22 September 2025	909,000	909,000
ELP	22 November 2022	23 September 2026	455,000	455,000
Performance Rights	17 June 2024	22 September 2026	690,220	—
Performance Rights	12 October 2023	22 September 2026	1,655,183	—
Performance Rights	23 September 2022	22 September 2025	766,000	925,000
Performance Rights	24 September 2021	24 September 2024	361,000	470,000
Performance Rights	25 September 2020	26 September 2023	—	117,000
CASH-SETTLED PERFORMANCE RIGHTS				
HLP	24 September 2021	24 September 2024	624,000	624,000
ELP	24 September 2021	25 September 2025	312,000	312,000
Total			7,776,403	3,812,000

The fair value of the Performance Rights issued were valued as follows:

Performance Rights	Fair value
Commencement Rights, HLP and other EPS CAGR performance rights	Independently valued at grant date, applying a discounted cash flow methodology, using the market price of the related shares at the commencement date or grant date less the present value of expected dividends forgone prior to vesting.
ELP and other TSR CAGR performance rights	Independently valued at grant date using the assumptions underlying the Monte Carlo methodology to produce a simulation model which allows for the incorporation of the Total Shareholder Return (TSR) hurdle that must be met before these rights vest. Consequently, in addition to being sensitive to the dividend yield, the ELP Rights are also sensitive to market volatility and the initial TSR, with the risk-free rate as a further valuation input.

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22. Share-based payments *continued*

B) EMPLOYEE PERFORMANCE RIGHTS PLAN

The fair value of the Performance Rights issued during the year were valued using the following parameters:

	HLP	ELP	Share-based (EPS & TSR)	Share-based (EPS & TSR)
Valuation date	28 November 2023	28 November 2023	12 October 2023	17 June 2024
Hurdle start date	1 July 2023	1 July 2023	1 July 2023	1 July 2023
Hurdle end date	30 June 2026	30 June 2026	30 June 2026	30 June 2026
Share price at grant date	AUD 0.50	AUD 0.50	AUD 0.39	AUD 0.43
Fair value at measurement date ¹	AUD 0.44	AUD 0.07	EPS: AUD 0.34 TSR: AUD 0.03	EPS: AUD 0.38 TSR: AUD 0.07
Exercise price	AUD 0.00	AUD 0.00	AUD 0.00	AUD 0.00
Expected volatility ²	53%	53%	51%	46%
Expected dividend yield p.a. ³	4.9%	4.9%	4.9%	5.9%
Risk free rate p.a. ⁴	4.16%	4.16%	3.91%	3.79%

1. To calculate fair value, a Monte-Carlo simulation was used to estimate the likelihood of achieving the relative TSR hurdles. For the EPS hurdles, Black-Scholes-Merton model was used to estimate the fair value.
2. Expected volatility is based on historical closing share price over the three-year period to the valuation date.
3. Expected dividend yield is based on historic and future yield estimates.
4. Risk free interest rate is based on three-year yield on Australian government bonds.

C) EXPENSES ARISING FROM SHARE-BASED PAYMENT TRANSACTIONS

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2024 \$'000	2023 \$'000
Cash-settled Performance Rights issued under the Employee Performance Rights plan ¹	—	(230)
Share based Performance Rights issued under the Employee Performance Rights plan ^{2,3}	538	97
Shares estimated to be issued under the Employee Share Scheme	—	29
Total expenses	538	(104)

1. 2023 includes \$(183,134) from the fair value revaluation of unvested cash based performance rights (624,000 HLP rights and 312,000 ELP rights) retained upon resignation and \$(47,046) forfeiture of 200,000 commencement rights upon resignation of the former Managing Director as disclosed in the "Final Director's Interest Notice" provided to the ASX on 2 June 2023.
2. 2023 includes expense accelerated in respect to share-based performance rights (909,000 HLP rights and 455,000 ELP rights) retained upon resignation of the former Managing Director as disclosed in the "Final Director's Interest Notice" provided to the ASX on 2 June 2023. 2024 includes expense accelerated in respect to share-based performance rights (705,000 performance rights) retained upon resignation of the former Chief Financial Officer.
3. 2023 includes the release of 2022 and 2023 share-based accruals not expected to vest.

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Consolidated Financial Statements

23. Contractual commitments for expenditure

The Group primarily leases offices, warehouses, motor vehicles and equipment under non-cancellable leases expiring within one to five years. The leases have varying terms and renewal rights. On renewal, the terms are renegotiated.

A) CAPITAL COMMITMENTS

Aggregate capital expenditure contracted for at balance date, but not provided for in the accounts:

	2024 \$'000	2023 \$'000
CAPITAL COMMITMENTS		
Property, plant and equipment	—	449
Intangible assets	2,050	—

24. Contingent liabilities

As announced to the ASX on 9 December 2022, ASIC has commenced civil proceedings in the Federal Court of Australia against McPherson's Limited and a former Chief Executive Officer and Managing Director in relation to events during the period 30 October 2020 to 1 December 2020. The company is defending these proceedings and has not recognised a provision for the matter in the financial statements because there is no current liability or present obligation. The proceedings have been listed for a final hearing on liability in the Federal Court of Australia to occur commencing on 2 June 2025. Given the current stage of the proceedings, it is not practicable for the company to meaningfully determine a possible outcome or range of outcomes in relation to them for the purposes of disclosing an estimate of any possible financial effect, or an indication of the uncertainties relating to the amount or timing of any possible outflow.

The Group is subject to claims and litigation during the normal course of its business. The Board has considered matters, which are or may be subject to litigation at year end and, is of the opinion that no material liability exists other than specifically provided for in these financial statements.

25. Remuneration of Auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2024 \$	2023 \$
A) AUDITORS OF THE GROUP – PRICEWATERHOUSECOOPERS AUSTRALIA		
Audit and review of financial statements	750,000	687,500
Total remuneration for PricewaterhouseCoopers Australia	750,000	687,500
B) OTHER AUDITORS AND THEIR RELATED NETWORK FIRMS		
Audit and review of financial statements of controlled entities	49,903	64,754
Other non-audit services		
– Tax services	99,880	171,298
– Other assurance services	30,000	59,300
– Other non-audit services	31,850	106,850
Total remuneration of other auditors (excluding PwC)	211,634	402,202
Total remuneration of auditors	961,934	1,089,702

Consolidated Financial Statements

26. Earnings per share

	2024 Cents	2023 Cents
Basic (loss) / earnings per share	(11.1)	(3.5)
Diluted (loss) / earnings per share	(11.1)	(3.5)
Basic (loss) / earnings per share from continuing operations	(7.9)	(0.9)
Diluted (loss) / earnings per share from continuing operations	(7.9)	(0.9)
Basic earnings per share from continuing operations excluding material items	(0.3)	1.6
Basic (loss) / earnings per share from discontinued operations	(3.2)	(2.6)
Diluted (loss) / earnings per share from discontinued operations	(3.2)	(2.6)

Reconciliation of earnings used in calculating earnings per share

	2024 \$'000	2023 \$'000
<i>Basic and diluted earnings per share</i>		
(Loss) / Profit after income tax from continuing operations excluding material items	(362)	2,285
Material items from continuing operations after income tax (Note 3)	(11,024)	(3,558)
(Loss) / Profit after income tax from discontinued operations	(4,605)	(3,788)
(Loss) / profit after income tax	(15,991)	(5,061)

Weighted average number of shares used as the denominator

	2024 Number	2023 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	143,949,141	143,868,850

Information concerning the classification of securities

Performance Rights

Performance Rights granted to employees are considered to be potential ordinary shares and are included in the determination of diluted earnings per share to the extent to which they are dilutive (vested). The unvested Performance Rights have not been included in the determination of basic earnings per share.

27. Particulars in relation to controlled entities

Name of entity	Country of Incorporation	Ownership Interest	
		2024 %	2023 %
McPherson's Limited	Australia	100	100
McPherson's Consumer Products Pty Ltd ¹	Australia	100	100
McPherson's Consumer Products (NZ) Limited	New Zealand	100	100
McPherson's Consumer Products Pte Ltd	Singapore	100	100
McPherson's America Inc.	USA	100	100
McPherson's Consumer Products (HK) Limited	Hong Kong	100	100
McPherson's (U.K.) Limited	United Kingdom	100	100
McPherson's (Shanghai) Co. Ltd.	China	100	100
McPherson's Limited Employee Security Plans Trust ²	Australia	100	100
Dr LeWinn's China Limited ³	Hong Kong	—	100

1. This subsidiary has been granted relief from the necessity to prepare financial reports in accordance with ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission. For further information refer to Note 32.

2. The Group does not hold any ownership interests in this entity. However, based on terms of agreements under which this entity is established, the Group has the current ability to direct the entity's activities that significantly affects the entity's returns.

3. On 23 February 2024, Dr LeWinn's China Limited was deregistered.

Consolidated Financial Statements

28. Related parties

Directors

Details relating to the insurance of Directors are included in the Directors' Report.

Refer to the Remuneration Report within the Directors' Report for information relating to key management personnel disclosures.

Transactions with controlled entities

Transactions between McPherson's Limited and its controlled entities in the Group during the year consisted of:

- Amounts advanced to and by McPherson's Limited
- Amounts repaid to McPherson's Limited
- Amounts borrowed by McPherson's Limited
- Payment and receipt of interest on certain advances at prevailing rates
- Payment of dividends to McPherson's Limited
- Receipt and payment of tax, rent, management and license fees

Balances and transactions between McPherson's Limited and its controlled entities have been eliminated on consolidation and are not disclosed in this note.

29. Deed of Cross Guarantee

McPherson's Limited and McPherson's Consumer Products Pty Ltd are parties to a Deed of Cross Guarantee under which each company guarantees the debts of the others.

By entering into the Deed, McPherson's Consumer Products Pty Ltd has been relieved from the requirement to prepare a Financial Report and Directors' Report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

A) CONDENSED CONSOLIDATED INCOME STATEMENT OF THE PARTIES TO THE DEED OF CROSS GUARANTEE

Set out below is a consolidated income statement and a summary of movements in consolidated retained profits for the year ended 30 June 2024 of the parties to the Deed of Cross Guarantee.

	2024 \$'000	2023 \$'000
Revenue	184,575	193,493
Other income	1,185	25
Expenses	(202,063)	(196,961)
Finance costs	(1,890)	(1,759)
(Loss) / profit before income tax	(18,193)	(5,202)
Income tax benefit / (expense)	3,341	(46)
(Loss) / profit after income tax	(14,852)	(5,248)

B) MOVEMENTS IN CONSOLIDATED ACCUMULATED LOSSES OF THE PARTIES TO THE DEED OF CROSS GUARANTEE

	2024 \$'000	2023 \$'000
SUMMARY OF MOVEMENTS IN CONSOLIDATED ACCUMULATED LOSSES		
Accumulated losses at beginning of the financial year	(115,584)	(104,578)
(Loss) / profit after income tax for the year	(14,852)	(5,248)
Dividends provided for or paid	(4,318)	(5,758)
Accumulated losses at the end of the financial year	(134,754)	(115,584)

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Consolidated Financial Statements

29. Deed of Cross Guarantee *continued*

C) BALANCE SHEET OF THE PARTIES TO THE DEED OF CROSS GUARANTEE

	2024 \$'000	2023 \$'000
CURRENT ASSETS		
Cash and cash equivalents	22,273	5,081
Trade and other receivables	22,867	26,615
Inventories	24,227	41,959
Derivative financial instruments	84	624
Current tax receivable	501	—
Total current assets	69,952	74,279
NON-CURRENT ASSETS		
Property, plant and equipment	5,807	6,485
Right-to-use asset	8,310	10,871
Intangible assets	54,409	78,718
Contract assets	2,148	7,588
Investments	8,825	8,825
Total non-current assets	79,499	112,487
Total assets	149,451	249,434
CURRENT LIABILITIES		
Trade and other payables	42,249	47,388
Borrowings	888	927
Lease liabilities	3,237	3,305
Derivative financial instruments	387	866
Provisions	4,722	6,093
Current tax liabilities	—	1,399
Total current liabilities	51,483	59,978
NON-CURRENT LIABILITIES		
Other payables	—	706
Borrowings	9,788	12,595
Lease liabilities	5,511	8,029
Provisions	1,434	1,548
Deferred tax liabilities	3,668	7,612
Total non-current liabilities	20,401	30,490
Total liabilities	71,884	90,468
Net assets	77,567	96,298
EQUITY		
Contributed equity	217,218	217,218
Reserves	(4,897)	(5,336)
Accumulated losses	(134,754)	(115,584)
Total equity	77,567	96,298

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Consolidated Financial Statements

30. Notes to the statement of cash flows**A) RECONCILIATION OF NET CASH INFLOWS FROM OPERATING ACTIVITIES TO (LOSS) / PROFIT AFTER INCOME TAX**

	2024 \$'000	2023 \$'000
(Loss) / profit after income tax	(15,991)	(5,061)
<i>Non-cash items included in Profit / (loss) after income tax:</i>		
Depreciation of property, plant and equipment	1,850	1,657
Amortisation of intangibles assets	551	475
Depreciation of right-of-use asset	3,509	3,853
Share-based payments expense	538	(104)
Impairment of intangible assets	2,761	11,462
Amortisation of contract assets	5,710	1,116
Loss on divestment, net of tax and transaction costs	12,155	—
Finance costs	131	206
<i>Changes in operating assets and liabilities, excluding the effects from purchase or disposal of business assets:</i>		
(Decrease)/Increase in payables	(6,792)	(9,454)
(Decrease)/Increase in employee entitlements	(1,402)	(490)
(Decrease)/Increase in net tax liabilities	(5,946)	1,685
Decrease/(Increase) in receivables	4,810	773
Decrease/(Increase) in inventories	10,459	430
Net cash inflows from operating activities	12,343	6,548

B) NON-CASH INVESTING AND FINANCING ACTIVITIES

There were no non-cash investing and financing activities in the years ended 30 June 2023 and 2024.

C) NET DEBT RECONCILIATION

	2024 \$'000	2023 \$'000
Cash and cash equivalents	24,769	7,031
Borrowings	(10,673)	(13,519)
Net cash / (debt) (excluding lease liabilities)	14,097	(6,488)
Current lease liability	(3,400)	(3,736)
Non-current lease liability	(5,564)	(8,194)
Net cash / (debt) (including lease liabilities)	5,133	(18,418)

Liabilities from financing activities

	Borrowings \$'000	Leases \$'000	Total \$'000
As at 1 July 2023	(13,519)	(11,930)	(25,449)
Cash flows	3,039	3,544	6,583
Acquisition – leases	—	(581)	(581)
Disposal – leases	—	3	3
Foreign exchange adjustment	—	(1)	1
Other non-cash movements	(193)	—	(193)
As at 30 June 2024	(10,673)	(8,964)	(19,637)

Consolidated Financial Statements

31. Events occurring after balance date

On 19 August 2024, an amendment to the terms of the \$45 million working capital facility was approved. In respect of the calculation period ending on 30 June 2024, the Divestment of Multix was removed from the calculation of the Interest Cover Ratio.

In August 2024, the Group announced its intention to streamline Hong-Kong operations, with supply and procurement functions to operate from a centrally managed hub in Australia. As a result, several roles in Hong Kong will be impacted. The Group expects the restructuring associated with the reduction in positions to cost between \$0.7 million and \$1.0 million in 2025.

There are no other items, transactions or events of a material or unusual nature that have arisen in the period between 30 June 2024 and the date of this report that, in the opinion of the directors, have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

32. Parent entity financial information**A) SUMMARY FINANCIAL INFORMATION**

The individual financial statements for the parent entity show the following aggregate amounts:

	2024 \$'000	2023 \$'000
BALANCE SHEET		
Current assets	1,247	2,223
Total assets	85,845	168,390
Current liabilities	13,783	56,848
Total liabilities	23,463	69,721
SHAREHOLDERS' EQUITY		
Issued capital	217,218	217,218
Cash flow hedge reserve	(101)	(59)
Share-based payments reserve	2,163	1,625
Financial assets at FVOCI reserve	(6,000)	(6,000)
Accumulated losses – 2016 reserve	(116,095)	(116,095)
Retained earnings – 2017–2023 reserve	540	1,979
Accumulated losses – 2024 reserve	(35,342)	–
Total shareholders' equity	62,382	98,668
Profit/(loss) for the period	(32,463)	2,802
Total comprehensive income	(32,505)	1,671

B) CONTINGENT LIABILITIES AND GUARANTEES

The parent entity has guaranteed the repayment of borrowings of certain controlled entities.

The cross guarantee given by those entities listed in Note 29 may give rise to liabilities in the parent entity if McPherson's Consumer Products Pty Ltd does not meet its obligations under the terms of the overdrafts, loans, leases, or other liabilities subject to the guarantee.

Entity name	Entity type	Ownership Interest	Country of incorporation	Country of residence for tax purposes
McPherson's Limited	Body corporate	n/a	Australia	Australia
McPherson's Consumer Products Pty Ltd	Body corporate	100%	Australia	Australia
McPherson's Consumer Products (NZ) Limited	Body corporate	100%	New Zealand	Australia ¹
McPherson's Consumer Products Pte. Ltd	Body corporate	100%	Singapore	Australia ¹
McPherson's America, Inc.	Body corporate	100%	United States	Australia ¹
McPherson's Consumer Products (HK) Limited	Body corporate	100%	Hong Kong	Australia ¹
McPherson's (U.K.) Limited	Body corporate	100%	United Kingdom	Australia ¹
McPherson's (Shanghai) Business Information Consulting Co. Ltd	Body corporate	100%	China	Australia ¹
McPherson's Limited Employee Security Plans Trust	Trust	n/a	Australia	Australia

1. These entities are also a tax resident in their respective countries of incorporation. However, they are an Australian resident under the *Income Tax Assessment Act 1997*.

Consolidated Financial Statements

32. Parent entity financial information *continued*

B) CONTINGENT LIABILITIES AND GUARANTEES *CONTINUED*

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of tax residency

Section 295 (3A)(vi) of the *Corporation Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency: The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5, however does not take into consideration the relevant income tax treaty and guidance from the Commissioner of Taxation where the entity is resident in two jurisdictions.
- Foreign tax residency: Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Partnerships and trusts

Australian tax law generally does not contain corresponding residency tests for partnerships and trusts and these entities are typically taxed on a flow-through basis. Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

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Shareholder Information

Additional information required by ASX and not shown elsewhere in this report is as follows. This information is current as at 24 September 2024.

DISTRIBUTION OF EQUITY SECURITIES

There were 5,010 holders of 143,949,141 fully paid ordinary shares quoted on the ASX. These shares carry one vote per share and carry the rights to dividends.

Range	Number of holders	Ordinary shares	% of issued capital
1 – 1,000	1,634	738,950	0.51
1,001 – 5,000	1,586	4,249,862	2.95
5,001 – 10,000	616	4,715,766	3.28
10,001 – 100,000	1,075	32,031,519	22.25
100,001 and over	99	102,213,044	71.01
Total		143,949,141	100.00
Holding less than a marketable parcel	1,769	890,159	0.62

SUBSTANTIAL HOLDERS

The names and shareholdings of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* (Cth) as at 24 September 2024 are as follows:

Name	Ordinary Shares	% of issued capital
National Nominees Ltd ACF Australian Ethical Investment Limited	18,834,446	13.08%
CW Retail Holdings Pty Ltd	14,223,817	9.88%
Investors Mutual Limited	12,495,860	8.68%
Spheria Asset Management Pty Ltd	10,745,756	7.46%
Pinnacle Investment Management Group Limited	10,726,014	7.45%
Microequities Asset Management Pty Ltd	8,866,354	6.16%

TWENTY LARGEST HOLDERS OF QUOTED EQUITY SECURITIES

Rank	Name	Number of Shares	% Shares
1	Citicorp Nominees Group	28,269,518	19.64
2	National Nominees Group	20,052,923	13.93
3	CW Retail Holdings Pty Ltd - CW Retail Holdings A/C	14,223,817	9.88
4	J P Morgan Nominees Australia Pty Limited	9,601,843	6.67
5	Gallin Pty Ltd	6,350,000	4.41
6	BNP Paribas Nominees Pty Ltd - IB AU Noms Retail Client	1,641,664	1.14
7	Mr Hansjoerg Zinsli	1,285,000	0.89
8	P C Cotton Pty Ltd - Goldcraft Pty Ltd Super A/C	1,197,483	0.83
9	Mr John Gassner + Mr Nathan Rothchild	1,075,001	0.75
10	Exldata Pty Ltd	863,405	0.60
11	Strategic Value Pty Ltd -Tal Super A/C	575,975	0.40
12	R I Finances Pty Ltd	500,588	0.35
13	HSBC Custody Nominees Group (Australia) Limited	482,341	0.34
14	Ganzi Family Super Pty Ltd - Hansjoerg Zinsli S/F No. 2 A/C	409,000	0.28
15	Ms Kylie Lynette Nuske + Mr Matthew James Cook - Vision Splendid Super A/C	374,258	0.26
16	Exldata Pty Ltd	364,612	0.25
17	Mr Geoffrey William Goode	339,000	0.24
18	Ganzi Family Super Pty Ltd - Hansjoerg Zinsli Super F A/C	337,500	0.23
19	Mrs Maysa Saboune	329,000	0.23
20	Dr Andrew Richard Conway + Dr Vanessa Joy Teague	313,953	0.22
Top 20 Holders of ordinary fully paid shares		88,586,881	61.54
Total remaining shareholders		55,362,260	38.46
Total ordinary fully paid shares		143,949,141	100.0

Shareholder Information

VOTING RIGHTS

Each ordinary share on issue entitles the holder to one vote. Performance Rights have no voting rights.

UNQUOTED EQUITY SECURITIES

The number of unquoted equity securities on issue at 24 September 2024 is 6,479,403 performance rights. The number of holders of unquoted securities (performance rights) is 13.

MCPHERSON'S LISTING

McPherson's Limited is listed on the Australian Securities Exchange.

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Corporate Governance Statement

The ASX Corporate Governance Principles and Recommendations (Fourth Edition) and the ASX Listing Rules (ASX LR 4.10.3) permits entities to elect to publish their Corporate Governance Statement and ASX Appendix 4G on its website.

Accordingly, McPherson's Limited's (Company) 2024 Corporate Governance Statement does not appear in this Annual Report and can be located on the Company's website (www.mcphersons.com.au).

To navigate to the Company's 2024 Corporate Governance Statement and ASX Appendix 4G, please click on the "Investor Centre/Corporate Governance" tab of the Company's website.

The Company's 2024 Corporate Governance Statement and Appendix 4G can be found at <https://www.mcphersons.com.au/corporate-governance>

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Corporate Directory and Financial Calendar

MCPHERSON'S LIMITED

ACN: 004 068 419

ASX CODE: MCP

McPherson's Limited is a company limited by shares, incorporated and based in Australia. Its registered office and principal place of business is located at:

105 Vanessa Street
Kingsgrove NSW 2208

Telephone: (02) 9370 8000

Facsimile: (02) 9370 8091

Email: enquiries@mcpher.com.au

Website: www.mcphersons.com.au

COMPANY SECRETARY

Craig Durham

AUDITOR

PricewaterhouseCoopers

One International Towers Sydney
Watermans Quay
Barrangaroo NSW 2000

SOLICITORS

Thomson Geer Lawyers
Sixty Martin Place
Level 14, 60 Marton Place
Sydney NSW 2000

Telephone (02) 8248 5800

Facsimile (02) 8248 5899

SHARE REGISTRY

Computershare Investor Services Pty Limited

Yarra Falls, 452 Johnston Street
Abbotsford Victoria 3067

Telephone within Australia: 1300 85 05 05

Telephone outside of Australia: +61 3 9415 5000

Facsimile: (03) 9473 2500

www.computershare.com

www.investorcentre.com/contactus

SHAREHOLDER ENQUIRIES

Shareholders who wish to contact the Company on any matter related to their shareholding are invited to telephone or write to the Share Registry. It is important that shareholders notify the Share Registry in writing if there is a change to their registered address, bank account, email address or other personal details. For added protection, shareholders should always quote their Securityholder Reference Number (SRN).

FINANCIAL CALENDAR¹

November 2024

McPherson's Limited will be holding a hybrid Annual General Meeting (AGM) at 11:00am (AEDT) on Wednesday 27 November 2024. Shareholders can attend the AGM in person at the offices of Thomson Geer, Level 14, 60 Martin Place, Sydney, 2000 or access the meeting online via the following link: <https://meetings.lumiconnect.com/300-621-354-840>

Shareholders will be able to participate in the AGM online using a smartphone, tablet or computer.

February 2025

Appendix 4D for the half year ended 31 December 2024

August 2025

Appendix 4E for the financial year ended 30 June 2025

October 2025

Annual Report for the financial year ended 30 June 2025

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1. Dates and location may be subject to change

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MCPHERSON'S
Est. 1860

MEMBERSHIP LIST FOR 2024



Health
Wellness
Beauty

Notice of 2024 Annual General Meeting

MCPHERSON'S LIMITED

ABN 98 004 068 419

The Annual General Meeting (AGM) of McPherson's Limited will be held on Wednesday, 27 November 2024 at 11:00 am (AEDT) at the offices of Thomson Geer, Level 14, 60 Martin Place, Sydney NSW 2000.

The AGM will be a hybrid meeting.

You can attend the AGM in person at the offices of Thomson Geer in Sydney.

Shareholders not attending in person can participate in the AGM online by entering this link in their browser:
<https://meetings.lumiconnect.com/300-621-354-840>

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Notice of 2024 Annual General Meeting

Notice is hereby given that the Annual General Meeting (AGM) of **McPherson's Limited (ABN 98 004 068 419) (Company or McPherson's)** will be held on **Wednesday 27 November 2024 at 11:00 am (AEDT)** at the offices of **Thomson Geer, Level 14, 60 Martin Place, Sydney, New South Wales, 2000.**

The 2024 AGM for McPherson's will be a hybrid meeting.

Shareholders may be physically present and vote at the meeting or attend online and vote through the online webcasting platform provided by the Company's share registry services provider, Computershare, at <https://meetings.lumiconnect.com/300-621-354-840> on your smartphone, tablet or computer or by downloading the Lumi AGM app from the Apple App or Google Play Stores.

Further information on how to connect to and 'join' the meeting is set out in this Notice and the McPherson's Online Annual General Meeting Guide available on the McPherson's website (www.mcphersons.com.au in the Investor Centre / Annual General Meeting section), and which has also been given to the Australian Securities Exchange (ASX).

The online webcasting platform used for the conduct of the 2024 AGM will provide a reasonable opportunity for all shareholders and other persons entitled to attend to participate in the meeting including following the proceedings and the ability to ask questions and vote at the meeting.

It may not be possible to admit all shareholders who wish to attend the AGM in person, depending on any restrictions that apply at the time. Even if you plan to attend in person or participate online, you are encouraged to submit a directed proxy before the AGM so that your vote can still be counted if the physical meeting arrangements change or there is a technical difficulty.

All persons participating in the meeting using the online webcasting platform are taken for all purposes to be present at the meeting while so participating.

In line with the ASX's Corporate Governance Principles and Recommendations, 4th Edition all voting at the meeting will be undertaken by way of a poll and not a show of hands. The online webcasting platform will allow for online voting in real time at the meeting.

Shareholders may also cast their votes by appointing a proxy online at www.investorvote.com.au by 11:00 am (AEDT) on Monday 25 November 2024.

In the event of a technological failure that prevents shareholders from having a reasonable opportunity to participate in the AGM, McPherson's will provide an update on its website and via the ASX market announcements platform to communicate the details of any postponed or adjourned AGM to shareholders.

The results of the voting on resolutions requiring a shareholder vote at the meeting will be announced to the ASX promptly after the meeting.

Business of the Meeting

Financial Report and Directors' and Auditor's Reports

To receive and consider the Financial Report and the Reports of the Directors and the Auditor for the financial year ended 30 June 2024.

Resolutions

1. Re-election of Mr Ari Mervis as a Non-Executive Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Ari Mervis, being a Director who retires pursuant to the Company's Constitution and, being eligible for re-election, offers himself for re-election as a Director of the Company, is hereby re-elected as a Director of the Company."

2. Re-election of Ms Alison Cook as a Non-Executive Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Alison Cook, being a Director who retires pursuant to the Company's Constitution and, being eligible for re-election, offers herself for re-election as a Director of the Company, is hereby re-elected as a Director of the Company."

3. Adoption of the 2024 Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That the Remuneration Report (forming part of the Directors' Report) for the year ended 30 June 2024 be adopted."

Note: In accordance with section 250R of the Corporations Act 2001 (Cth), the vote on Resolution 3 will be advisory only and will not bind the Directors or the Company.

4. Performance Rights Plan Approval

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.2 (Exception 13) and for all other purposes, shareholders approve the Performance Rights Plan, and the issue of underlying securities under the Performance Rights Plan, on the terms and conditions set out in the Explanatory Statement."

5. Issue of Performance Rights to Mr Brett Charlton, Chief Executive Officer and Managing Director under the Performance Rights Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That for the purposes of Part 2E.1 and section 200E of the Corporations Act 2001 (Cth) and ASX Listing Rules 10.14 and 10.19, and for all other purposes, the grant of 2,481,000 performance rights and shares upon exercise of such performance rights to Brett Charlton (Chief Executive Officer and Managing Director) by the Company under the Company's Performance

Rights Plan and his employment agreement with the Company is approved on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Dated 24 October 2024

By order of the Board

Craig Durham
Company Secretary
McPherson's Limited

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Explanatory Statement

Financial Report and Directors' and Auditor's Reports

The Financial Report and the Reports of the Directors and the Auditor for the financial year ended 30 June 2024 (**Reports**) will be presented at the AGM for consideration by shareholders.

No resolution is required on these Reports.

Shareholders will be given a reasonable opportunity to ask questions and to make comments on the Reports and on the management and performance of the Company.

Shareholders are encouraged to submit questions at least 5 business days before the meeting but can also submit questions during the meeting.

The Reports are available on the Investor Centre / Annual General Meeting section of the McPherson's website.

The Auditor will be present at the meeting. Shareholders will be given a reasonable opportunity to ask questions of the Auditor about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the Auditor.

Resolution 1 – Re-election of Mr Ari Mervis as a Non-Executive Director

Mr Mervis, a Non-Executive Director and current Chair of the Board of Directors of the Company, retires by rotation in accordance with the Company's Constitution and ASX Listing Rule 14.4, and being eligible offers himself for re-election.

Mr Mervis has been a non-executive director of the Company since 16 February 2021.

Mr Mervis is a professional company director with global experience spanning a range of industries in branded goods, consumer staples, agriculture, food and beverages. Mr Mervis has vast experience having lived and operated businesses in complex geographies and having led and been involved in both listed and unlisted companies, as well as joint venture structures and not for profit organisations. His experience is further enhanced through having actively participated in significant mergers and acquisitions, and divestments, including post-acquisition integration and synergy delivery.

Mr Mervis is the current Non-Executive Chair of Endeavour Group Limited. His previous roles include Executive Chair for Accolade Wines and CEO and Managing Director for Murray Goulburn. Prior to that, he had a successful career at SABMiller, culminating as CEO for CUB and MD for the Asia Pacific region. He was also Chair of China Resources Snow Beer, SABMiller India and SABMiller Vietnam. Mr Mervis was also recently the Non-Executive Chair of Myer Holdings Limited until his retirement from that role on 14 March 2024.

Mr Mervis holds a Bachelor of Commerce from the University of Witwatersrand, South Africa, with majors in Economics, Commercial Law and Marketing.

As well as being the current Board Chair, Mr Mervis is a member of the Audit Committee and the People & Culture Committee.

Recommendation

The Directors (with Mr Mervis abstaining) unanimously recommend that shareholders vote in favour of Resolution 1.

The chair of the meeting intends to vote any undirected proxies in favour of Resolution 1.

Mr Mervis, if present and acting as chair of the meeting, will stand aside and request another non-executive director of the Company to act as chair of the meeting for this resolution.

Resolution 2 - Re-election of Ms Alison Cook as a Non-Executive Director

Ms Cook, a Non-Executive Director of the Company, retires by rotation in accordance with the Company's Constitution and ASX Listing Rule 14.4, and being eligible offers herself for re-election.

Ms Cook has been a non-executive director of the Company since 24 July 2018.

Ms Cook has more than 30 years of leadership and executive management experience in Australasia across a diverse range of functions within the biopharmaceutical and health services sectors. Her experience includes product manufacturing, quality systems, logistics, sales and marketing, as well as research and development. Ms Cook is also familiar with the regulatory environment that governs the healthcare market. In addition to these technical and operational activities, Ms Cook has been involved in corporate acquisitions and divestments as well as the strategic planning process. Ms Cook has held the positions of Chief Operating Officer and then Chief Executive Officer of Genetic Technologies Limited, an ASX and NASDAQ listed leading edge genetic testing services business.

Ms Cook holds a Bachelor of Science and a Master of Science (Microbiology), has undertaken the Executive Development Programme at Melbourne Business School and is a Graduate of the Australian Institute of Company Directors.

Ms Cook is the current chair of the Risk & Compliance Committee. Ms Cook also serves as a member of the Audit Committee and the People & Culture Committee.

Recommendation

The Directors (with Ms Cook abstaining) unanimously recommend that shareholders vote in favour of Resolution 2.

The chair of the meeting intends to vote any undirected proxies in favour of Resolution 2.

Resolution 3 – Adoption of the 2024 Remuneration Report

The Company's Remuneration Report is included within the Directors' Report for the financial year ended 30 June 2024 (**2024 Remuneration Report**). It sets out a range of matters relating to the remuneration of Directors and Executives of the Company.

During this item of business, shareholders will be given a reasonable opportunity to comment on and ask questions about the 2024 Remuneration Report.

As prescribed under the *Corporations Act 2001* (Cth) (**Corporations Act**), shareholders will have the opportunity to remove the whole Board except the Managing Director if the 2024 Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to shareholders at the second annual general meeting a resolution (**Spill Resolution**) on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

Please note if the Remuneration Report receives a Strike at this AGM and if a second Strike is received at the next annual general meeting of the Company, then that may result in the re-election of the Board (other than the Managing Director).

The Company's Remuneration Report was approved at its 2023 annual general meeting and votes cast against that report were less than 25%. Accordingly, a Spill Resolution is not applicable for the purposes of this AGM.

The Corporations Act provides that the vote on Resolution 3 is advisory only and does not bind the Company or its Directors. However, the Directors will consider the outcome of the vote and comments made by shareholders on the remuneration report at the meeting when reviewing the Company's remuneration policies.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolution 3.

Subject to the voting restrictions set out below, the chair of the meeting intends to vote any undirected proxies in favour of Resolution 3.

Voting Prohibitions

In accordance with the Corporations Act, the Company will disregard any votes cast (in any capacity) on Resolution 3 by or on behalf of a member of the Key Management Personnel of the Company (whose remuneration is disclosed in the 2024 Remuneration Report) or any closely related party (as defined in the Corporations Act) of any such member of the Key Management Personnel; or by a member of the Key Management Personnel of the Company at the date of the AGM or their closely related parties as a proxy, unless the vote is cast:

- as a proxy for a person who is entitled to vote on this resolution, in accordance with their directions on the proxy form; or
- by the person chairing the meeting as a proxy for a person who is entitled to vote on this resolution and the written appointment of the chair does not specify the way the chair is to vote on this resolution, but expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel. The chair intends to vote all available proxies in favour of this resolution.

Resolution 4 – Performance Rights Plan Approval

The Company established the Company's Performance Rights Plan (**Plan**) to encourage its executives and other eligible participants to promote the long term success of the Company, provide a strategic value based reward for such persons who make a key contribution to that success and to promote their retention and to align their interests with shareholders' interests.

The Directors administer the Plan. A copy of the rules of the Plan is available on the Company's website in the Investor Centre / Employee Share Plans section.

Summary of terms

Under the terms of the Plan, the Directors are authorised to invite eligible participants to participate in the Plan by way of a participation letter setting out the number of performance rights to which that person is entitled, together with vesting conditions, expiry dates and other relevant terms. Typically, the performance rights will have service based and also performance based vesting conditions attached to them having regard to group performance targets and individual key performance indicators, however these aspects are for the Directors to determine including quantum, expiry and other relevant terms.

Participants are prohibited from hedging and dealing with any performance rights in the absence of an applicable exception. As a general principle, if a participant ceases to be employed or engaged by the Company then unvested performance rights will lapse. However the Board will have absolute discretion to determine whether some, none or all unvested performance rights may be retained on termination, having regard to all the prevailing facts and circumstances.

A summary of the material terms of the Plan is set out in the Explanatory Statement for Resolution 5 below.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period without shareholder approval. ASX Listing Rule 7.2 sets out a number of exceptions to ASX Listing Rule 7.1, one of which (Exception 13) is an issue of securities under an employee incentive scheme if, within three years before the date of issue, the shareholders of the company approved the issue of securities under the scheme.

The number of securities issued under the Plan since the date of the last approval under ASX Listing Rule 7.1 (Exception 13), being 18 November 2019, is 8,410,403. The Company proposes to issue a maximum of 15,000,000 Performance Rights (which on vesting and exercise will comprise an issue of 15,000,000 Shares), securities under the Plan over the next 3 years.

If shareholder approval of Resolution 4 is obtained, the issue of performance rights under the Plan will not reduce the Company's 15% placement capacity under ASX Listing Rule 7.1 for the next 3 years. Accordingly, the Directors seek approval in relation to the Plan for three (3) years from 27 November 2024 in accordance with the provisions of the Plan as this will enhance the Company's flexibility to issue securities to raise capital or by way of consideration for acquisition purposes should the Directors consider that it is in the best interests of the Company to do so.

If shareholders do not approve this Resolution 4, the Company may still issue securities under the Plan but such securities will be included in the calculation of the Company's available placement capacity.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolution 4.

Subject to the voting restrictions set out below, the chair of the meeting intends to vote any undirected proxies in favour of Resolution 4.

Voting Exclusions

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of any person who is eligible to participate in the Plan or an associate of those persons.

However, the Company need not disregard a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibitions

In accordance with section 250BD of the Corporations Act, a vote on this resolution must not be cast by a person appointed as a proxy where that person is either a member of the Key Management Personnel of the Company at the date of the AGM or a closely related party (as defined in the Corporations Act) of any member of the Key Management Personnel, unless the vote is cast:

- as a proxy for a person who is entitled to vote on this resolution in accordance with their directions on the proxy form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote on this resolution and the written appointment of the chair does not specify the way the chair is to vote on this resolution, but expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel.

Resolution 5 – Issue of Performance Rights to Mr Brett Charlton, Chief Executive Officer and Managing Director under the Performance Rights Plan

Resolution 5 seeks shareholder approval in accordance with ASX Listing Rule 10.14, ASX Listing Rule 10.19 and section 200E and Part 2E.1 of the Corporations Act for the issue of performance rights and the underlying shares upon exercise of those rights under the Performance Rights Plan to the Company's Chief Executive Officer and Managing Director, Mr Brett Charlton.

ASX Listing Rule 10.14.1

ASX Listing Rule 10.14.1 provides that shareholder approval is required for the issue of securities to a director under an employee incentive scheme.

The proposed issue of performance rights to Mr Charlton falls within ASX Listing Rule 10.14.1 because he is a director of the Company and the issue therefore requires the approval of shareholders under ASX Listing Rule 10.14. As shareholder approval is being sought pursuant to this Resolution 5 under ASX Listing Rule 10.14, shareholder approval under ASX Listing Rule 7.1 or 10.11 is not required.

Mr Charlton was appointed as Chief Executive Officer effective from 1 August 2023.

As noted in the table below, the Board has determined that Mr Charlton will be entitled to receive a long-term incentive award of up to AUD982,800 in respect of the financial year ended 30 June 2025, being up to 150% of Mr Charlton's Total Fixed Remuneration of AUD655,200 per annum, comprising:

- 1,654,000 High Level Performance Rights (HLP) – 100% of Total Fixed Remuneration.
- 827,000 Exceptional Level Performance Rights (ELP) – 50% of Total Fixed Remuneration.

HLP Performance Rights – Vesting Hurdles

The performance conditions applicable to the HLP Performance Rights are as follows:

HLP Performance Rights will be subject to a target underlying earnings per share (**Underlying EPS**) hurdle, measured over a three-year performance period. Underlying EPS excludes material items.

The proportion of HLP Performance Rights that vest will be measured based on the Underlying EPS over a three-year performance period. Underlying EPS was selected by the Board as an appropriate performance hurdle to ensure continued focus on growth and underlying earnings generation.

The proportion of Underlying EPS HLP Rights that will vest will be determined as follows:

Underlying EPS	% HLP Performance Rights that Vest*
Threshold	25%
Maximum	100%

*with linear vesting in between Threshold and Maximum.

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Exercise of Board discretion

In determining Underlying EPS performance results for the performance period, the Board may make adjustments where it considers necessary or appropriate to reflect one off or extraordinary events. An example of a one off or extraordinary event could be an asset acquisition or disposal. It is anticipated that the Board will only exercise such discretion to ensure the long-term incentive is not acting as a barrier to participants in pursuing opportunities that are in the long-term interests of shareholders. The Board will usually only exercise its discretion in a manner that rewards performance consistent with shareholder expectations and the intent and purpose of the long-term incentive and the Underlying EPS targets and in a manner that complies with the ASX Listing Rules.

ELP Performance Rights – Vesting Hurdles

The proportion of ELP Performance Rights that vest will depend on the Company achieving exceptional performance as determined by the Board. In order for any ELP Performance Rights to vest, the Company will be required to achieve a Total Shareholder Return (TSR) CAGR (TSR CAGR) over the performance period that exceeds a threshold set by the Board. TSR will be calculated based on movements in the Company's share price and total dividends paid by the Company during the three-year performance period.

For the 2025 grant, the proportion of ELP Rights that will vest will be determined using a base share price of \$0.4304, being the VWAP of the Company's shares on the ASX over the 20 trading days ending at close of trade on 30 June 2024.

The proportion of TSR CAGR ELP Rights that will vest will be determined as follows:

TSR	% ELP Performance Rights that Vest*
Threshold	25%
Maximum	100%

**with linear vesting in between Threshold and Maximum.*

The Board will assess achievement or otherwise of these vesting conditions after the end of the financial year ending 30 June 2027.

Rather than paying the applicable long-term incentive award in cash, the Board is proposing, subject to obtaining shareholder approval of this Resolution 5, to instead satisfy the long-term incentive award (to the extent payable) through the issue of performance rights to Mr Charlton.

If the agreed vesting conditions are satisfied (being those set out above), vesting of such performance rights would occur after 30 June 2027 with vesting generally dependant on Mr Charlton being employed by the Company on the relevant vesting date. If Mr Charlton was not employed on the relevant vesting date, all of the performance rights that would otherwise vest on that date would, unless the Board otherwise decides, immediately lapse.

If shareholder approval of this Resolution 5 is obtained, Mr Charlton will be issued, shortly after the 2024 AGM and in any event no later than one month thereafter, performance rights equal in value to AUD982,800 based on the Volume Weighted Average Price (VWAP) of the Company's shares on the Australian Securities Exchange over the 20 trading days ending at close of trading on 3 October 2024, rounded to the nearest thousand (being AUD0.3962 per share). This calculation would result in 2,481,000 performance rights being issued to Mr Charlton. Each performance right on vesting would entitle Mr Charlton to be issued

one fully paid ordinary share in the Company for no monetary consideration.

If Mr Charlton becomes eligible for a long-term incentive award by virtue of satisfying all of the vesting conditions set out above, that number of performance rights equal in value to the dollar amount of the award (based on the above VWAP of the Company's shares being AUD0.3962) would vest and convert into shares.

Mr Charlton's performance rights (if issued) will be governed by the Rules of the Plan. A summary of the general terms of the Plan is set out below.

If shareholder approval of this Resolution 5 for the issue of performance rights to Mr Charlton is not obtained and Mr Charlton meets some or all of his agreed vesting conditions, the Company will pay the applicable long term incentive award to Mr Charlton in cash. If a change of control of the Company (including pursuant to a takeover) was to occur prior to the vesting conditions being satisfied then, unlike the situation with the performance rights noted above, there would be no acceleration of the payment of any long-term incentive cash award. Instead, Mr Charlton's entitlement to any long-term incentive cash award would be assessed in the normal course after the end of the financial year ending 30 June 2027 and the relevant cash award amount (if any) would be paid to him after 30 June 2027 provided he was still employed by the Company at the relevant time.

Below are the details of Mr Charlton's holding of shares, options and performance rights in the Company as at the date of this Notice:

	Shares	Performance Rights
Brett Charlton	NIL	2,004,000 (approved by shareholders at the Company's AGM on 28 November 2023 and granted on 29 November 2023)

All of the above securities have been earned by Mr Charlton as part of his employment and have been issued without a cash payment having been made for them.

The 2,004,000 performance rights granted to Mr Charlton on 29 November 2023 are the only securities that have been previously issued to Mr Charlton under the Plan.

The remuneration and emoluments provided by the Company to Mr Charlton for the financial year ending 30 June 2024 and the proposed remuneration and emoluments to be provided for the financial year ending 30 June 2025 are set out below:

Brett Charlton	FY24	FY25
Total Fixed Remuneration (TFR)	AUD630,000 (inclusive of superannuation)	AUD655,200 (inclusive of superannuation)
Short Term Incentive	Up to 75% of TFR if pre-defined STI targets are met, 50% of which will be paid in line with the Company's standard timing	Up to 75% of TFR if pre-defined STI targets are met, 50% of which will be paid in line with the Company's standard timing

Brett Charlton	FY24	FY25
	for STI payments, which is after the approval of the Company's annual year-end accounts (anticipated to be August) and 50% of which will be deferred for one year.	for STI payments, which is after the approval of the Company's annual year-end accounts (anticipated to be August) and 50% of which will be deferred for one year.
Long Term Incentive	2,004,000 performance rights (granted on 29 November 2023) comprising: 1,336,000 High Level Performance Rights (HLP) – 100% of vesting is determined with reference to EPS CAGR, over three years. 668,000 Exceptional Level Performance Rights (ELP) – 100% vesting is determined with reference to the TSR CAGR outcome, over three years.	2,481,000 performance rights comprising (if approved by shareholders on 27 November 2024): 1,654,000 High Level Performance Rights (HLP) – 100% of fixed remuneration. 827,000 Exceptional Level Performance Rights (ELP) – 50% of fixed remuneration.

Mr Charlton is the only person referred to in ASX Listing Rule 10.14 who is intended to be eligible to participate in the Plan because, even though the Plan could potentially extend to all Directors including Non-Executive Directors, the Plan is only intended to be used for Executive Directors (of which Mr Charlton is the only one). Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after this Resolution 5 is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

Having regard to the circumstances of Mr Charlton (including the responsibilities involved in his office and employment) and the Company, the Board considers that the incentive arrangement (including the issue of the performance rights, if approved) represents reasonable remuneration for Mr Charlton.

The Board also considers that the issue of performance rights to Mr Charlton rather than and instead of a cash payment as a long term incentive is the preferred method to appropriately incentivise Mr Charlton's continued performance as the vesting conditions are consistent with the strategic goals and targets of the Company, particularly growth in shareholder value, and the ability of Mr Charlton to share in this growth by having his performance rights vest on achieving the relevant vesting conditions helps to create a strong alignment between Mr Charlton's performance and that of the Company. In addition, the Board believes that the issue of the performance rights would represent a cost effective and efficient way to reward Mr Charlton

for the long term incentive portion of his remuneration as the non-cash form of this benefit will allow the Company to spend a greater portion of its cash reserves on its operations than it would if any such award was required to be paid to Mr Charlton in cash.

Details of any securities issued under the Plan will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14 (where applicable).

Section 200E of the Corporations Act

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a 'managerial or executive office' (as defined in the Corporations Act) if an exemption applies or if the benefit is approved by shareholders in accordance with section 200E of the Corporations Act.

Mr Charlton holds a managerial or executive office role as his details are included in the Directors' Report by virtue of being a Director.

Under the terms and conditions on which the performance rights the subject of this Resolution 5 are proposed to be issued, circumstances in which the early vesting of performance rights are generally permitted include, amongst other things, termination of a participant's employment, engagement or office with the Company due to death, sickness, disability or incapacity or in other circumstances where the Board exercises its discretion to allow early vesting.

The concept of termination 'benefit' under section 200B of the Corporations Act has a wide operation and relevantly includes, in the context of Resolution 5, the early vesting of performance rights or the Board determining to provide that the performance rights do not lapse but will continue and be vested in the ordinary course.

Resolution 5 therefore also seeks approval of any termination benefit that may be provided to Mr Charlton under the terms and conditions of the performance rights proposed to be issued under Resolution 5.

Specific information required by section 200E(2) of the Corporation Act

The value of the potential termination benefit to be received by Mr Charlton cannot presently be ascertained. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's share price at the time of vesting and the number of performance rights that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- Mr Charlton's length of service and the status of the vesting conditions attaching to the relevant performance rights at the time his employment or office ceases;
- the circumstances of or reasons for Mr Charlton ceasing employment with the Company; and
- the number of unvested performance rights that he holds at the time he ceases employment or office.

The Company will calculate the value of the termination benefit at the relevant time based on the above factors and using an appropriate pricing model (such as the Black-Scholes Model) to value the performance rights.

ASX Listing Rule 10.19

ASX Listing Rule 10.19 provides that without the approval of shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the ASX Listing Rules.

The Company is also seeking shareholder approval under this Resolution 5 for the purposes of ASX Listing Rule 10.19. As noted above, the value of any termination benefit payable to Mr Charlton will depend on a number of factors, including the early vesting of Mr Charlton's performance rights in the circumstances of termination of his employment, engagement or office with the Company due to death, sickness, disability or incapacity or any other reason the Board decides, or where the Board exercises its discretion to allow the non-lapsing of Mr Charlton's performance rights in the context of Mr Charlton's termination of employment, engagement or office with the Company. It also depends on the value of the Company's equity interests which vary over time. Accordingly, it is possible that the provision of the benefit associated with any acceleration of the vesting, or non-lapsing, of Mr Charlton's performance rights may exceed 5% of the equity interests of the Company at the relevant time.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of performance rights constitutes giving a financial benefit as Mr Charlton is a related party of the Company by reason of being a director.

The Board has considered the application of Chapter 2E of the Corporations Act and has resolved that the reasonable remuneration exception provided by section 211 of the Corporations Act is relevant in the circumstances and, accordingly, the Company will not seek approval for the issue of the performance rights to Mr Charlton pursuant to section 208 of the Corporations Act.

Recommendation

The Board (excluding Mr Charlton due to his personal interest in Resolution 5) unanimously recommends that shareholders vote in favour of Resolution 5.

Subject to the voting restrictions set out below, the chair of the meeting intends to vote any undirected proxies in favour of Resolution 5.

Voting Exclusions

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan or by an officer of the Company or any of its child entities who is entitled to participate in a termination benefit, or an associate of

any of those persons. However, the Company need not disregard a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibitions

In accordance with section 250BD of the Corporations Act, a vote on this resolution must not be cast by a person appointed as a proxy where that person is either a member of the Key Management Personnel of the Company at the date of the AGM or a closely related party (as defined in the Corporations Act) of any member of the Key Management Personnel, unless the vote is cast:

- as a proxy for a person who is entitled to vote on this resolution, in accordance with their directions on the proxy form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote on this resolution and the written appointment of the chair does not specify the way the chair is to vote on this resolution, but expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel.

Further, in accordance with section 200E(2A) of the Corporations Act, a vote on this resolution must not be cast (in any capacity) by or on behalf of Mr Charlton or any of his associates, unless:

- it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this resolution; and
- it is not cast on behalf of Mr Charlton or an associate of Mr Charlton.

Summary of the Plan

Board approval

The Plan was approved by the Board on 20 September 2013.

The issuing of performance rights is a recognised practice in Australia as part of the remuneration of senior executives.

Summary of key terms

A summary of the operation and terms of the Plan is set out below:

- The Plan is open to certain senior management and executive Directors of the Company or of any

subsidiary of the Company, as determined by the Board.

- The Board may invite eligible persons to participate in the Plan. Participation is voluntary. The Board may determine the number of performance rights to be issued under the Plan (**Rights**) and other terms of issue of Rights under the Plan.
- All Rights are granted at a nil issue price and nil exercise price unless otherwise determined by the Board.
- Each vested Right enables the holder to be issued one ordinary share in the Company (**Share**) upon exercise, plus additional Shares equal in value to the dividends paid by the Company on the underlying Shares over the period from the relevant vesting date to the exercise date on a reinvested basis, subject to the rules governing the Plan (**Plan Rules**).
- Subject to the Corporations Act and ASX Listing Rules, the Company may financially assist a person to pay for the grant of a Right or pay any exercise price in respect of a Right. However, as it is intended that all Rights be granted at a nil issue price and exercise price, it is not intended that the Company will make any loans in relation to the acquisition of Rights.
- Rights holders are not permitted to participate in new issues of securities by the Company. However, adjustments may be made to the number of Shares over which the Rights are granted or their exercise price to take into account changes in the capital structure of the Company that occur, including by way of pro rata and bonus issues, in accordance with the Plan Rules and the ASX Listing Rules.
- The Plan limits the number of Rights that the Company may issue, such that the sum of all Rights and options on issue and offered under all employee incentive schemes of the Company does not, if they are all exercised, equate to more than 5% of the ordinary shares on issue by the Company.

Change of Control

In the event of a change in control of the Company (for example arising from a merger, takeover or scheme of arrangement), the Board will have absolute discretion to determine whether some, none or all of the unvested Rights will vest, having regard to all the prevailing facts and circumstances.

Clawback Policy

As a prudent measure, with a view to safeguarding the interests of shareholders and minimising the risk of proposed (performance based) Rights remaining available to senior executives in circumstances where the Board has concluded that would be inappropriate, the Board may, in its discretion:

- cancel or require forfeiture of some or all of a relevant executive's Rights;
- adjust the executive's future performance based remuneration;
- take legal action against the executive; and/or
- take such other action as the Board considers appropriate in any relevant circumstances.

The clawback policy applies to the awards of Rights proposed to be made to Mr. Charlton under this Resolution 5.

Termination of Employment

Unvested Rights held by a Plan participant on termination of employment will prima facie lapse. However the Board will have absolute discretion to determine whether some, none or all unvested Rights may be retained on termination, having regard to all the prevailing facts and circumstances.

Meeting Information for Shareholders

Eligibility to vote

The Company has determined that for the purposes of the meeting, shares will be taken to be held by those shareholders recorded in the Company's Register of Members as at 7.00pm (AEDT) on Monday 25 November 2024. Share transfers registered after that time will be disregarded in determining entitlements to vote at the Annual General Meeting (**AGM**).

In addition, Australian legal requirements limit the eligibility of certain people to vote on some of the items of business to be considered at the AGM. These voting exclusions and prohibitions are designed to limit the capacity of people who stand to benefit from a resolution to influence whether the resolution is passed. Accordingly, the people who are captured by the additional voting restrictions vary for each item of business depending on the nature of the resolution proposed.

For all resolutions that are directly or indirectly related to the remuneration of a member of the Key Management Personnel (which includes those people described as Key Management Personnel in the Remuneration Report) of the Company (being Resolutions 3, 4, and 5), the Corporations Act restricts Key Management Personnel and their closely related parties from voting in some circumstances.

A "closely related party" of a member of the Key Management Personnel is defined in the Corporations Act to include:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company; or
- (e) a company the member controls.

The term "Key Management Personnel" has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Voting Methods

Shareholders will have the opportunity to be physically present at the meeting and also to participate via an online webcasting platform.

On this online webcasting platform shareholders will be able to vote online in real time. Shareholders will also have the opportunity to ask questions at the meeting.

Shareholders can access the online webcasting platform at: <https://meetings.lumiconnect.com/300-621-354-840>

To log in, you will need to enter the **Meeting ID 300-621-354-840** followed by your holder identifier (SRN or HIN) and postcode or country code (for shareholders outside of Australia) as the Username and Password.

Voting will be available between the commencement of the meeting (11:00am (AEDT) on Wednesday 27 November 2024) and the closure of voting as announced by the Chair during the meeting.

Further information on how to connect to and 'join' the meeting is set out in the McPherson's Online Annual General Meeting Guide available on the McPherson's website (www.mcphersons.com.au) in the Investor Centre / Annual General Meeting section), which has also been given to the Australian Securities Exchange.

Voting by Proxy

A shareholder entitled to attend and vote at the meeting may appoint one or two proxies to attend and vote on their behalf. Each proxy will have the right to vote on a poll and also to speak at the meeting.

A proxy need not be a shareholder of the Company and a proxy can be either an individual or a body corporate.

The appointment of a proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally between the proxies (i.e. where there are two proxies, each proxy may exercise half the votes).

If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit.

If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who lodge a proxy with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the chair of the meeting as their proxy to vote on their behalf. If a proxy is lodged but the nominated proxy does not attend the meeting, or does not vote on the resolution, the chair of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.

Proxy appointments in favour of the chair of the meeting, the secretary or any Director that do not contain a direction on how to vote will be used where possible to vote in favour of each of the resolutions proposed in this Notice. The Key Management Personnel of the Company and their closely related parties will not be able to vote your proxy on Resolutions 3, 4 and 5 unless you direct them how to vote. If you intend to appoint a member of the Key Management Personnel or any of their closely related parties as your proxy, please ensure that you direct them how to vote on Resolutions 3, 4 and 5. If you intend to appoint the chair of the meeting as your proxy, you can direct him or her to vote by either marking the box for the resolution, or by appointing the chair of the meeting as your proxy in accordance with the instructions on the proxy form (in which case the chair of the meeting will vote in favour of each of the resolutions proposed in this Notice).

Lodgement of Proxies

To be valid, a proxy, and the power of attorney or other authority (if any) under which it is signed (or a certified copy of the power of attorney or authority),

must be lodged by one of the following methods and received not less than 48 hours before the commencement of the AGM or any adjournment of the AGM.

- ✓electronically, via:
www.investorvote.com.au and then inputting the shareholder's secure access information,
or
www.intermediaryonline.com for Custodian Voting
or
- ✓by mail at the registered office of the Company or the office of the Company's Share Registry:

Computershare Investor Services Pty Limited
GPO Box 242, Melbourne, Victoria, Australia, 3001;
or
Yarra Falls, 452 Johnston Street,
Abbotsford, Victoria, Australia, 3067;

or
- ✓by fax to Computershare, the Company's Share Registry, on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

Corporate Representatives

If a representative of either a corporate shareholder or a proxy which is a body corporate is to participate at the meeting, an Appointment of Representative Form, which can be obtained from Computershare's Investor Centre website www.investorcentre.com, or other evidence satisfactory to the chair of the meeting, must be produced prior to the meeting.

Annual Report – Online

McPherson's Annual Report for the year ended 30 June 2024 is available on the Company's website (www.mcphersons.com.au in the Investor Centre / Annual General Meetings section).

Shareholders can elect to receive a copy of the Annual Report by contacting the Company.

Asking questions at the AGM

Shareholders may ask questions at the meeting either in person if a shareholder physically attends the meeting or through the online webcasting platform. Questions are welcome. Shareholders are encouraged to submit their questions before the meeting by logging onto to your holding, selecting voting and then 'ask a question'. Submitting questions in advance will not prevent any shareholder from asking questions at the meeting through the online webcasting platform should they wish to do so.

Registered Office

McPherson's Limited
ABN 98 004 068 419
105 Vanessa Street
Kingsgrove, New South Wales, Australia 2208
Telephone +61 2 9370 8000
Email: cosec@mcpher.com.au

McPherson's Share Registry

Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne, Victoria, Australia, 3001
or
Yarra Falls, 452 Johnston Street, Abbotsford,
Victoria, Australia, 3067
Facsimile 1800 783 447 (within Australia)
or
Facsimile +61 3 9473 2555 (outside Australia)



McPherson's Limited
ABN 98 004 068 419

Health
Wellness
Beauty

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact

MCP

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



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McPherson's Limited Annual General Meeting

The McPherson's Limited Annual General Meeting will be held on Wednesday, 27 November 2024 at 11.00am (AEDT). You are encouraged to participate in the meeting using the following options:



MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

For your proxy appointment to be effective it must be received by 11.00am (AEDT) Monday, 25 November 2024.



ATTENDING THE MEETING VIRTUALLY

To watch the webcast, ask questions and vote on the day of the meeting, please visit: <https://meetings.lumiconnect.com/300-621-354-840>



ATTENDING THE MEETING IN PERSON

The meeting will be held at:
the offices of Thomson Geer, Level 14, 60 Martin Place, Sydney, New South Wales 2000

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.



McPherson's Limited
ABN 98 004 068 419

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SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AEDT) on Monday, 25 November 2024.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate shareholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of McPherson's Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of McPherson's Limited to be held at the offices of Thomson Geer, Level 14, 60 Martin Place, Sydney, NSW 2000 and online on Wednesday, 27 November 2024 at 11:00am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 3, 4 and 5 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 3, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 3, 4 and 5 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Re-election of Mr Ari Mervis as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Ms Alison Cook as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Adoption of the 2024 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Performance Rights Plan Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Performance Rights to Mr Brett Charlton, Chief Executive Officer and Managing Director under the Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Shareholder(s)

This section must be completed.

Individual or Shareholder 1 Shareholder 2 Shareholder 3 / /
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address
By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically





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McPherson's Limited
ABN 98 004 068 419

MCPRM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SUBURB
SAMPLETOWN VIC 3030



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Dear Shareholder,

We have been trying to contact you in connection with your securityholding in McPherson's Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a shareholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

McPherson's Limited

Online Meeting Guide

McPherson's Ltd AGM 2024

27 Nov 2024, 11:00 AEDT



Scan to join the meeting

Attending the meeting virtually

Those attending online will be able to view a live webcast of the meeting. Shareholders and Proxyholders can ask questions and submit votes in real time.

To participate online, visit <https://meetings.lumiconnect.com/300-621-354-840> on your smartphone, tablet or computer.

You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.

To log in, you may require the following information:

Meeting ID: 300-621-354-840

Australian residents

SRN / HIN
(on your proxy form)

Postcode
(postcode of your registered address)

Overseas residents

SRN / HIN
(on your proxy form)

Country Code
(three-character country code)
e.g. New Zealand - **NZL**; United Kingdom - **GBR**; United States of America - **USA**; Canada - **CAN**

A full list of country codes can be found at the end of this guide.

Appointed Proxies

To receive your unique username and password, please contact Computershare on +61 3 9415 4024.

Guests

To register as a guest, you will need to enter your name and email address.

1 Registering for the meeting

To participate in the meeting, follow the direct link at the top of the page. Alternatively, visit **meetings.lumiconnect.com** and enter the unique 12-digit Meeting ID, provided above.

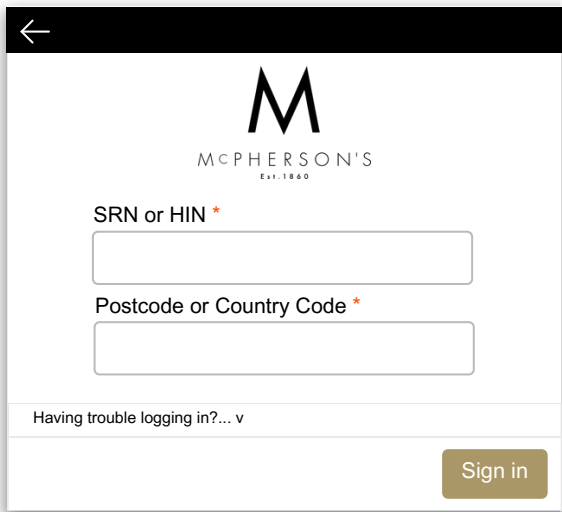
The screenshot shows the LUMI logo at the top. Below it is a text input field labeled 'Meeting ID'. At the bottom is a grey button labeled 'Join Meeting'.

2 To proceed into the meeting, you will need to read and accept the Terms and Conditions and select if you are a Securityholder/Proxy or a Guest. Note that only Securityholders and Proxies can vote and ask questions in the meeting.

The screenshot shows the McPherson's logo at the top. Below it are two buttons: 'Securityholder or Proxy' and 'Guest'. At the bottom is a link that says 'Having trouble logging in?... v'.

3 To register as a Shareholder, enter your SRN or HIN and Postcode or Country Code and press Sign in.

To register as a Proxyholder, you will need your username and password as provided by Computershare. In the 'SRN or HIN' field enter your username and in the 'Postcode or Country Code' field enter your password and press Sign in.



To register as a Guest, enter your name and other requested details and press Continue.



Watching the meeting

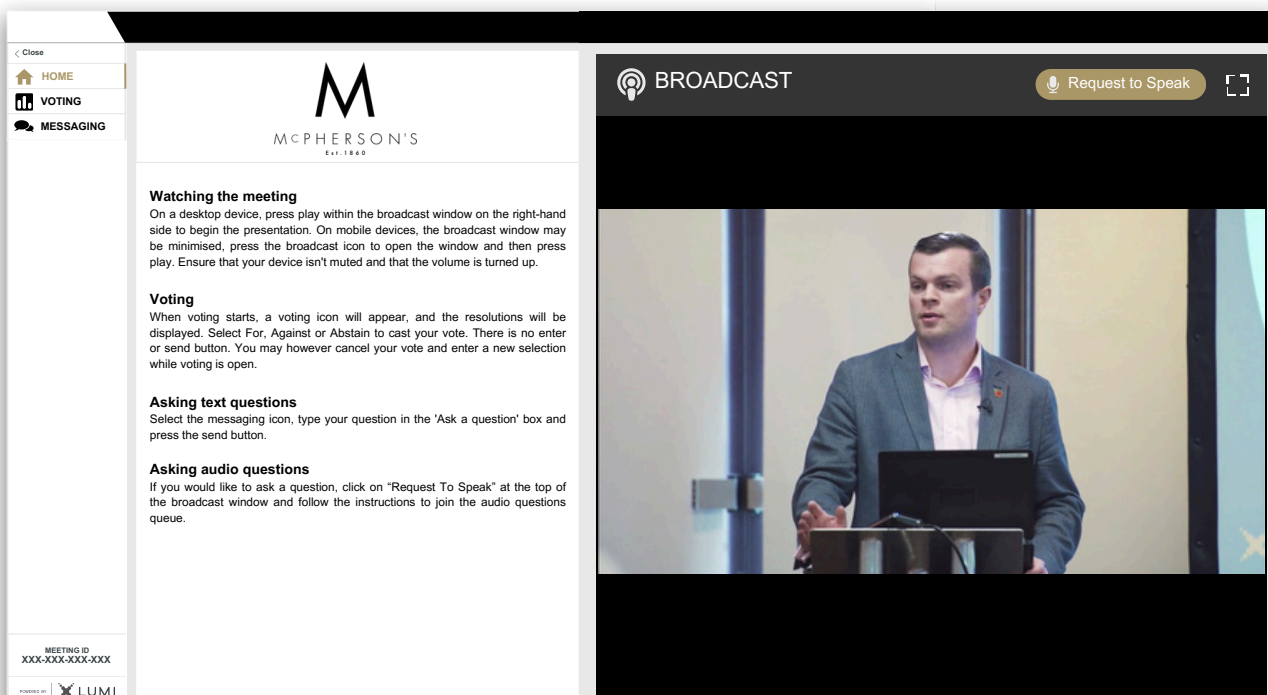
On a desktop/laptop device, you will see the home tab on the left, which displays the meeting title and instructions. The webcast will appear automatically on the right. Press play and ensure your device is not muted.



You can watch the webcast full screen, by selecting the full screen icon.



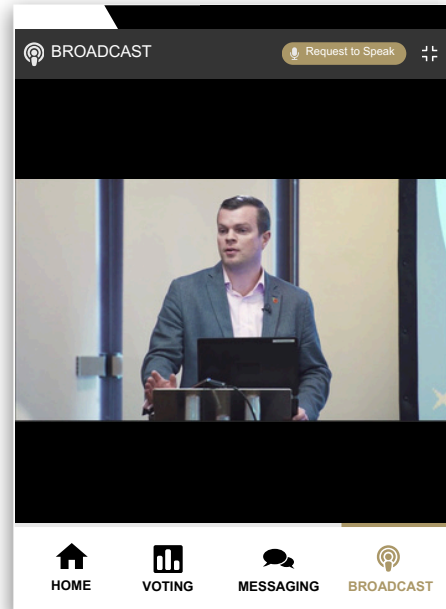
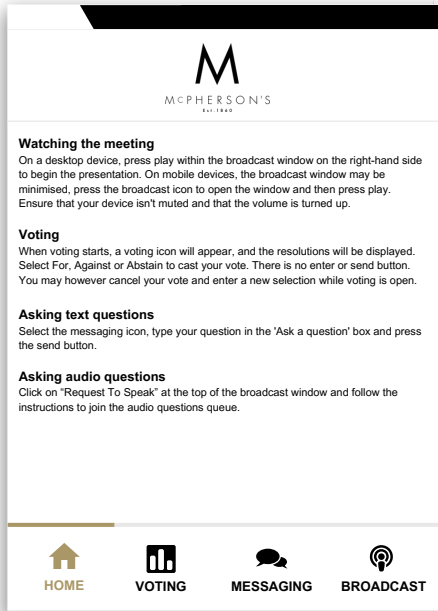
To reduce the webcast to its original size, select the minimise icon.



5 On a mobile device, select the Broadcast icon at the bottom of the screen to open the webcast. Press play and ensure your device is not muted.

During the meeting, mobile users can minimise the webcast at any time by selecting one of the other icons in the menu bar.

You will still be able to hear the meeting while the broadcast is minimised. Selecting the Broadcast icon again will reopen the webcast.




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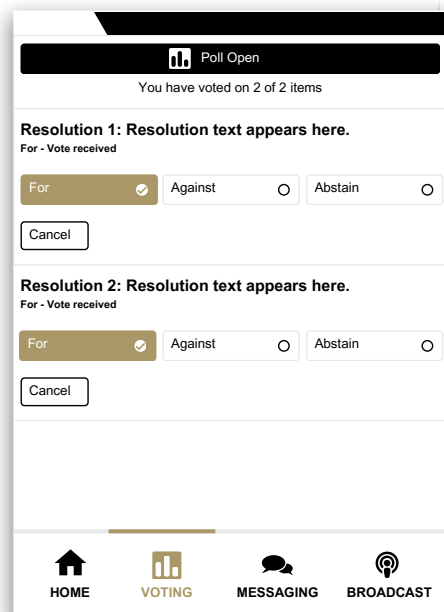
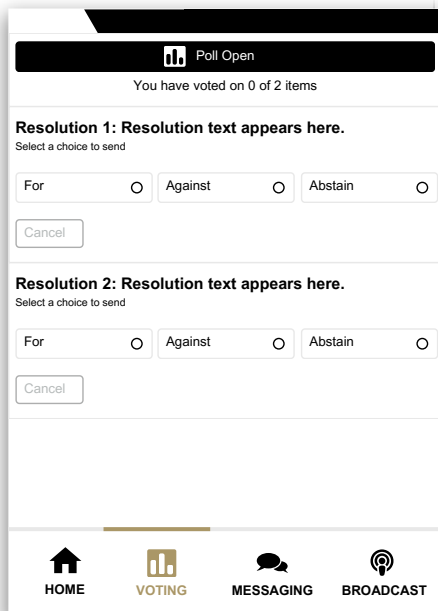
Voting

6



When the Chair declares the poll open:

- A voting icon  will appear on screen and the meeting resolutions will be displayed.
- To vote, select one of the voting options. Your response will be highlighted.
- To change your vote, simply select a different option to override.

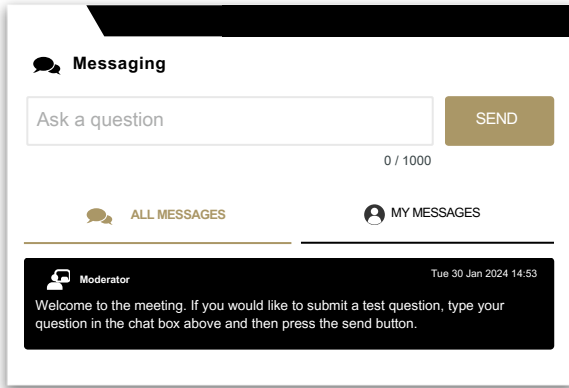
There is no need to press a submit or send button. Your vote is automatically counted. Votes may be changed up to the time the Chair closes the poll.



Text Questions

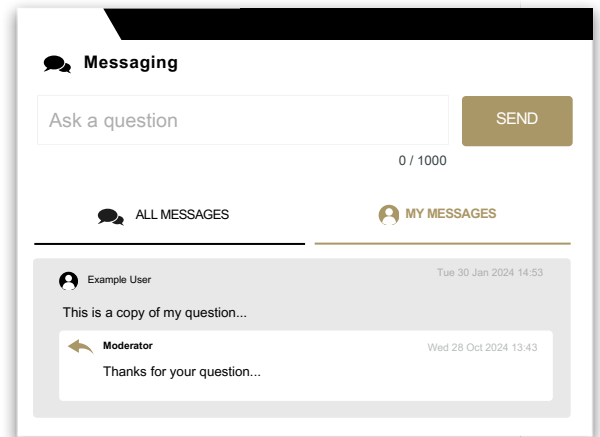
7 To ask a written question, tap on the messaging icon , type your question in the box at the top of the screen and press the send button .

Confirmation that your message has been received will appear.



8 Questions sent via the Lumi platform may be moderated before being sent to the Chair. This is to avoid repetition and remove any inappropriate language.

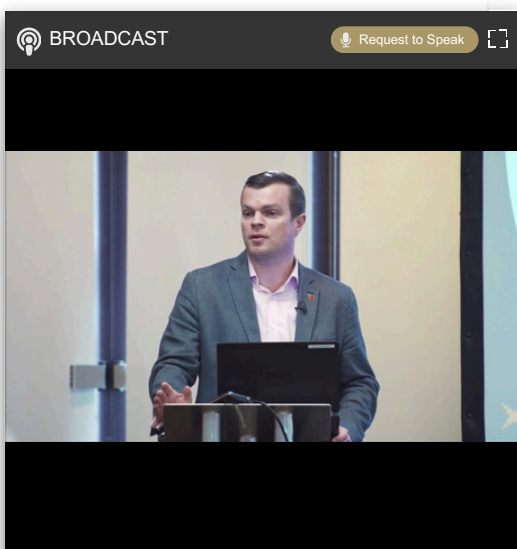
A copy of your sent questions, along with any written responses, can be viewed by selecting "MY MESSAGES".



For personal use only

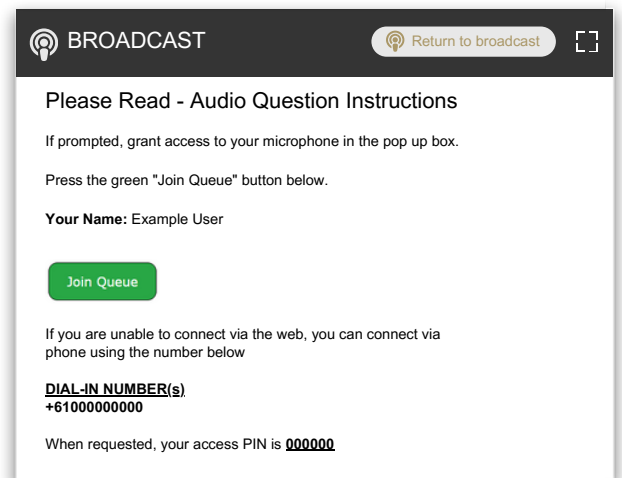
Audio Questions

If you would like to ask a verbal question, click the 'Request to Speak' button at the top right corner of the broadcast window.



10 The audio questions interface will now display. Confirm your details, click 'Submit Request' and follow the instructions on screen to connect.

You will hear the meeting while you wait to ask your question.



Country Codes - Computershare

For overseas shareholders, select your country code from the list below and enter it into the password field.

ABW	Aruba	DOM	Dominican Republic	LAO	Lao Pdr	QAT	Qatar
AFG	Afghanistan	DZA	Algeria	LBN	Lebanon	REU	Reunion
AGO	Angola	ECU	Ecuador	LBR	Liberia	ROU	Romania Federation
AIA	Anguilla	EGY	Egypt	LBY	Libyan Arab Jamahiriya	RUS	Russia
ALA	Aland Islands	ERI	Eritrea	LCA	St Lucia	RWA	Rwanda
ALB	Albania	ESH	Western Sahara	LIE	Liechtenstein	SAU	Saudi Arabia
AND	Andorra	ESP	Spain	LKA	Sri Lanka	SDN	Sudan
ANT	Netherlands Antilles	EST	Estonia	LSO	Kingdom of Lesotho	SEN	Senegal
ARE	United Arab Emirates	ETH	Ethiopia	LTU	Lithuania	SGP	Singapore
ARG	Argentina	FIN	Finland	LUX	Luxembourg	SGS	Sth Georgia & Sandwich Isl
ARM	Armenia	FJI	Fiji	LVA	Latvia	SHN	St Helena
ASM	American Samoa	FLK	Falkland Islands (Malvinas)	MAC	Macao	SJM	Svalbard & Jan Mayen
ATA	Antarctica	FRA	France	MAF	St Martin	SLB	Soloman Islands
ATF	French Southern	FRO	Faroe Islands	MAR	Morocco	SCG	Serbia & Outlying
ATG	Antigua & Barbuda	FSM	Micronesia	MCO	Monaco	SLE	Sierra Leone
AUS	Australia	GAB	Gabon	MDA	Republic Of Moldova	SLV	El Salvador
AUT	Austria	GBR	United Kingdom	MDG	Madagascar	SMR	San Marino
AZE	Azerbaijan	GEO	Georgia	MDV	Maldives	SOM	Somalia
BDI	Burundi	GGY	Guernsey	MEX	Mexico	SPM	St Pierre and Miqueion
BEL	Belgium	GHA	Ghana	MHL	Marshall Islands	SRB	Serbia
BEN	Benin	GIB	Gibraltar	MKD	Macedonia Former Yugoslav Rep	STP	Sao Tome and Principe
BFA	Burkina Faso	GIN	Guinea	MLI	Mali	SUR	Suriname
BGD	Bangladesh	GLP	Guadeloupe	MLT	Malta	SVK	Slovakia
BGR	Bulgaria	GMB	Gambia	MMR	Myanmar	SVN	Slovenia
BHR	Bahrain	GNB	Guinea-Bissau	MNE	Montenegro	SWE	Sweden
BHS	Bahamas	GNQ	Equatorial Guinea	MNG	Mongolia	SWZ	Swaziland
BIH	Bosnia & Herzegovina	GRC	Greece	MNP	Northern Mariana Islands	SYC	Seychelles
BLM	St Barthelemy	GRD	Grenada	MOZ	Mozambique	SYR	Syrian Arab Republic
BLR	Belarus	GRL	Greenland	MRT	Mauritania	TCA	Turks & Caicos
BLZ	Belize	GTM	Guatemala	MSR	Montserrat	TCO	Chad
BMU	Bermuda	GUF	French Guiana	MTQ	Martinique	TGO	Congo
BOL	Bolivia	GUM	Guam	MUS	Mauritius	THA	Thailand
BRA	Brazil	GUY	Guyana	MWI	Malawi	TJK	Tajikistan
BRB	Barbados	HKG	Hong Kong	MYS	Malaysia	TKL	Tokelau
BRN	Brunei Darussalam	HMD	Heard & McDonald Islands	MYT	Mayotte	TKM	Turkmenistan
BTN	Bhutan	HND	Honduras	NAM	Namibia	TLS	East Timor Republic
BUR	Burma	HRV	Croatia	NCL	New Caledonia	TMP	East Timor
BVT	Bouvet Island	HTI	Haiti	NER	Niger	TON	Tonga
BWA	Botswana	HUN	Hungary	NFK	Norfolk Island	TTO	Trinidad & Tobago
CAF	Central African Republic	IDN	Indonesia	NGA	Nigeri	TUN	Tunisia
CAN	Canada	IMN	Isle Of Man	NIC	Nicaragua	TUR	Turkey
CCK	Cocos (Keeling) Islands	IND	India	NIU	Niue	TUV	Tuvalu
CHE	Switzerland	IOT	British Indian Ocean Territory	NLD	Netherlands	TWN	Taiwan
CHL	Chile	IRL	Ireland	NOR	Norway	TZA	Tanzania
CHN	China	IRN	Iran Islamic Republic of	NPL	Nepal	UGA	Uganda
CIV	Cote D'ivoire	IRQ	Iraq	NRU	Nauru	UKR	Ukraine
CMR	Cameroon	ISL	Iceland	NZL	New Zealand	UMI	United States Minor Outlying
COD	Democratic Republic of Congo	ISM	British Isles	OMN	Oman	URY	Uruguay
COK	Cook Islands	ISR	Israel	PAK	Pakistan	USA	United States of America
COL	Colombia	ITA	Italy	PAN	Panama	UZE	Uzbekistan
COM	Comoros	JAM	Jamaica	PCN	Pitcairn Islands	VNM	Vietnam
CPV	Cape Verde	JEY	Jersey	PER	Peru	VUT	Vanuatu
CRI	Costa Rica	JOR	Jordan	PHL	Philippines	WLF	Wallis & Fortuna
CUB	Cuba	JPN	Japan	PLW	Palau	WSM	Samoa
CYM	Cayman Islands	KAZ	Kazakhstan	PNG	Papua New Guinea	YEM	Yemen
CYP	Cyprus	KEN	Kenya	POL	Poland	YMD	Yemen Democratic
CXR	Christmas Island	KGZ	Kyrgyzstan	PRI	Puerto Rico	YUG	Yugoslavia Socialist Fed Rep
CZE	Czech Republic	KHM	Cambodia	PRK	North Korea	ZAF	South Africa
DEU	Germany	KIR	Kiribati	PRT	Portugal	ZAR	Zaire
DJI	Djibouti	KNA	St Kitts And Nevis	PRY	Paraguay	ZMB	Zambia
DMA	Dominica	KOR	South Korea	PSE	Palestinian Territory	ZIM	Zimbabwe
DNK	Denmark	KWT	Kuwait	PYF	French Polynesia		

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