McPHERSON'S
ESTD. 1860

ASX Announcement

2026 Annual General Meeting

28 September 2026

The Annual General Meeting (**AGM**) for McPherson's Limited (**ASX:MCP**) will be held at 11.00am (AEDT) on Friday 30 October 2026 at Level 8, 383 Kent Street, Sydney, New South Wales, 2000.

Attached are the following documents made available to shareholders today:

- 2026 McPherson's Limited Annual Report;
- 28 September 2026 Letter to Shareholders;
- 2026 AGM Notice of Meeting (including Explanatory Statement);
- 2026 AGM Notice of Access, Proxy Form and Lost Shareholder Notice; and
- McPherson's Limited 2026 Online Meeting Guide.

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

https://meetings.lumiconnect.com/300-168-468-247

Meeting ID: 300-168-468-247

Details of the AGM are contained in the **attached** 2026 AGM Notice of Meeting (including Explanatory Statement) and the McPherson's Limited 2026 Online Meeting Guide. These documents, together with a copy of the 2026 McPherson's Limited Annual Report and a letter to shareholders, 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 and beauty products. The Company's portfolio is anchored in iconic household brands: 'Manicare', 'Swisspers', 'Lady Jayne', 'Maseur', 'Glam', 'Dr. LeWinn's' and 'Fusion Health'. McPherson's strategy is to invest in and grow these brands through the pharmacy, grocery, health food and e-commerce channels. McPherson's is headquartered in Sydney and is listed on the Australian Securities Exchange.

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

McPHERSON'S
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Annual Report
2026

Making Confidence Simple

About McPherson’s Limited

McPherson’s Limited is a supplier of some of Australia’s well-known essential health and beauty products. The Company’s portfolio is anchored in iconic household brands: ‘Manicare’, ‘Swisspers’, ‘Lady Jayne’, ‘Maseur’, ‘Glam by Manicare’, ‘Dr. LeWinn’s’ and ‘Fusion Health’. McPherson’s strategy is to invest in and grow these brands through the pharmacy, grocery, health food and e-commerce channels. McPherson’s is headquartered in Sydney and is listed on the Australian Securities Exchange.

manicare swisspers LADY Jayne Dr.LeWinn's FUSION health ancient wisdom modern medicine

GLAM by manicare maseur

Contents

Image: Dr. LeWinn's new-look packaging, rolled out in FY26 to reinforce the brand's premium positioning and enhance shelf presence.

Financial Overview

Revenue[1]

$118.3m

▼ (14.9%) | v FY25: $139.0m

Core Brand Revenue[1]

$110.5m

▼ (11.3%) | v FY25: $124.6m

Underlying EBITDA[1,2]

$4.3m

▼ (41.4%) | v FY25: $7.3m

Underlying Net Loss After Tax[1]

($0.5m)

▲ ($0.4m) | v FY25: ($0.1m)

Statutory Net Loss After Tax

($20.3m)

▲ ($5.2m) | v FY25: ($15.0m)

Net Cash Position[3]

$4.5m

▼ ($4.3m) | v FY25: $8.8m

FY26 reflected the first full year operating under McPherson's new pharmacy wholesaler and 3PL distribution model. The transition to some of Australia's largest pharmacy wholesalers has led to the creation of a scalable operating model with a lower fixed cost base, broadening distribution and reach in the Australian pharmacy sector and reducing operating complexity.

However, the Company's FY26 financial performance was below expectations. The transition to the new operating model created greater disruption than anticipated, most evident in parts of the pharmacy channel, where it has taken longer to transition the independent pharmacy market to our list of bestselling products. In addition, out-of-stock execution issues and the consequential reduction in effectiveness of promotional activity impacted sales.

Underlying EBITDA was $4.3m, down from $7.3m in FY25, with the decline primarily driven by lower revenue and reduced contribution across core brands. While structural benefits of the route-to-market transformation were realised, they were more than offset by weaker trading performance, disruption across parts of the pharmacy channel and specific execution challenges with Dr. LeWinn's and Fusion Health during the year.

Net cash at 30 June 2026 was $4.5m (FY25: $8.8m). The decline in net cash primarily reflects an increase in working capital, which more than offset underlying cash generation through the period. During the year we refinanced the Company's debt facilities to better align with the new operating model and conducted an on-market share buy-back (announced on 25 February 2026).

Notwithstanding these challenges, the Company delivered the structural benefits it set out to achieve, with approximately $2.8m of route-to-market savings at the EBITDA level and approximately $5.6m at the EBIT level, broadly in line with expectations. The performance of the Company's largest pharmacy wholesaler was also encouraging, with sales and volumes increasing during FY26 and SKU ranging largely maintained through the transition. The Company also invested in capabilities to support future growth, launching direct-to-consumer platforms for Dr. LeWinn's and Fusion Health, rolling out several brand platforms on Amazon and developing enhanced social and creator-led marketing capabilities. Together with a refreshed and growing innovation pipeline, these initiatives provide the foundation for the Company's growth agenda.

1 Revenue, Core Brand Revenue, Underlying EBITDA and Underlying Net Loss After Tax are from continuing operations.
2 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 operational performance of the business. Underlying EBITDA excludes material items.
3 Net cash is defined as cash and cash equivalents, less borrowings, excluding lease liabilities.

Key Achievements

In FY26 McPherson's embedded its new operating model following a period of significant transformation. We have now built a simpler, more focused business with stronger commercial capabilities to support future growth.

4,500

Completed the pharmacy wholesale model transition, with our products now available in more than 4,500 pharmacy outlets, around 950 more than in FY25[1].

$5.6m

Unlocked approximately $5.6m of structural EBIT benefits from the new operating model, including approximately $2.8m of route-to-market savings at the EBITDA level, broadly in line with expectations[2].

SKU

Delivered encouraging performance with our largest pharmacy wholesaler, with growth in both sales and volume, and SKU ranging broadly maintained through the transition.

D2C

Launched new direct-to-consumer platforms for Dr. LeWinn's and Fusion Health, with encouraging growth through the year, and rolled out several brand platforms on major online marketplaces.

FY27

Introduced a refreshed social-digital marketing model, an important foundation for FY27 growth.

$

Refinanced the Group's debt facilities, right-sizing them to the new operating model.

1 IQVIA moving annual total (MAT): 3,562 independent pharmacies to 30 June 2025 and 4,521 to 30 June 2026.
2 Includes reduction in depreciation and amortisation following exit of Kingsgrove warehouse and transition to outsourced 3PL partner.

Message from the Chairman

Dear Shareholders,

FY26 marked the first full year operating under McPherson's transformed route-to-market model and represented an important step in the Company's transition to a simpler, more scalable operating structure.

The Company's financial performance for the year was below expectations, reflecting transition and execution challenges. The Board remains confident that the strategic decisions taken over the past two years have established a simpler, more scalable and lower-cost business capable of supporting long-term value creation.

The Board's primary responsibility is to ensure the Company has an appropriate strategy, a strong governance framework and the financial capacity to create sustainable shareholder value. During FY26, our focus was on overseeing the embedding of the new operating model, supporting management through a period of operational transition and ensuring the Company maintained financial discipline in a challenging trading environment. While the anticipated structural benefits of the transformation were delivered, including route-to-market cost savings and a materially simplified operating model, the transition created greater disruption than anticipated and, together with execution challenges during the year, this had a significant impact on revenue and earnings.

Notwithstanding these challenges, the Board was encouraged by continued progress in a number of strategic areas. The Company strengthened its direct-to-consumer capabilities, progressed its digital marketing initiatives, and refinanced its debt facilities. Together, these actions reflect a continued focus on strengthening the business and creating value over the long term.

The Company ended FY26 with net cash of $4.5m and its debt facilities undrawn. The Board maintained a disciplined approach to capital allocation throughout the year, balancing investment in growth initiatives with prudent management of the balance sheet. In March this year, the Board commenced an on-market buy-back of up to $2m, demonstrating confidence in the Company's long-term strategy. Given the Company's retained loss position and FY26 financial performance, the Board determined not to pay a full-year dividend.

FY26 also saw important developments in Board composition and governance. During the year we welcomed John Batistich to the Board as an independent Non-executive Director. John's extensive experience across consumer brands, customer strategy, marketing and digital innovation provides valuable expertise as we continue to evolve the business and strengthen our consumer capabilities.

We also farewelled Jane McKellar, who retired from the Board on 31 January 2026. On behalf of the Board and shareholders, I thank Jane for her significant contribution to McPherson's during her tenure, including her leadership of the former People and Culture Committee.

The year also included several governance changes. Following a period of transition, I resumed the role of Chairman on 1 February 2026, and Alison Cook returned to her role as a Non-executive Director, while assuming the position of Chair of the Company's renamed Remuneration, People and Culture Committee. The Board also reviewed its committee structure to ensure it remains aligned with the Company's strategic priorities and governance requirements.

Looking ahead, the Board's focus is clear. The transformation phase of our strategy is complete and the new operating model is embedded. Definitive steps have been taken in response to the execution challenges of FY26, and our priority is to support management in converting the stronger operating platform we have built into improved financial performance through disciplined execution, stronger customer engagement and sustainable revenue growth.

The Board continues to proactively evaluate appropriate opportunities and alternatives to enhance and realise value for all shareholders. In doing so, the directors will act in the best interests of the company, as a whole.

On behalf of the Board, I would like to thank our employees for their hard work and commitment throughout the year, our customers and business partners for their support, and our shareholders for their continued confidence in McPherson's.

Ari Mervis
Chairman

Message from the CEO

Dear Shareholders,

FY26 was McPherson's first full year operating under our new route-to-market model. We entered the year with a clear strategic focus on our core brands, a simplified business structure, and a lower fixed cost base than two years ago. However, the transition created greater disruption than anticipated, and execution challenges limited our ability to convert the benefits of the new model to earnings. As a result, our financial performance fell short of our expectations.

FY26 financial result

Revenue from continuing operations was $118.3m, down 14.9% on FY25. Excluding the impact of new wholesaler rebates and net transitional pipe-fill, revenue declined 10.1%. Our core brands accounted for $14.1m of the decline.

Statutory net loss after tax was $20.3m, after $19.8m of post-tax material items, primarily related to the non-cash impairment of intangible brand and goodwill assets. Underlying NPAT was a loss of $0.5m. Underlying EBITDA was $4.3m, down from $7.3m. The structural benefits of the new model were realised but were more than offset by weaker trading performance and the execution challenges set out below.

We closed the year with net cash of $4.5m, and our debt facilities undrawn, after investing $6.4m in inventory to restore product availability.

A year of operational transition

Under our new pharmacy wholesaler and third-party logistics model, we have consolidated our pharmacy distribution to a small number of strategic wholesale partners, reduced operating complexity and expanded our reach across the pharmacy channel.

The model delivered the structural benefits we expected, generating approximately $2.8m of route-to-market savings at the EBITDA level and approximately $5.6m at the EBIT level, broadly in line with plan. The performance of our largest pharmacy wholesaler was also encouraging, with sales and volumes increasing during the year and SKU ranging largely maintained through the transition.

While those benefits were achieved, they were more than offset by trading performance, reflecting the impact of reduced ranging, out-of-stock execution issues, and the consequential effectiveness of promotional activity.

Portfolio performance

Our categories remained attractive and continued to grow during the year, but performance across our core brands was below expectations.

- Manicare was affected by ranging disruption following the transition, chiefly in independent pharmacy, and by increased competitive dynamics in parts of the pharmacy channel. This was partly offset by growth in grocery, supported by new price initiatives, and by growth with a major pharmacy customer.
- Swisspers performed well and was our only core brand to grow revenue, supported by improved off-promotion sales in key pharmacy accounts and more effective promotional initiatives in grocery.
- Lady Jayne was impacted by ranging changes connected with the route-to-market transition, reduced promotional activity with key customers and delays in the rollout of the brand's electrical range.
- Dr. LeWinn's was materially affected by out-of-stocks associated with a packaging refresh and supplier consolidation, which reduced availability and constrained promotional participation. Availability improved during the second half, but the earlier disruption held back momentum across the year.
- Fusion Health was affected by new product performance below expectations after allowing for discontinued lines, together with lower rates of sale across health food channels and ranging disruption in independent pharmacy.

Building capability for growth

Despite the trading challenges, we continued to invest in the capabilities that will support future growth.

During the year we launched new direct-to-consumer platforms for Dr. LeWinn's and Fusion Health, which contributed to growth in our online business and strengthened our direct relationships with consumers. We also advanced a new social-digital marketing model that will underpin a more targeted and data-driven approach to brand building and customer acquisition in FY27 and beyond.

Continued overleaf ▶

Priorities for FY27

Our imperative for FY27 is to build brand momentum and return the business to revenue growth. The platform we now operate is structurally stronger, more focused and more efficient than before the route-to-market changes. The task ahead is to execute consistently and convert that platform into stronger commercial outcomes.

Our priorities are clear:

- Strengthening **customer engagement** through joint business development planning.
- Optimising **wholesaler ranging** by increasing SKU availability of our bestsellers list.
- Accelerating growth through impactful **consumer marketing**, deploying our new social and creator-led marketing capabilities.
- Increasing the launch frequency of our expanding **innovation pipeline**, supported by sustained A&P investment.
- Upweighting investment in **e-commerce capabilities** across owned and marketplace channels.

I would like to thank the entire McPherson's team for their resilience, commitment and hard work through a demanding year of change, and our customers, suppliers and shareholders for their continued support.

While the financial result for FY26 was not what we had hoped for, I remain confident in the strength of our brands, the capability of our people and the opportunities ahead for McPherson's.

Brett Charlton
Chief Executive Officer and Managing Director

Environmental, Social and Governance (ESG)

FY26	FY27	FY28
Governance foundations and preparatory work	Emissions baseline and target-setting	First mandatory climate disclosures

Climate-Related Financial Disclosures (AASB S2)

AASB S2 Climate-Related Financial Disclosures took effect on 1 January 2025, a major step forward in sustainability reporting. As a Group 3 reporting entity, McPherson's must make its first mandatory climate disclosures from FY28 (1 July 2027).

McPherson's Board chose to begin this work well ahead of the FY28 deadline. Many of our customers and partners face earlier timelines and rely on supply-chain emissions and climate-risk data, so starting early strengthens both our readiness and theirs. To establish the groundwork, we appointed an external ESG advisory firm. During FY26, that partnership built internal capability and embedded climate governance across the business.

In order to continue to develop relevant collective Board expertise, in FY26 the Board completed a dedicated AASB S2 workshop covering three areas: the framework's four pillars (Governance, Strategy, Risk Management, and Metrics and Targets), directors' duties on climate disclosure and McPherson's Group 3 obligations. This workshop helped sharpen the Board's collective skills against AASB S2 requirements which led to some enhancements to our Board Skills and Diversity Matrix (which is disclosed in the Investor Centre/Corporate Governance section of the McPherson's website). The Board separately also enhanced its Audit and Risk Committee Charter to give the Committee explicit responsibility for the monitoring and oversight of climate-related risks.

On strategy and risk, we completed a preliminary Climate-Related Risks and Opportunities (CRRO) assessment, identifying the key transitional risks, physical risks and opportunities across our operations and supply chain. A supporting RACI matrix also assigns clear ownership for monitoring and managing these risks at every level, with an agreed reporting cadence to assist management, and the Audit and Risk Committee and the Board, to discharge their respective duties and responsibilities.

On metrics and targets, a third-party specialist is measuring McPherson's Scope 1, 2 and 3 GHG emissions, with completion expected during FY27. This baseline is designed to anchor target-setting and help us meet the growing number of data requests from customers managing their own Scope 3 reporting.

In FY27 we will embed our governance and data systems, finalise the emissions baseline and progress target-setting ahead of the FY28 disclosures. This work positions us to meet our own obligations and support stakeholders across our value chain.

Sustainable Packaging and Responsible Supply Chains

We also advanced our other material ESG focus areas, sustainable packaging and supply chain management (including Modern Slavery). During FY26, the business:

Sustainable Packaging

- Improved packaging recyclability for Manicare to support circular-economy principles and remove barriers to recycling.
- Implemented a software platform to strengthen specification management and sustainability reporting.
- Submitted the annual Australian Packaging Covenant Organisation (APCO) report and advanced the integration of packaging data into future APCO reporting, improving efficiency and accuracy.

Supply Chain Management and Modern Slavery

- Strengthened supplier due diligence and supply chain visibility by implementing a modern slavery software platform, enabling more efficient risk assessment, monitoring and reporting across the supplier base.
- Continued supplier engagement and remediation to support responsible sourcing and manage modern slavery risks.
- Completed supplier rationalisation across formulated product categories and progressed it for the non-formulated category, reducing complexity and enabling deeper engagement with strategic suppliers.

We remain committed to further progress against our ESG priorities, not only to meet our obligations and manage risk but to capture the opportunities that ESG integration creates, building long-term value for shareholders, customers and the communities in which we operate.

Our People

After a period of significant transformation, FY26 was about building the stable, high-performing foundation McPherson's needs for its next phase of growth. Our people have been central to that work: simplifying how we operate, strengthening cross-functional ways of working, and bringing our refreshed culture to life. Our gender representation reflects a genuinely diverse organisation, with women making up around 60% of our workforce and 40% of senior leadership roles.

Operating as a lean, performance-focused business, our team is taking genuine ownership of high-impact work. That accountability and capability being built across the organisation is what will drive our performance going forward.

Building a High-Performance Culture: Purpose, Vision and Values

This year we introduced a refreshed Purpose, Vision and Values, a clear, consistent framework that guides how we work and how we win. Together, these give every employee a common foundation: clarity on our direction, our ambition, and how we work.

Our purpose, **Making Confidence Simple**, anchors why we exist. It shapes how we design our brands, make decisions, and deliver value.

Our vision sharpens our ambition and sets our direction: **In every household, every day, we're Australia's leader in premium health and beauty products.** This reflects the reach of our brands and the clearly defined commercial space in which we compete and win.

Our values, **Choose Courage, Make it Matter, Learn How and Better Together,** define the behaviours that underpin our culture. We have brought these to life through storytelling in our office space and town halls, leadership alignment and our Values Awards Program. Together, these efforts create a shared sense of what good looks like and build consistent ways of working across every team.

Building Capability for the Future

We continued to modernise our people systems, including the rollout of Employment Hero Payroll and its integration with our HRIS platform, creating more consistent and streamlined processes, an improved employee experience, and stronger workforce insights to support better decision-making.

At the same time, we invested in building future capability across the organisation through a strong focus on AI and digital fluency. Through our partnership with Section AI, employees have access to structured learning, practical use cases and a clear pathway to build confidence in applying AI in their roles. This is complemented by our AI Community of Practice, a cross-functional group that shares learnings and helps embed AI into everyday work in ways that reduce friction, improve efficiency and support improved business outcomes.

Health, Safety and Wellbeing

The health, safety and wellbeing of our people remain our priority, and our approach continues to evolve alongside the business.

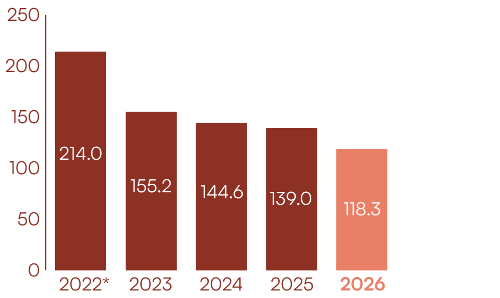
All employees have access to the Employee Assistance Program (Access EAP) for confidential mental health and wellbeing support. Utilisation has grown year-on-year, reflecting greater awareness and a culture where people feel comfortable asking for help.

We are strengthening proactive safety behaviours, particularly near-miss and hazard reporting, and placing greater emphasis on psychological safety, recognising it as a critical and growing area of workplace health.

Our focus remains on building an environment where every person feels safe to speak up, share concerns and bring their whole self to work.

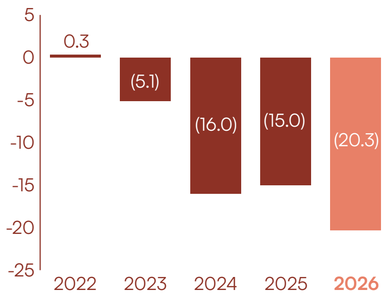
Review of Operations

Total Group Revenue from continuing operations ($m)

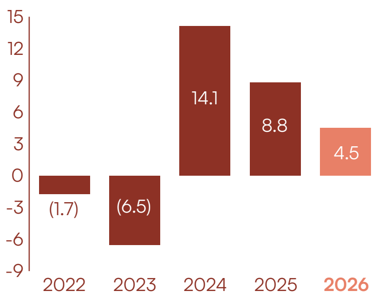


* The results of continuing operations for FY22 include the Multix business, which was disposed of in FY24. Following the disposal, the Multix business has been classified as a discontinued operation and is excluded from continuing operations in FY23, FY24, FY25 and FY26.

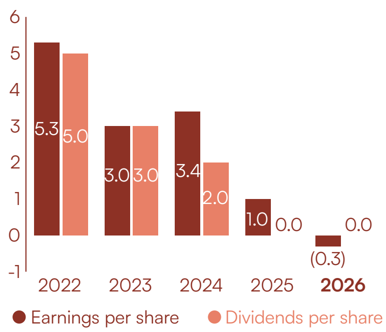
Total Group Statutory Net (Loss)/Profit After Tax ($m)



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



Earnings (EPS) and dividends per share (cps)



Overview of FY26 Performance

FY26 is the first full year operating under McPherson's new pharmacy wholesaler and 3PL distribution model. The transition to some of Australia's largest pharmacy wholesalers has led to the creation of a scalable operating model with a lower fixed cost base, broadening distribution and reach in the Australian pharmacy sector and reducing operating complexity.

The Company's FY26 financial performance was below expectations. The transition to the new operating model created greater disruption than anticipated, with a significant impact on revenue. The disruption was most evident in parts of the pharmacy channel, where it has taken longer to transition the independent pharmacy market to our list of bestselling products. In addition, out-of-stock execution issues and the consequential reduction in effectiveness of promotional activity impacted sales. Revenue also reflected the dilutive impact of new wholesaler rebates and the cycling of FY25 transitional pipe-fill into wholesalers.

Notwithstanding these challenges, the Company is confident the new operating model provides the right foundation for future growth. The new model has unlocked structural benefits of approximately $2.8m of route-to-market savings at the EBITDA[1] level and approximately $5.6m at the EBIT level, broadly in line with expectations. The performance of the Company's largest pharmacy wholesaler was also encouraging, with sales and volumes increasing during FY26 and SKU ranging largely maintained through the transition.

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 operational performance of the business. Underlying EBITDA excludes material items.

During the year the Company continued to invest in capabilities to support future growth, including the launch of new direct-to-consumer platforms for Dr. LeWinn's and Fusion Health, the rollout of several brand platforms on Amazon and the development of enhanced social and creator-led marketing capabilities. These initiatives, together with a refreshed and growing innovation pipeline, provide important foundations for the Company's growth agenda.

Results from Continuing Operations[1]	**FY26 ($m)**	**FY25 ($m)**	**Change ($m)**	**Change (%)**
Revenue	118.3	139.0	(20.7)	(14.9%)
Underlying CAAP[2]	41.6	52.8	(11.2)	(21.2%)
Underlying EBITDA	4.3	7.3	(3.0)	(41.4%)
Material items (before tax)	(25.6)	(19.7)	(5.9)	29.8%
EBITDA including material items	(21.3)	(12.4)	(8.9)	71.4%
Statutory NPAT[3]	(20.3)	(16.6)	(3.7)	22.0%

Revenue was $118.3m, down 14.9% on FY25. The decline reflects disruption in connection with the transition to the new model (including ranging changes), execution challenges (including out-of-stocks and below expectation brand performance), as well as the accounting impact of wholesaler rebates under the Company's new route-to-market model. Excluding the impact of new wholesaler rebates and net transitional pipe-fill, revenue declined by 10.1%.

Core brand performance (down 11.3%) accounted for $14.1m of the total decline in revenue, with the remainder, $6.6m, from other brands.

- Manicare declined by 5.7% to $45.1m during the year (FY25: $47.9m). Excluding the impact of new wholesaler rebates and net transitional pipe-fill, revenue was in line with prior year. Performance primarily reflected ranging disruption following the transition, chiefly in the independent pharmacy sector, as well as increased competitive dynamics in parts of the pharmacy channel. These declines were partially offset by stronger growth in grocery, supported by new price initiatives, and in a major pharmacy customer.
- Swisspers grew by 1.0% to $21.8m during the year (FY25: $21.6m). Excluding the impact of new wholesaler rebates and net transitional pipe-fill, revenue grew by 4.1%. Swisspers' performance was supported by improved off-promotion sales in key pharmacy accounts and more effective promotional initiatives in the grocery channel.
- Lady Jayne declined by 18.7% to $15.8m during the year (FY25: $19.4m). Excluding the impact of new wholesaler rebates and net transitional pipe-fill, revenue declined by 14.4%. The result reflected ranging changes connected with the route-to-market transition, reduced promotional activity with key customers and delays in the rollout of the brand's electrical range, together with increased competitive activity in the independent pharmacy segment.
- Dr. LeWinn's declined by 22.3% to $15.7m during the year (FY25: $20.2m). Excluding the impact of new wholesaler rebates and net transitional pipe-fill, revenue declined by 15.5%. Performance was materially impacted by out-of-stock issues associated with a packaging refresh and supplier consolidation activities, which reduced product availability and constrained participation in key promotional programs. While product availability improved during 2H26, the impact of earlier disruptions continued to affect sales momentum throughout the year. The launch of a new e-commerce platform saw encouraging growth during the year.

1 Continuing Operations exclude the value of Discontinued Operations. Refer to FY26 Financial Statements, Segment Information Note 5.
2 Contribution after Advertising and Promotions (CAAP) is a non-IFRS measures that does not have a standardised meaning prescribed by IFRS. However, the Company believes that, in combination with IFRS measure, it assists in providing users with a comprehensive understanding of the operational performance of the business. CAAP comprises sales less materials and consumables, cartage and freight, third party warehousing, and advertising and promotions (A&P). Underlying CAAP excludes material items. Refer to Segment Information (Note 5) of the FY26 Financial Statements for a reconciliation of CAAP to net profit after tax.
3 Statutory NPAT from Continuing Operations in FY25 excludes NPAT from Discontinued Operations of $1.6m.

- Fusion Health declined by 22.1% to $12.1m during the year (FY25: $15.6m). Excluding the impact of new wholesaler rebates and net transitional pipe-fill, revenue declined by 16.9%. Sales were impacted by weaker-than-expected innovation performance net of deletions, and lower rates of sale across health food channels together with ranging disruption in the independent pharmacy sector. As with Dr. LeWinn's, a new e-commerce platform was launched during the year and early trading has been positive.

Underlying EBITDA was $4.3m, down from $7.3m in FY25, with the decline primarily driven by lower revenue and reduced contribution across core brands. While structural benefits of the route-to-market transformation were realised, they were more than offset by weaker trading performance, disruption across parts of the pharmacy channel and specific execution challenges with Dr. LeWinn's and Fusion Health during the year.

Total investment in A&P of $20.5m was down from $22.3m in FY25 but reflects a marginal increase in investment rate (as % of revenue), with a continued reallocation of support from portfolio brands to core brands. Employee costs were $24.9m, down 21.5% from $31.7m in FY25, chiefly driven by the Kingsgrove warehouse exit and new operating model. Other expenses reduced from $13.8m in FY25 to $12.4m in FY26, also reflecting the benefit of the lower cost operating model as well as disciplined cost management.

The Group recognised $25.6m in pre-tax material items during the period:

- $20.7m non-cash impairment of intangible assets, comprising $15.0m goodwill impairment in the ANZ segment and $5.7m of brand impairments, reflecting a recalibration of growth projections based on current trading performance. This included Manicare $2.3m, Fusion Health $2.1m, and $1.3m across Swisspers, Revitanail and Dr. LeWinn's.
- $1.5m restructuring and transformation costs in connection with the new operating model; and
- $3.3m in other items, including $2.3m in regulatory and legal costs associated with the Company's ASIC proceedings.

Depreciation and amortisation reduced significantly from $6.5m in FY25 to $4.1m, primarily reflecting write-down of the Kingsgrove warehouse and office lease. Net finance costs also declined from $0.7m in FY25 to $0.1m in FY26, reflecting lower costs associated with the refinanced debt facility.

Statutory net loss from continuing operations after tax was $20.3m, compared to a net loss of $16.6m in FY25.

Operating Segment Performance

Australia and New Zealand

Results from Continuing Operations	FY26 ($m)	FY25 ($m)	Change ($m)	Change (%)
Revenue	115.8	135.9	(20.2)	(14.8%)
Underlying CAAP	41.4	52.8	(11.3)	(21.5%)
Underlying EBITDA	9.6	12.9	(3.3)	(25.4%)

The ANZ segment continued to represent the vast majority of the Company's revenue. Core brand performance was mixed, with Swisspers delivering modest growth supported by strong grocery execution and improved performance in key pharmacy accounts. Manicare, Lady Jayne, Dr. LeWinn's and Fusion Health each declined year-on-year. The decline reflected disruption following the transition to the new route-to-market model, particularly within independent pharmacy, together with out-of-stock issues affecting Dr. LeWinn's and weaker-than-expected performance in Fusion Health. The independent pharmacy sector experienced challenging trading conditions across a number of health and beauty segments during the year.

International

Results from Continuing Operations	FY26 ($m)	FY25 ($m)	Change ($m)	Change (%)
Revenue	2.6	3.0	(0.5)	(16.3%)
Underlying CAAP	0.2	0.0	0.2	n/m[1]
Underlying EBITDA	(1.1)	(1.6)	0.4	(28.6%)

International revenue declined by $0.5m, driven primarily by Dr. LeWinn's performance in China, which reflected ongoing weakness in demand and slower-than-anticipated recovery in market activity. Notwithstanding a decline in revenue, through cost management initiatives, the business delivered a positive contribution margin (CAAP) and improved its underlying EBITDA loss position.

Following a review of the international business unit, management has identified a distributor-led operating model as the preferred approach that best aligns with the opportunity for its brands in international markets and the Company's capital allocation priorities. Implementation is expected to commence during FY27.

Net cash[2] and cash flow

The balance sheet remained sound with net cash of $4.5m as at 30 June 2026, down from $8.8m at 30 June 2025. The Company's debt facilities were undrawn through the year and at 30 June 2026.

This decline in net cash primarily reflects an increase in working capital, which has more than offset underlying cash generation through the period. Inventory increased by $6.4m to $26.2m to restore product availability and support service levels across key brands, particularly Dr. LeWinn's, while also accommodating variability in wholesaler ordering patterns. The Company continues to adopt a disciplined approach to inventory to support the new operating model.

Dividends and capital management

Given the balance of retained losses at 30 June 2026 and the FY26 loss after tax, the Board determined not to pay a full-year dividend.

The Company has continued its disciplined approach to capital management. During the year it refinanced its debt facilities to better align with the new operating model and conducted an on-market share buy-back (announced on 25 February 2026)[3].

The Board continues to monitor and review the Company's allocation of capital to ensure the business is appropriately supported to deliver sustainable revenue growth.

Priorities and outlook

McPherson's enters FY27 with a clear imperative to build brand momentum and drive revenue growth. Management's focus is on:

- strengthening customer engagement through joint business development planning;
- optimising ranging through increasing wholesaler SKU availability of our bestsellers list;
- accelerating growth through impactful consumer marketing by deploying the new social and creator-led marketing capabilities;
- increasing the launch frequency of our expanding innovation pipeline, supported by sustained A&P investments; and
- upweighted investment in e-commerce capabilities, both owned and marketplace.

While the subdued sales in 4Q26 continued into July, with the benefit of the new operating model, management's priorities for FY27, and a disciplined approach to cost management, the Company is focused on delivering underlying EBITDA growth for the full year.

1 Ratio not considered meaningful.
2 Net cash is defined as cash and cash equivalents, less borrowings, excluding lease liabilities
3 As at 30 June 2026, the Company had acquired 4,995,130 shares for a consideration of $0.8m.

Category and Brand Overview

Our categories remained attractive. Our brand performance was below expectations.

Manicare

Manicare remained Australia's #1 beauty tools and accessories brand in FY26, holding 36.3% share of the category[1]. The category grew 1.0% for the year, while Manicare scan sales declined 2.2%[2]. In a broadly flat category shaped by deflation and increased competitor dynamics, Manicare's leadership position demonstrates the enduring strength of its brand equity and the continued relevance of its trusted, high-quality range.

Revenue in FY26 was $45.1m, down 5.7% on FY25, and in line with the prior year, down 0.1%, excluding new wholesaler rebates and net transitional pipe-fill[3]. The result mainly reflected ranging disruption following the route-to-market transition, chiefly in the independent pharmacy sector, together with increased competitive dynamics in parts of the pharmacy channel. These declines were partially offset by stronger growth in grocery, supported by new price initiatives, and in a major pharmacy customer.

Manicare launched 12 new products in FY26, including the Stainless Steel Gua Sha, Metal Face Roller and Silky Hair Bonnet. The brand also strengthened its advertising to enhance visibility and reinforce Manicare's role as a trusted expert in beauty.

Manicare enters FY27 with a clear opportunity to modernise a brand that consumers already trust. Priorities are embedding refreshed positioning, revitalising the range with more trend-led innovation, and creating greater discovery through social, influencer and education-led content. A packaging refresh is currently underway and is scheduled to roll out in FY27, with a focus on improving shelf standout and clearer communication of product benefits.

Swisspers

Swisspers continued its leadership position as Australia's #1 cotton brand, holding 67.1% share[4] and growing 6.9%, ahead of the cotton category, which grew 5.4%[2].

Revenue was $21.8m, up 1.0% on FY25 and up 4.1% excluding new wholesaler rebates and net transitional pipe-fill[3]. Growth was supported by improved off-promotion sales in key pharmacy accounts and more effective promotional initiatives in the grocery channel.

The brand maintained strong consumer relevance, with 28.4%[5] household penetration and 74.0% prompted awareness with two-thirds of consumers having tried Swisspers, and more than half purchased the brand in the last 12 months[6].

Consumers continue to recognise Swisspers as an expert in cotton pads and tips, trusted for gentle, high-quality care and regarded as the gold standard in cotton for softness, thickness and durability.

During FY26 the brand launched Cotton Variety Tips and the Baby Essentials Pack, extending relevance across everyday beauty and family care. Improved grocery execution through promotional and pricing initiatives with major customers strengthened in-store presence.

In FY27 Swisspers will strengthen value perception and continue to premiumise the category through innovation and improved availability.

Lady Jayne

Lady Jayne remained Australia's #1 hair tools and accessories brand in FY26, holding 26.9% share of the total hair tools and accessories category[7]. The category grew 3.6% and Lady Jayne grew 0.7% in scan[2].

Revenue was $15.8m, down 18.7% on FY25, and down 14.4% excluding new wholesaler rebates and net transitional pipe-fill[3]. The result reflected ranging changes connected with the route-to-market transition, reduced promotional activity with key customers and delays in the rollout of the brand's electrical range, together with increased competitive activity in the independent pharmacy segment.

1 Circana Scan Data, AU Grocery and Pharmacy, Manicare value share of Total Beauty Accessories, 52 weeks ending 28/06/2026.
2 Circana Scan Data, AU Grocery and Pharmacy, category value growth and brand scan sales growth, 52 weeks ending 28/06/2026.
3 Like-for-like basis excludes the impact of new wholesaler rebates, which are now accounted for as an offset to revenue under the new operating model, and net transitional pipe-fill.
4 Circana Scan Data, AU Grocery and Pharmacy, value share of Cotton, 52 weeks ending 28/06/2026.
5 Circana HIP, Total Swisspers HH penetration, Total Australia, MAT to 09/08/2026.
6 McPherson's Brand Health Tracking Report, October 2025.
7 Circana Scan Data, AU Grocery and Pharmacy, value share of Total Hair Accessories, 52 weeks ending 28/06/2026.

The brand continued to innovate with six hair tools and styling products launched during the year, including the Infinity Vent Brush, Chrome Shine Brush, Curl Definer Brush, Gem Tip Brush, Large Acetate Detangling Comb and French Hair Pin. New brushes and accessories tapped into fast-moving styling trends and showed promising early performance.

The Company continues to modernise the Lady Jayne brand and connect with consumers. The Undone to Done campaign repositioned the brand around effortless everyday style, while the Gem Tip campaign spoke to parents. Combined, the two campaigns engaged 19 influencers, delivered 47 pieces of social content and generated 91m impressions, continuing to resonate with families and loyal shoppers who value quality, accessibility and trust.

Lady Jayne enters FY27 with a trusted brand, a strong retail presence and a renewed focus on contemporary hair routines and will keep driving modernisation and trend-led innovation across brushes, styling tools and accessories.

Dr. LeWinn's

Dr. LeWinn's competes in facial skincare, a category worth $814m in Australian pharmacy that grew 7.8% in FY26. McPherson's holds 2.3% of that category[1], leaving clear headroom to grow.

Revenue was $15.7m, down 22.3% on FY25, and down 15.5% excluding new wholesaler rebates and net transitional pipe-fill[2]. Out-of-stocks associated with a packaging refresh and supplier consolidation reduced product availability and limited promotional participation. Availability improved through the second half and out-of-stocks have since been resolved following targeted investment in inventory.

The Company launched its direct-to-consumer e-commerce platform during the year, with encouraging early growth, providing the brand with a new and direct route to consumers.

Consumer research during the year set the direction for a brand refresh, delivering new positioning built on Dr. LeWinn's Australian origins, a science-led approach and clinically inspired skincare, alongside a completed packaging refresh and benefit-led product architecture. Innovation included Barrier Protect Multi-Peptide Serum, Plump + Lift Neck Cream, Smooth + Firm Neck & Décolletage Mask and Barrier Protect Glass Skin Mask.

FY27 brings the refresh to market, with updated pack design, a revitalised creative platform, innovation launches, a social media strategy and a partnership with influencer and podcaster Laura Byrne. Dr. LeWinn's is well placed to rebuild momentum in a competitive category.

Fusion Health

Fusion Health competes in vitamins, minerals and supplements, a category worth $2.0b in Australian pharmacy that grew 5.3% in FY26. McPherson's holds 0.6% of that category[1] and brand scan sales were broadly flat, down 0.1%[3].

Revenue was $12.1m, down 22.1% on FY25, and down 16.9% excluding new wholesaler rebates and net transitional pipe-fill[2]. Sales were affected by weaker than expected innovation performance net of deletions, lower rates of sale across health food channels, and ranging disruption in the independent pharmacy sector.

The category remains highly fragmented and fast-moving, with new products entering the market constantly. Growth in FY26 came from the immunity, gut health, mental wellbeing and energy segments, reinforcing the shift towards targeted, condition-led solutions. Fusion Health responded by establishing a more disciplined, trend-driven approach to innovation, launching two new mental wellbeing products, Magnesium Sleep Calm Mind and Calm Clear Focus L-Theanine 200+, and relaunching the Women's and Men's Multivitamin ranges with improved formulas at more competitive prices.

The Fuse Life campaign brought the brand positioning to life across digital and social channels, and a direct-to-consumer platform launched during the year with positive early trading. These actions have strengthened Fusion Health's foundations and position the brand to build consumer relevance and growth in FY27.

1 McPherson's share of category value. Category size sourced from Circana Scan Data, AU Pharmacy, 52 weeks ending 28/06/2026.
2 Like-for-like basis excludes the impact of new wholesaler rebates, which are now accounted for as an offset to revenue under the new operating model, and net transitional pipe-fill.
3 Circana Scan Data, AU Pharmacy, Vitamins, 52 weeks ending 28/06/2026. Scan data for Fusion Health brand does not capture performance in Health Channel, which accounts for approximately 38% of total brand sales.

Information on Directors

ARI MERVIS

Independent Chairman 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 Chairman of the Board from 21 July 2021 until 10 March 2025. Mr. Mervis resumed the role of Chairman on 1 February 2026.

Mr. Mervis is a 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. His previous roles include Non-executive Chair and Executive Chair of Endeavour Group Limited, 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
- Independent Chairman of the Board (appointed on 21 July 2021 until 10 March 2025 and then from 1 February 2026) and Chairman of the Nominations Committee

Other current listed Directorships
- None

Former listed Directorships (last three years)
- Myer Holdings Limited (from September 2021 to March 2024)
- Endeavour Group Limited (from March 2024 to August 2025)

Interests in securities
- 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, as well as private equity, for over 30 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 specialty 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 (FAICD) and the Graduate School of Management from IMD in Lausanne, 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 securities
- 100,000 ordinary shares in McPherson's Limited
- 8,627,000 performance rights held

HELEN THORNTON

Independent Non-executive Director

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

Ms. Thornton is an experienced 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 Arena REIT Limited, Ansvar Insurance Ltd and Beyond Bank Australia Limited.

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

Special Responsibilities

- Chair of the Audit and Risk Committee (appointed 1 February 2026)
- Member of the Remuneration, People and Culture Committee (appointed 1 February 2026)
- Member of the Nominations Committee (appointed 1 February 2026)

Other current listed Directorships

- Non-executive Director of Arena REIT Limited (ASX:ARF)

Former listed Directorships (last three years)

- None

Interests in securities

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

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 served as interim Chair of the Board from 10 March 2025 to 31 January 2026.

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. Ms. Cook's experience includes product manufacturing, quality systems, supply chain, 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 Program at Melbourne Business School and is a Graduate of the Australian Institute of Company Directors (GAICD).

Special Responsibilities

- Chair of the Remuneration, People and Culture Committee (appointed 1 February 2026)
- Member of the Audit and Risk Committee (appointed 1 February 2026)
- Member of the Nominations Committee (appointed 1 February 2026)
- Interim Chair of the Board (until 31 January 2026)

Other current listed Directorships

- None

Former listed Directorships (last three years)

- None

Interests in securities

- 35,500 ordinary shares in McPherson's Limited
- No performance rights held

JOHN BATISTICH

Independent Non-executive Director

Mr. Batistich was appointed an Independent Non-executive Director of McPherson's Limited on 17 November 2025.

Mr. Batistich has more than 30 years of cross-sector leadership in marketing, digital innovation, customer experience and general management. Mr. Batistich has held senior roles with leading global companies, including Westfield Group, PepsiCo, Kimberly-Clark, Wrigley Company and Lion Nathan. Mr. Batistich currently serves as a Non-executive Director of Foodco Group Pty Ltd and Adairs Limited (ASX:ADH). Mr. Batistich has previously served on the boards of Zip Co Limited, Heart Research Institute, Versa Connects (AI) Pty Ltd, Fishburners Limited and Sunnyfield Disability Services, and as a Board Advisor to Moose Toys.

Mr. Batistich's board experience spans consumer goods, retail, financial services and technology, with a strong focus on customer-centric strategy, digital innovation, and people and culture.

Mr. Batistich holds a Bachelor of Business and a Master of Management and is a Graduate of the Australian Institute of Company Directors (GAICD).

Special Responsibilities
- Member of the Audit and Risk Committee (appointed 1 February 2026)
- Member of the Remuneration, People and Culture Committee (appointed 1 February 2026)
- Member of the Nominations Committee (appointed 1 February 2026)

Other current listed Directorships
- Non-executive Director of Adairs Limited (ASX:ADH)

Former listed Directorships (last three years)
- Non-executive Director of Zip Co Limited (from September 2018 to November 2024)

Interests in securities
- 80,000 ordinary shares in McPherson's Limited
- No performance rights held

JANE McKELLAR

Independent Non-executive Director (retired effective on 31 January 2026)

Special Responsibilities
- Former Chair of the former People and Culture Committee (until 31 January 2026)
- Former member of the former Risk and Compliance Committee (until 31 January 2026)

Interests in securities
- 11,533 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 2026.

(a) Directors

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

Ari Mervis	• Chairman of the Board (from 1 February 2026) • Non-executive Director for the full year • Chairman of the Nominations Committee (from 1 February 2026) • Member of the former Audit Committee (until 31 January 2026) • Member of the former People and Culture Committee (until 31 January 2026)
Brett Charlton	• Chief Executive Officer and Managing Director
Alison Cook	• Chair of the Board (until 31 January 2026) • Non-executive Director for the full year • Chair of the Remuneration, People and Culture Committee (from 1 February 2026) • Member of the Audit and Risk Committee (from 1 February 2026) • Member of the Nominations Committee (from 1 February 2026) • Chair of the former Risk and Compliance Committee (until 31 January 2026) • Member of the former Audit Committee and the former People and Culture Committee (until 31 January 2026)
John Batistich	• Non-executive Director (since 17 November 2025) • Member of the Audit and Risk Committee (from 1 February 2026) • Member of the Remuneration, People and Culture Committee (from 1 February 2026) • Member of the Nominations Committee (from 1 February 2026)
Helen Thornton	• Non-executive Director for the full year • Chair of the Audit and Risk Committee (from 1 February 2026) • Member of the Remuneration, People and Culture Committee (from 1 February 2026) • Member of the Nominations Committee (from 1 February 2026) • Chair of the former Audit Committee (until 31 January 2026) • Member of the former Risk and Compliance Committee (until 31 January 2026)
Jane McKellar*	• Retired from the Board effective on 31 January 2026 • Chair of the former People and Culture Committee (until 31 January 2026) • Member of the former Risk and Compliance Committee (until 31 January 2026)

*Jane McKellar retired as a Non-executive Director and as chair and member of the above Board Committees effective on 31 January 2026.

(b) Principal activities

McPherson's, established in 1860, is a leading supplier of health 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 market-leading iconic brands, including Manicare, Swisspers, Lady Jayne, Maseur, Glam by Manicare, Dr. LeWinn's, and Fusion Health as well as its portfolio brands including Revitanail and Bondi fragrances.

Manufacturing is outsourced to various suppliers, predominantly in Asia and Australia. McPherson's maintains a presence in Hong Kong (focused on product sourcing and quality assurance) and in the People's Republic of China (focused on distribution and sales).

Directors' Report

(c) Dividends

Given the balance of retained losses at 30 June 2026, and informed by the loss after tax for FY26, the Board has determined not to pay a full-year dividend.

The Company has continued its disciplined approach to capital management. During the year it refinanced its debt facilities to better align with the new operating model, conducted an on-market share buy-back (announced on 25 February 2026) and invested in inventory to support retailer demand.

In line with its responsibilities, the Board continues to monitor and review the Company's allocation of capital to ensure that the business is appropriately supported to deliver sustainable revenue growth.

(d) Review of operations

An extract of the review of operations of the Group is set out on pages 12 to 15 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 Audit and Risk Committee (formerly the Risk and Compliance Committee until 31 January 2026), has primary responsibility for overseeing and monitoring the implementation of, and reporting against, the Company's risk management and compliance framework.

The Chief Executive Officer and 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 General Counsel and Company Secretary in terms of adopting and implementing appropriate risk management and compliance policies, systems and processes, including regular reporting to the Audit and Risk Committee. 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 managers below them are also responsible for the identification, assessment, management and reporting of relevant compliance obligations.

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

Workplace health and safety

McPherson's is committed to providing a safe and healthy workplace for its employees, contractors and visitors.

The Company seeks to mitigate workplace health and safety (WHS) risks through a comprehensive WHS management system comprising policies, procedures, risk assessments and safe work practices applicable to office-based, field-based and contractor activities. This is supported by employee consultation and training, mandatory reporting and investigation of safety incidents and near misses, regular monitoring and review of WHS performance, and implementation of corrective actions where risks or incidents are identified. Defensive driving training is mandatory for field-based employees, reflecting the nature of their roles.

Customer concentration

A significant proportion of the Company's revenue is generated through a limited number of major customers, including leading pharmacy and grocery retailers. Changes in customer relationships, ranging decisions, trading terms, purchasing strategies or consumer demand may result in reduced sales volumes, margin pressure or loss of distribution, which could adversely affect the Company's financial performance. A non-continuation of an existing strategic alliance arrangement (after its expiry) with a leading pharmacy retailer could also adversely affect the Company's financial performance.

Directors' Report

(d) Review of operations (continued)

Risk management and compliance (continued)

Customer concentration (continued)

The Company seeks to mitigate this risk by maintaining strong strategic relationships with its customers, delivering high levels of customer service and supply chain performance, investing in category insights and data-driven analytics, driving product and packaging innovation, maintaining competitive pricing and promotional strategies, and diversifying its product portfolio and customer base where appropriate.

In addition, the Company seeks to mitigate the risk of a non-continuation of a strategic alliance arrangement by entering into good faith negotiations with the leading pharmacy retailer to continue with these arrangements on mutually satisfactory commercial terms.

Supply chain and supplier management

The Company relies on a network of third-party contract manufacturers and suppliers, including several key suppliers located in China and Australia, to source and manufacture its products. Disruption to the operations of key contract manufacturers or suppliers, whether arising from operational issues, quality failures, capacity constraints, geopolitical developments, natural disasters, logistics disruptions or financial distress, may adversely affect the Company's ability to supply products, meet customer demand and achieve its financial objectives.

The Company seeks to mitigate this risk through strategic supplier relationship management, identification and qualification of alternative suppliers for key product categories, ongoing monitoring of supplier performance and financial stability, quality assurance and product compliance programs, regular supplier reviews and audits where appropriate, inventory planning and supply chain continuity and contingency planning.

Cost inflation and broader macroeconomic conditions

Cost inflation and broader macroeconomic conditions may increase the Company's operating costs, including the costs of raw materials, packaging, freight, labour and other inputs, while also affecting consumer confidence, spending patterns and demand for the Company's products. Sustained cost inflation, weakening consumer demand or an inability to recover increased costs may adversely affect the Company's profitability and financial performance.

The Company seeks to mitigate these risks through disciplined cost management and operational efficiency initiatives, strategic sourcing and procurement practices, supplier and manufacturer diversification (including the use of local suppliers where appropriate), contractual pricing arrangements where commercially available, ongoing review of pricing strategies, optimisation of product mix and promotional activity through data-driven insights, and continuous evaluation of opportunities to improve supply chain resilience and productivity.

Consumer demand and market trends

Consumer demand for the Company's products is influenced by general economic conditions, consumer confidence, discretionary spending patterns, competitive activity and changing consumer preferences. A sustained decline in consumer demand, or failure to anticipate and respond to evolving consumer trends, may adversely affect sales, profitability and the long-term value of the Company's brands.

The Company seeks to mitigate this risk through ongoing analysis of consumer, customer and market data, investment in consumer and category research, monitoring of macroeconomic and retail trends, product and packaging innovation, targeted marketing and brand investment, measurement of marketing effectiveness and maintaining a diversified portfolio of brands, product categories and distribution channels.

Product quality, safety and liability

As a supplier of consumer products, the Company is exposed to the risk of product quality and safety issues that may result in customer claims, product withdrawals or recalls, regulatory action, reputational damage and financial loss.

Directors’ Report

(d) Review of operations (continued)

Risk management and compliance (continued)

Product quality, safety and liability (continued)

The Company seeks to mitigate this risk through a comprehensive product quality and supplier assurance framework, including due diligence and ongoing assessment of manufacturers and suppliers, quality assurance and product testing processes, supplier performance monitoring, product compliance verification, review and investigation of consumer complaints and other product-related feedback, implementation of corrective actions where appropriate, and maintenance of appropriate product liability and product recall insurance.

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 Company seeks to mitigate this risk by establishing a 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.

Investment of capital

The Company’s ability to create long-term shareholder value depends on the disciplined allocation of capital to strategic initiatives and investment opportunities. There is a risk that capital may be deployed to investments, acquisitions or projects that do not achieve their anticipated strategic or financial objectives, resulting in lower returns or impairment of invested capital.

The Company seeks to mitigate this risk through a disciplined capital allocation approach, rigorous evaluation of strategic, financial and operational risks and expected returns, robust business case and investment approval processes, prioritisation of opportunities to ensure appropriate management focus and resourcing, and the engagement of external advisers, where appropriate.

Valuation of brands and other intangible assets

The Company’s balance sheet includes a significant value of brands and other intangible assets. Changes in business performance, market conditions or key valuation assumptions, including forecast cash flows, growth rates and discount rates, may result in impairment charges that adversely affect the Company’s financial position and reported earnings.

The Company seeks to mitigate this risk through regular assessment of the performance and cash flow forecasts of individual brands and cash-generating units, rigorous impairment testing, review and challenge of key assumptions and valuation methodologies, and engagement of independent external valuation specialists where appropriate.

Cybersecurity and information technology

McPherson’s relies on information technology systems and digital infrastructure to support its operations, supply chain, customer relationships and business processes. A cyber security incident, system failure or unauthorised access to the Company’s systems or data could disrupt operations, compromise sensitive information, adversely affect financial performance, damage the Company’s reputation, or result in legal or regulatory consequences.

The Company seeks to mitigate these risks through a cyber security framework comprising preventative, detective and responsive controls, including network and endpoint security, multi-layered threat detection and monitoring, vulnerability management, access controls, incident response planning, independent security testing and periodic security assessments. These controls are supported by ongoing employee awareness training, regular internal review and oversight, and continuous enhancement of cyber security capabilities in response to the evolving threat landscape.

Directors' Report

(d) Review of operations (continued)

Risk management and compliance (continued)

Generative artificial intelligence (AI)

The rapid evolution and adoption of generative artificial intelligence (AI) presents both opportunities and risks for the Company. Inappropriate or uncontrolled use of AI may result in inaccurate or misleading outputs, privacy or confidentiality breaches, intellectual property infringement, cybersecurity vulnerabilities, regulatory non-compliance, or adverse impacts on business operations, decision-making and the Company's reputation. Conversely, failure to appropriately leverage AI technologies may reduce operational efficiency and competitive advantage.

The Company seeks to manage these risks through an AI governance framework incorporating policies and guidelines for the responsible use of AI, employee training and awareness, appropriate human oversight of AI-generated outputs, protection of confidential and personal information, legal and regulatory compliance, ongoing assessment of emerging AI-related risks and opportunities, and periodic review of AI technologies and controls to ensure they remain appropriate as the regulatory and technology landscape evolves.

Talent management

The Company's ability to achieve its strategic objectives depends on attracting, developing, engaging and retaining employees with the skills and capabilities required to support the business. The inability to attract or retain key talent, or inadequate succession planning for critical roles, may adversely affect operational performance, strategic execution and long-term growth.

The Company seeks to mitigate this risk through a comprehensive talent management framework incorporating a compelling employee value proposition, targeted recruitment strategies, market-competitive remuneration and incentive arrangements, learning and development opportunities, performance and career development processes, employee engagement initiatives, and succession planning for key leadership and critical roles.

Climate-related financial reporting and sustainability

Increasing regulatory requirements relating to climate-related financial disclosures, together with evolving stakeholder expectations regarding environmental and sustainability performance, present compliance, operational and reputational risks for the Company. Failure to appropriately identify, manage or report climate-related risks may result in regulatory non-compliance, increased costs and adverse impacts on stakeholder confidence.

The Company mitigates these risks through a structured sustainability and climate governance framework incorporating Board and Audit and Risk Committee oversight, periodic materiality assessments, development and implementation of sustainability initiatives across product packaging and supply chains, monitoring of legislative and regulatory developments, engagement of external advisers where appropriate, and implementation of processes to support compliance with applicable climate-related reporting standards, including AASB S2.

Regulatory compliance

McPherson's operates in a highly regulated environment and is subject to a range of laws, regulations and industry standards across the jurisdictions in which it conducts business, including those relating to consumer protection, product safety, product claims, labelling, competition, privacy, employment and environmental matters. Failure to comply with applicable legal and regulatory requirements may result in financial penalties, product recalls, litigation, regulatory action, operational disruption and reputational damage.

The Company seeks to mitigate these risks through a comprehensive compliance framework comprising policies and procedures, employee training and awareness, regulatory monitoring, legal review of material matters, product and marketing compliance processes, engagement of external advisers where appropriate, and regular reporting and oversight by management and the Board.

Directors' Report

(e) Significant changes in the state of affairs

During the year the Company moved its registered office and principal place of business from 105 Vanessa Street, Kingsgrove, NSW 2208 to Level 8, 383 Kent Street, Sydney, NSW 2000. The lease of the Kingsgrove site will expire on 22 June 2027.

(f) Events subsequent to balance date

As disclosed on 9 December 2022, McPherson's Limited (Company) is a defendant in civil proceedings commenced by the Australian Securities and Investments Commission (ASIC) in relation to events occurring in 2020 (Proceedings). On 13 August 2026, the Federal Court of Australia (Court) ruled in favour of ASIC against the Company and a former Chief Executive Officer and Managing Director of the Company. Subject to any appeal rights available, there will be a further hearing to determine any penalties to be imposed on the Company.

As a result of the Court's decision and in line with the requirements of Australian Accounting Standards, the Company recognised a provision of $2.0 million. Based on the information available to the Company, this amount represents the Company's best estimate of the penalties that may be imposed on the Company by the Court as a result of the outcome of the Proceedings. The actual amount of any penalties payable by the Company will ultimately be determined by the Court at a future date and may be materially higher or lower than the provision.

(g) Likely developments and expected results of operations

McPherson's is a pure-play health and beauty company focused on investing in, and growing, its iconic brands: 'Manicare', 'Swisspers', 'Lady Jayne', 'Maseur', 'Glam by Manicare', 'Dr. LeWinn's' and 'Fusion Health' as well as its portfolio brands including Revitanail and Bondi fragrances.

These 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 to operate as a simplified and streamlined organisation with a focus on driving long-term growth in its brands. During FY26 the Company continued to embed its third-party warehousing and pharmacy wholesaler route-to-market model.

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 2026.

Directors' Report

(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 18 to 20 of the Annual Report and form part of the Directors' Report.

Meeting of Directors

The number of Board, Audit and Risk and Remuneration, People and Culture Committee meetings held during the time that the director held office during the year ended 30 June 2026, and the number of meetings attended during that period by each Director, are set out below:

Directors	Board meetings		Audit and Risk Committee meetings[5]		Remuneration, People and Culture Committee meetings[6]		Risk and Compliance Committee meetings[7]	
	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended
Ari Mervis[1]	21	21	3	3	2	2	—	—
Brett Charlton	21	21	—	—	—	—	—	—
Alison Cook[2]	21	21	8	8	4	4	2	2
Jane McKellar[3]	11	9	—	—	2	2	2	2
Helen Thornton	21	21	8	8	2	2	2	2
John Batistich[4]	12	12	5	5	2	2	—	—

1 Ari Mervis, Chairman of the Board, ceased to be a member of all Board Committees except the Nominations Committee from 1 February 2026.
2 Ceased as Board Chair on 31 January 2026.
3 Ceased as a Non-executive Director on 31 January 2026.
4 Appointed as a Non-executive Director on 17 November 2025.
5. Formerly Audit Committee until 31 January 2026.
6 Formerly People and Culture Committee until 31 January 2026.
7 The Risk and Compliance Committee was formally merged with the Audit Committee to form the combined Audit and Risk Committee effective on 1 February 2026.

* "Held" reflects the number of meetings an individual director was eligible to attend.

Note that the Nominations Committee, which was formed effective on 1 February 2026, held its inaugural meeting after 30 June 2026.

(i) Company Secretary

CRAIG DURHAM LLB (Hons), LLM (Melb), Grad Dip Leg Prac, Grad Dip App Corp Gov, FGIA, GAICD

General Counsel and Company Secretary

Experience and Expertise

Mr. Durham was appointed General Counsel and Company Secretary of McPherson's Limited on 15 January 2024. With a career spanning 35 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 Graduate of the Australian Institute of Company Directors, a Fellow of the GIA, a Member of the Institute of Chartered Secretaries and Administrators and a Member of the New York Bar in the United States.

Mr. Durham is admitted in Queensland, Victoria and New York and holds a current practising certificate in New South Wales.

Directors’ Report

(j) Remuneration Report

Letter from the Chair of the Remuneration, People and Culture Committee

On behalf of the Board, I am pleased to present McPherson’s FY26 Remuneration Report.

While management remained focused on executing strategic and operational initiatives designed to strengthen the business over the long term, financial performance fell below expectations. Against this backdrop, the Board maintained a disciplined approach to remuneration, ensuring that reward outcomes reflected the Company’s performance and remained aligned with shareholder interests.

Our People

Throughout the year, our Executive Leadership Team (ELT) continued to focus on improving operational effectiveness, strengthening commercial execution and supporting the ongoing evolution of the business. These efforts were undertaken during a period of significant change and required resilience, adaptability and strong leadership across the organisation.

The Board recognises that our people remain central to the Company’s future success. We are committed to fostering a culture of accountability, continuous improvement and high performance, while ensuring remuneration outcomes appropriately reflect both individual contribution and Company performance.

FY26 Performance and Remuneration Outcomes

The Board’s remuneration philosophy is founded on a clear principle that remuneration outcomes should be linked to performance and the creation of sustainable shareholder value.

Consistent with this approach, no short-term incentive (STI) plan payments were awarded to executives in respect of FY26, as the minimum financial performance threshold established by the Board was not achieved. Similarly, no long-term incentive (LTI) plan awards vested during the year for any current or former executives, reflecting that the relevant performance hurdles established by the Board were not satisfied.

However, as disclosed in the FY25 Annual Report, to support the attraction and retention of capable leaders and to reflect the significant demands and extraordinary individual contribution, a modest ‘one-off’ discretionary bonus was approved by the Board to recognise members of the ELT in delivering the Company’s business transformation program in FY25. This payment was made during FY26.

Accordingly, the Board believes the overall remuneration outcomes for FY26 demonstrate the appropriateness of the Company’s remuneration framework and reinforces the Company’s remuneration philosophy of directly linking remuneration and performance but also balancing that with the need to attract and retain high calibre executives and leaders.

Remuneration Governance

During FY26, the Board completed its annual review of the Company’s remuneration framework. Following that review, the Board determined that the framework remains fit for purpose, appropriately balances fixed and at-risk remuneration, and continues to support the Company’s strategic objectives while maintaining alignment with shareholder interests.

No changes were made to the STI or LTI structures during the year, and the CEO and Managing Director’s contractual STI deferral arrangements remain in place. The Board considers these arrangements an important mechanism for reinforcing long-term accountability and sustainable decision-making.

Looking Ahead

The Board remains committed to maintaining a remuneration framework that promotes accountability, supports the attraction and retention of capable leaders, and delivers reward outcomes that are appropriately linked to performance. In light of the Company’s FY26 results, the Board will continue to exercise restraint and discipline in its remuneration decisions while maintaining a strong focus on creating sustainable long-term shareholder value.

On behalf of the Board, I thank our shareholders for your ongoing support and our employees for their commitment throughout the year. I commend the FY26 Remuneration Report to you.

Yours sincerely

ACook

Alison Cook
Chair of the Remuneration, People and Culture Committee

Directors' Report

(j) Remuneration Report (continued)

Content

The McPherson's Limited FY26 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:
- Key Management Personnel (KMP)
- Remuneration Framework and Governance
- Elements of remuneration
- Performance and executive remuneration outcomes in FY26
- Statutory remuneration
- Contractual arrangements for executive KMP
- Non-executive Director's arrangements
- Share-based compensation
- 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 FY26
Executives		
B. Charlton	Chief Executive Officer (CEO) and Managing Director	Full year
M. Sherwin	Chief Financial Officer (CFO)	Full year
Non-executive Directors		
A. Mervis	Chairman of the Board and Chairman of the Nominations Committee	Full year, resumed role as Chairman effective 1 February 2026
A. Cook	Chair of the Remuneration, People and Culture Committee	Full year, Chairman until 31 January 2026
H. Thornton	Chair of the Audit and Risk Committee	Full year
J. Batistich	Non-executive Director	Appointed as a Non-executive Director on 17 November 2025
J. McKellar	Non-executive Director	Retired as a Non-executive Director on 31 January 2026

Changes since the end of the reporting period

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

2. Remuneration Framework and Governance

How we determine executive remuneration frameworks

The Company's remuneration framework is set out in its Remuneration Strategy (disclosed on the Company's website). In particular, the Board aims to ensure that its remuneration framework:

- aligns executive remuneration outcomes with strategy and performance by linking reward outcomes to the achievement of Company objectives, sustainable growth and shareholder value;
- attracts, retains and rewards high-quality executive talent through fair, competitive and market-aligned remuneration that reflects role complexity, contribution and performance;

Directors' Report

(j) Remuneration Report (continued)

2. Remuneration Framework and Governance (continued)

How we determine executive remuneration frameworks (continued)

- promotes a high-performance culture by balancing financial and non-financial measures and directly connecting pay outcomes to individual and organisational performance; and
- maintains transparency, equity and good governance through clear remuneration frameworks, gender pay equity objectives, market benchmarking (as appropriate) and compliance with legal and governance requirements.

Our remuneration framework

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 framework of executive remuneration in FY26:

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 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 EBITDA, together with pre-determined role specific objectives.	**CEO and Managing Director** Up to 75% of fixed remuneration **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.	**CEO and Managing Director** i. High Level Performance Rights (HLP) — 100% of vesting is determined with reference to EPS target, over three years. ii. Exceptional Level Performance Rights (ELP) — 100% vesting is determined with reference to the TSR CAGR outcome, over three years.	**CEO and Managing Director** i. High Level Performance Rights (HLP) — 100% of fixed remuneration. ii. Exceptional Level Performance Rights (ELP) — 50% of fixed remuneration.
		Chief Financial Officer 67% of vesting is determined with reference to EPS target and 33% with reference to TSR CAGR, each over three years.	**Chief Financial Officer** Up to 50% of fixed remuneration

1 Fixed Remuneration is a contractual entitlement. Participation in the STI & LTI schemes are at the sole discretion of the Board.

Directors' Report

(j) Remuneration Report (continued)

2. Remuneration Framework and Governance (continued)

Governance framework

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

BOARD

- Overall responsibility for the remuneration strategy and outcomes for Executives and Non-executive Directors
- Reviews and, if appropriate, approves recommendations from the Remuneration, People and Culture Committee

REMUNERATION, PEOPLE AND CULTURE COMMITTEE

Reviews, evaluates and makes recommendations to the Board in relation to the following remuneration matters:

- Executive remuneration and incentive policies and plans
- Remuneration for Non-executive Directors
- CEO & Managing Director and other Executives' remuneration packages and performance objectives
- CEO and Managing Director's performance and development plans

MANAGEMENT

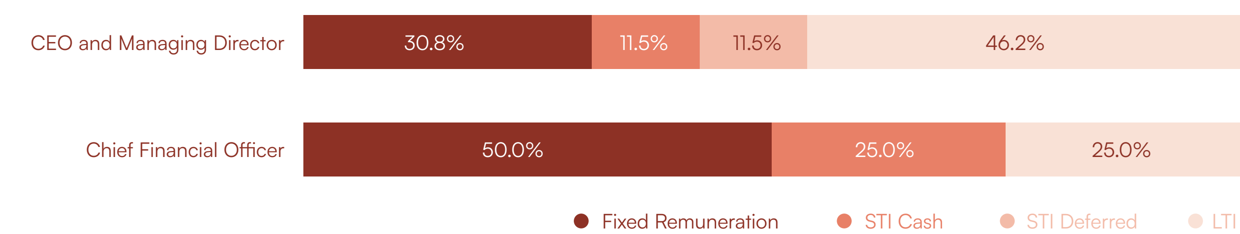
- Management is responsible for making recommendations to the Remuneration, People and Culture Committee
- Management provides the Board with the relevant information and analysis required to support decision making

EXTERNAL MARKET DATA AND BENCHMARKING

- The Remuneration, People and Culture Committee and the Board may seek advice from independent remuneration consultants in determining appropriate senior executive remuneration
- Remuneration consultants support the Board in making remuneration decisions that are in the best interests of McPherson's and its shareholders

Remuneration Mix — at Target

The graph below shows the structure of the FY26 remuneration opportunity mix for Executive 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.



Directors’ Report

(j) Remuneration Report (continued)

3. Elements of remuneration

Fixed annual remuneration (FAR)

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; and
- individual performance.

Remuneration reviews may occur annually to ensure it remains market competitive and reflects cost of living adjustments. Executive fixed remuneration will not automatically be increased as a result of any review. Details of the fixed remuneration applicable to Executive KMP are set out in *Section 6. Contractual arrangements for Executive KMP.*

Short-term incentives (STI)

Each year, the Remuneration, 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 CEO and Managing Director and CFO receive their awards in cash. The CEO and Managing Director receives 50% of his reward in cash after the assessment of annual performance and 50% deferred for a further one-year period. The CFO receives 100% of his award in cash after the assessment of annual performance.

How much can executives earn?

The maximum STI opportunities for executives are summarised below:

- CEO and Managing Director: 75% of fixed remuneration
- CFO: 50% of fixed remuneration

How is performance measured?

STI performance measures are selected to reflect the core drivers of short-term performance and to support the delivery of sustainable value to the Group, its shareholders, and customers.

For FY26, the STI framework comprised both financial and non-financial measures, with linear vesting between Threshold and Mid-Point, and Mid-Point and Maximum:

<table>
<tr><th>Measure</th><th>Weighting %</th><th>Qualification Gate</th><th>Threshold</th><th>Mid-Point</th><th>Maximum</th></tr>
<tr><td>Financial
FY26 Underlying EBITDA</td><td>70%</td><td rowspan="2">Minimum FY26 Underlying EBITDA Threshold</td><td>0%</td><td>35%</td><td>70%</td></tr>
<tr><td>Non-Financial
Personal KPIs</td><td>30%</td><td>15%</td><td>30%</td><td>30%</td></tr>
<tr><td colspan="3">STI Performance Outcome</td><td>15%</td><td>65%</td><td>100%</td></tr>
</table>

Measures have been chosen to align executive performance with the Group’s financial and strategic priorities. The FY26 financial target was set by the Board at the beginning of the financial year, taking into account the Group’s budget, market outlook, and strategic initiatives. Individual performance objectives (non-financial KPIs) varied by role and were aligned to key operational, customer, and transformation outcomes.

The Board has established a minimum financial performance threshold (Qualification Gate) to ensure the delivery of appropriate earnings prior to the payment of any personal KPIs. The outcome is self-funding, requiring financial targets be satisfied on an STI-funded basis.

Directors' Report

(j) Remuneration Report (continued)

3. Elements of remuneration (continued)

Short-term incentives (STI) (continued)

How is performance measured? (continued)

In FY26, the amount awarded under the STI plan was determined by reference to:

Opportunity				Performance Measure		Outcome
Fixed Annual Remuneration (FAR) $	×	Target STI Opportunity %	×	FY26 STI Performance Outcome %	=	STI Award $

No STI plan payments[1] were awarded to executives in respect of FY26, as the minimum financial performance threshold established by the Board was not achieved.

From time to time, the Board may approve additional short-term discretionary cash bonuses to executives in recognition of specific outcomes associated with significant one-off events. These may include, among others, completing a significant acquisition or investment, achieving a required divestment outcome, completing a significant restructuring project, or completing a refinancing of the business. The Board is responsible for approving any such payments.

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 Remuneration, People and Culture Committee and the Board. Payments are normally made following the release of the Company's audited financial results.

Long-term incentives (LTI)

The FY26 LTI program for Executive KMP was structured as follows:

How is it paid?

Executive KMP are eligible to be granted 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?

The maximum LTI opportunities of executives are summarised below:

Executive	LTI Opportunity
CEO and Managing Director	HLP: 100% of fixed remuneration ELP: 50% of fixed remuneration
CFO	50% of fixed remuneration

The number of performance rights granted is determined using the 20-day volume-weighted average price (VWAP) per share prior to the time of grant.

How is performance measured?

LTI performance measures are determined to align with the objective of improving long-term shareholder returns. The Board considers the underlying EPS as an appropriate performance hurdle to ensure continued focus on growth and underlying earnings generation. The Board also considers Absolute TSR (Total Shareholder Return) to be the most appropriate shareholder measure, as it directly links vesting outcomes to the returns experienced by shareholders. Given the Company's size, trading characteristics and the absence of a meaningful peer group, the Board considers Absolute TSR to provide a more transparent and reliable measure of long-term value creation than Relative TSR.

1 STI plan payments are separate and distinct from the disclosed 'one-off' Discretionary Cash Bonus, refer to Link between remuneration and performance (Section 4 below).

Directors' Report

(j) Remuneration Report (continued)

3. Elements of remuneration (continued)

Long-term incentives (LTI) (continued)

How is performance measured? (continued)

Performance measures are summarised below:

Executive	LTI Opportunity
CEO and Managing Director	HLP: 100% of vesting is determined with reference to EPS target, 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 target and 33% with reference to TSR CAGR, each over three years.

How are payouts determined?

Awards are subject to two measures:

EPS target:
The EPS performance condition is based on achieving specific underlying basic EPS targets over the performance period. The underlying basic EPS to determine vesting outcomes will be the actual underlying EPS achieved for the year ending 30 June 2028.

The proportion of performance rights that may vest based on EPS performance is determined based on the following vesting schedule:

Underlying EPS (FY28)	Percentage vesting[1]
Less than 2.27 cents per share	Nil
2.27 cents per share (Threshold)	25%
2.94 cents per share (Mid-Point)	50%
3.67 cents per share (Maximum)	100%

The actual underlying EPS will be normalised by the Board as considered necessary (at the Board's discretion) so that it reflects underlying profit.

The performance conditions outlined above are set solely for the purposes of assessing vesting under the Company's long-term incentive arrangements. They are not intended to be, and should not be relied upon as, guidance, forecasts or predictions of the Company's future earnings, financial performance or financial position.

Absolute Total Shareholder Return Compound Annual Growth Rate (TSR CAGR):
TSR CAGR will be determined by calculating the amount by which the 20-trading day VWAP for the Company's ordinary Shares in the period ending at close of trade on 30 June 2028 (FY28 VWAP) exceeds a base share price of $0.2373 per share, plus dividends paid by the Company during the three-year period from 1 July 2025 to 30 June 2028, expressed as a percentage. For these purposes dividends paid on ordinary Shares will be deemed to be re-invested in the Company's ordinary Shares at the closing price on the relevant ex-dividend date for each dividend.

TSR CAGR hurdles represent an estimate of potential absolute share price growth, having regard to Underlying EPS performance hurdles.

1 With linear vesting between Threshold and Mid-Point, and Mid-Point and Maximum.

Directors' Report

(j) Remuneration Report (continued)

3. Elements of remuneration (continued)

Long-term incentives (LTI) (continued)

How are payouts determined? (continued)

The proportion of performance rights that may vest based on TSR performance is determined based on the following vesting schedule:

TSR CAGR (FY28)	Percentage vesting[1]
Less than 20.0%	Nil
20.0% CAGR (Threshold)	25%
27.5% CAGR (Mid-Point)	50%
35.0% CAGR (Maximum)	100%

When is performance measured?

The performance measures are tested at the end of the three-year performance period to determine the number of vested performance rights. 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.

Sign-on Payments
No sign-on payments were made to any Key Management Personnel during FY26.

Voting and comments made at the Company's 2025 Annual General Meeting (AGM)
Of the total votes cast in relation to the adoption of the 2025 remuneration report by shareholders participating in the AGM and by proxy, 83.01% voted in favour of the resolution. Any general questions relating to remuneration and the 2025 remuneration report which were asked by shareholders at the 2025 AGM, were appropriately responded to by the then Chair of the Board.

4. Link between remuneration and performance

FY26 performance and impact on remuneration

While management remained focused on executing strategic and operational initiatives designed to strengthen the business over the long term, FY26 financial performance fell below expectations. Against this backdrop, the Board maintained a disciplined approach to remuneration, ensuring that reward outcomes reflected the Company's performance and remained aligned with shareholder interests.

For more information on the FY26 results refer to the Review of Operations section.

Performance against STI measures

The Underlying EBITDA target threshold for FY26 was not met, resulting in no STI payment being made to any Executive KMP.

Discretionary Cash Bonus

As disclosed in the FY25 Annual Report, to support the attraction and retention of capable leaders and to reflect the significant demands and extraordinary individual contribution, a modest 'one-off' discretionary bonus was approved by the Board to recognise members of the ELT in delivering the Company's business transformation program in FY25. This payment was made during FY26.

Performance against LTI measures

No performance rights vested during FY26. For further details, refer to *Section 8. Share-based compensation.*

1 With linear vesting between Threshold and Mid-Point, and Mid-Point and Maximum.

Directors' Report

(j) Remuneration Report (continued)

4. Link between remuneration and performance (continued)

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:

	FY26	FY25	FY24	FY23	FY22
(Loss) / profit for the year after tax from continuing operations ($'000)[1]	(20,261)	(16,602)	(11,386)	(1,273)	333
(Loss) / profit for the year after tax from continuing operations excluding material items ($'000)[1]	(455)	(59)	(362)	2,284	6,963
EBITDA from continuing operations excluding material items (underlying EBITDA) ($'000)[1]	4,271	7,277	7,674	12,148	17,482
Basic EPS (cents) from continuing operations[1]	(14.2)	(11.5)	(7.9)	(3.5)	0.3
Basic EPS (cents) from continuing operations excluding material items[1]	(0.3)	(0.0)	(0.3)	1.6	5.3
Total dividends (cents per share)	—	—	2.0	3.0	5.0
Share price at year end ($)	0.14	0.25	0.41	0.40	0.66

1 The results of continuing operations for FY22 include the Multix business, which was disposed of in FY24. Following the disposal, the Multix business has been classified as a discontinued operation and is excluded from continuing operations in FY23, FY24, FY25 and FY26.

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				
		Salary & Fees $	Annual leave entitlements $	Cash bonus[1] $	Non-monetary benefits[2] $	Superannuation $	Long service leave entitlements $	Cash-settled $	Equity-settled $	Termination payments $	Total remuneration $	Performance related %
B. Charlton (CEO and Managing Director)	2026	631,146	19,043	93,780	—	30,000	8,499	—	70,825[3]	—	853,293	19%
	2025	618,900	9,449	—	—	30,000	3,035	—	(139,897)[4]	—	521,487	(27%)
M. Sherwin (Chief Financial Officer)	2026	458,755	10,152	44,800	—	30,000	4,968	—	14,388[5]	—	563,063	11%
	2025	448,068	7,656	—	—	29,932	1,838	—	2,495[6]	—	489,989	1%
A. Mervis[7] (Chairman)	2026	113,240	—	—	—	13,589	—	—	—	—	126,829	0%
	2025	133,156	—	—	—	15,313	—	—	—	—	148,469	0%
A. Cook[8]	2026	138,501	—	—	—	16,620	—	—	—	—	155,121	0%
	2025	118,187	—	—	—	13,592	—	—	—	—	131,779	0%
H. Thornton	2026	96,006	—	—	—	11,521	—	—	—	—	107,527	0%
	2025	91,101	—	—	—	10,477	—	—	—	—	101,578	0%
J. Batistich[9]	2026	54,162	—	—	—	6,499	—	—	—	—	60,661	0%
	2025	—	—	—	—	—	—	—	—	—	—	0%
J. McKellar[10]	2026	60,699	—	—	—	—	—	—	—	—	60,699	0%
	2025	91,101	—	—	—	10,477	—	—	—	—	101,578	0%
Total KMP	**2026**	**1,552,509**	**29,195**	**138,580**	**—**	**108,229**	**13,467**	**—**	**85,213**	**—**	**1,927,193**	
	2025	**1,500,513**	**17,105**	**—**	**—**	**109,791**	**4,873**	**—**	**(137,402)**	**—**	**1,494,880**	

1 STI plan payments are separate and distinct from the disclosed ‘one-off’ Discretionary Cash Bonus (refer to Link between remuneration and performance (Section 4) above).
2 Non-monetary benefits comprise salary sacrificed components of remuneration packages, including motor vehicles and related fringe benefits tax and allowances.
3 For FY26 issued performance rights, only TSR-based rights have been expensed, with no expense recognised for EPS-based rights due to an assessment of the probability of non-market performance conditions being met.
4 Includes a reversal of ($168,231) for FY24 issued EPS-based rights released during the year, following an assessment of the probability of non-market performance conditions being met. For FY25 issued performance rights, only TSR-based rights have been expensed, with no expense recognised for EPS-based rights due to an assessment of the probability of non-market performance conditions being met.
5 For FY26 issued performance rights, only TSR-based rights have been expensed, with no expense recognised for EPS-based rights due to an assessment of the probability of non-market performance conditions being met.
6 Includes a reversal of ($1,363) for FY24 EPS-based rights released during the year, following an assessment of the probability of non-market performance conditions being met. For FY25, only TSR-based rights have been expensed, with no expense recognised for EPS-based rights due to an assessment of the probability of non-market performance conditions being met.
7 Mr. Mervis resumed role as Chairman effective 1 February 2026.
8 Ms. Cook was Chairman until 31 January 2026.
9 Mr. Batistich was appointed as a Non-executive Director on 17 November 2025.
10 Ms. McKellar was retired as a Non-executive Director on 31 January 2026.

Directors' Report

(j) Remuneration Report (continued)

6. Contractual arrangements for Executive KMP

Executive employment agreements

Remuneration and other terms of employment for the CEO and Managing Director and the CFO are formalised in employment agreements. Each of these agreements sets out details of the base package amount, inclusive of superannuation and other benefits, and provides 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 CEO and Managing Director	Appointed on 1 August 2023	$674,856[2]	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	$492,340[3]	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 2026.
2 Fixed annual remuneration increased from $655,000 to $674,856 effective 1 October 2025 following a review by the former People and Culture Committee and Board approval. Mr. Charlton's FY26 LTI plan grant (which was approved by shareholders at the Company's 2025 AGM) was calculated on $655,000.
3 Fixed annual remuneration increased from $478,000 to $492,340 effective 1 October 2025 following a review by the former People and Culture Committee.

Directors' Report

(j) Remuneration Report (continued)

7. Non-executive Directors' arrangements

The Group's Non-executive Director fees are 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 and participating in Board committees. Non-executive Directors do not participate in any performance-related incentive awards.

The Remuneration, People and Culture Committee reviews non-executive Director remuneration against comparable companies and relevant market data and makes recommendations to the Board accordingly. There were no increases in Non-executive Director fees during FY26.

The current maximum annual aggregate Directors' fee pool limit is $650,000 and was last approved by shareholders at the 2018 Annual General Meeting held on 21 November 2018.

The table below summarises Board and Committee fees payable to the Non-executive Directors for FY26 (inclusive of superannuation):

	FY26 Fees $	FY25 Fees $
Base Fees[1]		
Chair	166,600	162,634
Other Non-executive Directors	87,468	85,386
Additional fees[2]		
Audit and Risk Committee (Chair)	14,583	10,847
Audit and Risk Committee (Member)	7,187	5,346
Remuneration, People and Culture Committee (Chair)	11,111	10,847
Remuneration, People and Culture Committee (Member)	5,476	5,346
Risk and Compliance Committee (Chair)[3]	6,481	10,847
Risk and Compliance Committee (Member)	3,194	5,346

The amounts shown above for FY26 are inclusive of company superannuation guarantee contributions at 12.0%, payable on behalf of Directors on the base fees and additional fees (2025: at 11.5%).

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. However, upon vesting and exercise, each PR converts to one share plus additional shares equal in value to the dividends paid by the Company over the period from the vesting date to the exercise date.

1 No increase in Base Fees was made during FY26. FY26 reflects the full-year annualised fee, while FY25 reflects the fee increase effective from 1 January 2025 and therefore includes six months at the previous fee level and six months at the revised fee level.
2 The Board Committee structure changed on and from 1 February 2026. Fees were payable to Committee members for the former Audit Committee, People and Culture Committee, and Risk and Compliance Committee until 31 January 2026. On and from 1 February 2026, Committee fees were payable to members of the combined Audit and Risk Committee and the renamed Remuneration, People and Culture Committee. While there were no increases in Base Fees, after the Board Committee structure changed on 1 February 2026 committee fees were adjusted to reflect the reduced number of committees with an increased scope. No committee fees are payable to Nominations Committee members.
3 Effective 1 February 2026, the former Risk and Compliance Committee was merged with the Audit Committee to form the Audit and Risk Committee.

Directors' Report

(j) Remuneration Report (continued)

8. Share-based compensation (continued)

Performance Rights awarded, vested and lapsed during the year (continued)

Name		Grant date	Vesting date	Exercise Price	Number of rights granted[1]	Fair value per right at grant date[2]	Rights vested during the year		Rights forfeited during the year	
							No.	%	No.	%
B. Charlton	HLP	03/11/2025	30/09/2028	Nil	2,761,000	EPS: $0.25	—	—	—	—
	ELP	03/11/2025	30/09/2028	Nil	1,381,000	TSR: $0.10	—	—	—	—
M. Sherwin	PR	03/11/2025	30/09/2028	Nil	1,037,000	EPS: $0.25	—	—	—	—
						TSR: $0.10	—	—	—	—

Performance rights holdings of Executive 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	HLP	2,990,000	2,761,000	—	—	5,751,000	—	5,751,000
	ELP	1,495,000	1,381,000	—	—	2,876,000	—	2,876,000
M. Sherwin	PR	684,904	1,037,000	—	—	1,721,904	—	1,721,904

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	—	—	100,000	100,000
M. Sherwin	—	—	—	—
A. Mervis	150,000	—	—	150,000
A. Cook	15,500	—	20,000	35,500
J. Batistich	—	—	80,000	80,000
H. Thornton	20,000	—	—	20,000
J. McKellar[3]	11,533	—	—	11,533

Minimum shareholding requirement for Non-executive Directors

During FY26 the Board adopted a Minimum Shareholding Requirement (MSR) for Non-executive Directors to further align their interests with those of shareholders and reinforce a shared ownership mindset. While all Non-executive Directors hold shares in the Company (which are disclosed in the table above), no formal MSR had been previously adopted. Under the MSR, each Non-executive Director is required to acquire and hold shares in the Company with a price or value equivalent to one year's base director fees within five years from 30 April 2026. The Board considers the MSR to be an appropriate mechanism to strengthen alignment between Non-executive Directors' and shareholders' interests in the creation of long-term value.

1 Refer to section 3. Elements of Remuneration - LTI above for detail on vesting conditions of FY26 Performance Rights.
2 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 Share based payments (Note 22) in the Financial Statements.
3 Ms. Jane McKellar retired as Non-executive Director effective on 31 January 2026

Directors' Report

(j) Remuneration Report (continued)

9. Additional statutory information

Loans to Directors and Executives

There were no loans made to the Directors of McPherson's Limited or to any Executive 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 Executive KMP of the Company, including their related entities, during the current financial year other than those disclosed above.

10. Use of remuneration consultants

No remuneration recommendations were received from remuneration consultants in FY26.

(k) Shares under option

At the date of this report, there were no unissued ordinary shares of McPherson's related to vested performance rights. There were no shares issued from the exercise of vested performance rights or options during the year ended 30 June 2026 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 specific 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.*

Directors' Report

(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 and Risk 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 43.

(p) Rounding

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 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
Chairman
27 August 2026

Brett Charlton
Chief Executive Officer and Managing Director
27 August 2026

Auditor's Independence Declaration

As lead auditor of McPherson's Limited's financial report for the year ended 30 June 2026, 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 of the financial report; and

b) no contraventions of any applicable code of professional conduct in relation to the audit of the financial report.

David Ronald
Partner
PricewaterhouseCoopers

Sydney
27 August 2026

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Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes as set out on pages 50 to 105 and the remuneration report on pages 28 to 41 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 2026 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
Chairman
27 August 2026

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 2026 and of its financial performance for the year then ended; and

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 2026;
- 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 the consolidated financial statements, including material accounting policy information and other explanatory information;
- the consolidated entity disclosure statement as at 30 June 2026; and
- the directors' declaration.

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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 audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor.

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 matter to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Valuation of goodwill and brand names Refer to note 16 Intangible Assets Goodwill is allocated to the Australia and New Zealand (ANZ) cash generating unit (CGU). The recoverable amount of the ANZ CGU has been determined based on fair value less cost of disposal. The Group has recognised an impairment to goodwill of $15.0M. The recoverable amount of each brand name has been determined based on fair value less cost of disposal. The Group has recognised an impairment to brand names of $5.7M. The carrying value and impairment assessments of goodwill and brand names were considered to be a key audit matter due to the following reasons: - the carrying value of the related assets is financially significant; - the determination of the recoverable amount of each CGU and brand involves significant judgement. Key areas of judgement are: a) for the CGUs: forecast EBITDA growth rates, discount rates, and terminal growth rates; and b) for the brands: forecast revenue growth rates, royalty relief rates, discount rates, and terminal growth rates; and - the Group's recognised impairments described above.	We performed the following procedures, among others: • 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. • 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 forecast EBITDA growth rates, discount rates, terminal growth rates, forecast revenue growth rates, royalty relief 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.

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 2026, 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.

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://auasb.gov.au/media/bwvjcgre/ar1_2024.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 2026.

In our opinion, the remuneration report of McPherson's Limited for the year ended 30 June 2026 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.

PricewaterhouseCoopers

PricewaterhouseCoopers

David Ronald

David Ronald
Partner

Sydney
27 August 2026

Financial Report

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
CONTINUING OPERATIONS			
Revenue			
Sales revenue		118,309	138,973
Other income		—	20
Total revenue and other income		**118,309**	**138,993**
Expenses			
Materials and consumables		(48,705)	(58,542)
Employee costs		(25,702)	(37,911)
Advertising and promotions		(20,482)	(22,339)
Cartage and freight		(3,347)	(4,514)
Third party warehousing		(4,159)	(837)
Depreciation		(2,593)	(5,486)
Amortisation of intangibles		(1,593)	(1,063)
Impairment of intangible assets	16	(20,698)	(10,241)
Realisation of Foreign Currency Translation Reserve	3	—	1,319
Onerous lease expense	3	(843)	(3,158)
Other expenses		(15,734)	(15,198)
Operating loss before finance costs and income tax		**(25,547)**	**(18,977)**
Interest income	18	339	250
Borrowing costs	18	(458)	(947)
Net finance costs		**(119)**	**(697)**
Net loss before income tax from continuing operations		**(25,666)**	**(19,674)**
Income tax benefit	6	5,405	3,072
Net loss from continuing operations		**(20,261)**	**(16,602)**
DISCONTINUED OPERATIONS			
Profit from discontinued operations, net of income tax	13	—	1,563
Loss for the year after tax		**(20,261)**	**(15,039)**
Other Comprehensive Income			
Items that may be reclassified to profit or loss			
Changes in fair value of cash flow hedges	21(a)	7	(109)
Realisation of Foreign Currency Translation Reserve	21(a)	—	(1,319)
Exchange differences on translation of foreign operations	21(a)	(229)	176
Income tax benefit relating to these items	21(a)	(3)	29
Other comprehensive (expense) / income for the year		**(225)**	**(1,223)**
Total comprehensive (expense) / income for the year		**(20,486)**	**(16,262)**

Consolidated Statement of Comprehensive Income (continued)

for the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Total comprehensive expense for the year to owners of McPherson's Limited arises from:			
Continuing operations		(20,486)	(17,825)
Discontinued operations		—	1,563
		(20,486)	**(16,262)**

Earnings per share		**Cents**	**Cents**
Basic / diluted loss per share	26	(14.2)	(10.5)
Basic / diluted loss per share from continuing operations	26	(14.2)	(11.5)

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

Consolidated Balance Sheet

as at 30 June 2026

	Note	2026 $'000	2025 $'000
Current assets			
Cash and cash equivalents	8	5,110	9,476
Trade and other receivables	9	30,499	29,457
Inventories	10	26,224	19,791
Derivative financial instruments	11	307	111
Current tax receivable		—	856
Other assets	12	1,009	961
Total current assets		**63,149**	**60,652**
Non-current assets			
Property, plant and equipment	14	3,264	4,161
Right-of-use assets	15	3,159	4,703
Other receivables	9	—	512
Intangible assets	16	24,454	46,174
Deferred tax assets	6	2,884	—
Other assets	12	—	1,009
Total non-current assets		**33,761**	**56,559**
Total assets		**96,910**	**117,211**
Current liabilities			
Trade and other payables	17	31,954	28,505
Borrowings	18	345	660
Lease liabilities	15	2,903	3,404
Provisions	19	6,027	4,708
Derivative financial instruments	11	589	510
Total current liabilities		**41,818**	**37,787**
Non-current liabilities			
Lease liabilities	15	2,946	3,237
Provisions	19	377	2,640
Deferred tax liabilities	6	—	567
Total non-current liabilities		**3,323**	**6,444**
Total liabilities		**45,141**	**44,231**
Net assets		**51,769**	**72,980**
Equity			
Contributed equity	20	216,387	217,218
Reserves	21(a)	2,791	2,910
Accumulated losses	21(b)	(167,409)	(147,148)
Total equity		**51,769**	**72,980**

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2026

	Note	Contri-buted equity $'000	Reserves $'000	Accumu-lated losses $'000	Total equity $'000
Balance at 30 June 2025		**217,218**	**2,910**	**(147,148)**	**72,980**
Loss for the year		—	—	(20,261)	(20,261)
Other comprehensive (expense) / income		—	(225)	—	(225)
Total comprehensive (expense) / income		**—**	**(225)**	**(20,261)**	**(20,486)**
Transactions with shareholders					
Dividends provided for or paid	4	—	—	—	—
Share-based payment transactions with employees	21(a)	—	106	—	106
Share buy-back	20	(831)	—	—	(831)
Total transactions with shareholders		**(831)**	**106**	**—**	**(725)**
Balance at 30 June 2026		**216,387**	**2,791**	**(167,409)**	**51,769**

	Note	Contri-buted equity $'000	Reserves $'000	Accumu-lated losses $'000	Total equity $'000
Balance at 30 June 2024		**217,218**	**(1,472)**	**(126,109)**	**89,637**
Loss for the year		—	—	(15,039)	(15,039)
Other comprehensive (expense) / income		—	(1,223)	—	(1,223)
Total comprehensive (expense) / income		**—**	**(1,223)**	**(15,039)**	**(16,262)**
Transfer of FVOCI reserve to accumulated losses	21(a)	—	6,000	(6,000)	—
Transactions with shareholders					
Dividends provided for or paid	4	—	—	—	—
Share-based payment transactions with employees	21(a)	—	(395)	—	(395)
Total transactions with shareholders		**—**	**(395)**	**—**	**(395)**
Balance at 30 June 2025		**217,218**	**2,910**	**(147,148)**	**72,980**

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts from customers, inclusive of GST		139,829	151,590
Payments to suppliers and employees, inclusive of GST		(141,535)	(147,817)
Interest received		339	250
Interest and borrowing costs paid		(711)	(947)
Income taxes refunded / (paid)		2,753	(865)
Net cash inflows from operating activities	**30**	**675**	**2,211**
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(724)	(637)
Payments for purchase of other intangible assets		(571)	(2,980)
Net cash (outflows) from investing activities		**(1,295)**	**(3,617)**
Cash flows from financing activities			
Share buy-back		(814)	—
Proceeds from borrowings		942	1,035
Repayment of borrowings		(1,003)	(11,233)
Repayment of lease liabilities		(2,901)	(3,717)
Net cash (outflows) from financing activities		**(3,776)**	**(13,915)**
Net (decrease) in cash held		**(4,396)**	**(15,321)**
Cash at beginning of financial year		9,476	24,769
Effects of exchange rate changes		30	28
Cash held at end of financial year	**8**	**5,110**	**9,476**

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

Notes to and forming part of the

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.

Going concern

The consolidated financial statements have been prepared on a going concern basis. In assessing the appropriateness of the going concern basis, management have considered the Group's cash position at 30 June 2026, the capacity available under the debt facility described in Note 18, compliance with the financial covenants applicable to that facility, forecast cash flows for a period of at least twelve months from the date of this report and the expected quantum and timing of the pecuniary penalty referred to in Provisions (Note 19) and Contingent liabilities (Note 24).

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 2025. 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 2026, 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 (18 June 2024) 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

For other new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2026 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(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.

Consolidated Financial Statements

1. Summary of material accounting policies (continued)

(b) Principles of consolidation (continued)

Subsidiaries (continued)

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.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM 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.

Notes to and forming part of the

Consolidated Financial Statements

1. Summary of material accounting policies (continued)

(d) Foreign currency translation (continued)

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 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 or promotional 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 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.

Consolidated Financial Statements

1. Summary of material accounting policies (continued)

(e) Revenue recognition (continued)

Accounting for refunds and rights of return

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.

Under the Group's wholesaler arrangements, wholesalers have contractual rights to return certain slow-moving or short-dated inventory. These rights do not affect the timing of revenue recognition, as control of the goods transfers to the wholesaler upon delivery. Instead, the expected level of returns is reflected in the measurement of variable consideration and the associated liability.

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.

(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 for 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 effects 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.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

Consolidated Financial Statements

1. Summary of material accounting policies (continued)

(f) Income tax (continued)

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.

Notes to and forming part of the

Consolidated Financial Statements

1. Summary of material accounting policies (continued)

(g) Leases (continued)

Subleases

Where the Group is an intermediate lessor, it assesses each sublease with reference to the right-of-use asset arising from the head lease, in accordance with AASB 16 Leases. If the sublease transfers substantially all the risks and rewards incidental to ownership of the underlying right-of-use asset, the Group classifies the sublease as a finance lease.

For finance subleases, the Group derecognises the right-of-use asset relating to the head lease and recognises a lease receivable at an amount equal to the net investment in the sublease. Any difference between the carrying amount of the right-of-use asset and the lease receivable is recognised in profit or loss. Interest income on the lease receivable is recognised over the lease term using the effective interest method.

(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 61 days from the date of recognition.

Consolidated Financial Statements

1. Summary of material accounting policies (continued)

(k) Trade receivables (continued)

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. Specific provisions are also recognised for trade receivables where management has identified specific amounts as doubtful based on the recoverability of individual customer balances.

(l) Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories includes all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. 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. 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), 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.

(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.

Consolidated Financial Statements

1. Summary of material accounting policies (continued)

(n) Investments and other financial assets (continued)

(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.

Notes to and forming part of the

Consolidated Financial Statements

1. Summary of material accounting policies (continued)

(o) Derivatives and hedging activities (continued)

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 the change in fair value of the option contract as the hedging instrument. Gains or losses relating to the effective portion of the change in value of the option contracts are recognised within other comprehensive income and in the cash flow hedge reserve within equity.

When forward contracts are used to hedge forecast transactions, the Group designates the change in fair value of the forward contract as the hedging instrument. Gains or losses relating to the effective portion of the change in value of the forward contracts are recognised within other comprehensive income and in the cash flow hedge reserve within equity.

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 value of option contracts where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), the deferred hedging gains and losses 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 forward contracts where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), the deferred hedging gains and losses 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.

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 is 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.

1. Summary of material accounting policies (continued)

(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. The estimated useful lives for each class of assets are as follows:

- Leasehold improvements: over the shorter of the lease term and estimated useful lives
- Plant and equipment: generally between 3 to 7 years

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 is 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.

(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.

Consolidated Financial Statements

1. Summary of material accounting policies (continued)

(r) Intangible assets (continued)

(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 40 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 (if required) 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 twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Consolidated Financial Statements

1. Summary of material accounting policies (continued)

(u) Employee benefits (continued)

(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.

(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 certain employees via the McPherson's Limited Performance Rights Plan.

The fair value of 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 rights.

Non-market vesting conditions are included in assumptions about the number of 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 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 rights, the balance of the share-based payments reserve relating to those 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 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.

Consolidated Financial Statements

1. Summary of material accounting policies (continued)

(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 Earnings per share (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 twelve months after the reporting period.

Borrowing costs are expensed as incurred.

(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 2026/183 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.

Consolidated Financial Statements

1. Summary of material accounting policies (continued)

(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.

Customer contract liabilities

The Group recognises revenue net of estimated discounts and rebates, using the expected value method. A contract liability is recognised for expected discounts and rebates in relation to sales made until the end of the reporting period. Estimates are required to be made in relation to the expected level of discounts, rebates and returns.

Provision relating to the ASIC Proceedings

As disclosed on 9 December 2022, McPherson's Limited (Company) is a defendant in civil proceedings commenced by the Australian Securities and Investments Commission (ASIC) in relation to events occurring in 2020 (Proceedings). On 13 August 2026, the Federal Court of Australia (Court) ruled in favour of the ASIC against the Company and a former Chief Executive Officer and Managing Director of the Company. Subject to any appeal rights available, there will be a further hearing to determine any penalties to be imposed on the Company.

As a result of the Court's decision and in line with the requirements of Australian Accounting Standards, the Company recognised a provision of $2.0 million. Based on the information available to the Company, this amount represents the Company's best estimate of the penalties that may be imposed on the Company by the Court as a result of the outcome of the Proceedings. The actual amount of any penalties payable by the Company will ultimately be determined by the Court at a future date and may be materially higher or lower than the provision.

(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.

Notes to and forming part of the

Consolidated Financial Statements

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	2026 $'000	2025 $'000
Financial assets			
Cash and cash equivalents	8	5,110	9,476
Trade and sublease lease receivables	9	27,640	26,364
Derivative financial instruments	11	307	111
Total financial assets		**33,057**	**35,951**
Financial liabilities			
Trade and other payables	17	31,954	28,505
Borrowings	18	345	660
Lease liabilities		5,849	6,641
Derivative financial instruments	11	589	510
Total financial liabilities		**38,737**	**36,316**

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

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 twelve months. At balance date, 100% (2025: 100%) of projected USD purchases qualified as "highly probable" forecast transactions for hedge accounting purposes. 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 2026 was 0.6653 (2025: 0.6301).

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	HKD	CNY
30 June 2026					
Trade receivables	—	—	—	—	—
Trade payables	—	—	—	129	—
Forward foreign exchange contracts - buy foreign currency	21,402	—	—	—	—
Foreign currency options - buy foreign currency	9,008	—	—	—	—
30 June 2025					
Trade receivables	—	—	—	—	1
Trade payables	—	—	7	44	55
Forward foreign exchange contracts - buy foreign currency	13,909	—	—	—	—
Foreign currency options - buy foreign currency	14,657	—	—	—	—

Group sensitivity

Based on the financial instruments held at 30 June 2026, had the Australian dollar weakened / strengthened by 5% against USD at that date, with all other variables held constant, it is estimated that equity would have been $1,087,293 higher / ($732,080) lower (2025: $959,386 higher / ($580,938) 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.

(b) Interest rate risk

The Group's main cash flow interest rate risk historically arose 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.

As at 30 June 2026 and 30 June 2025, the Group had no borrowings drawn under its bank facilities and was therefore not exposed to interest rate risk at the reporting date.

(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.

Notes to and forming part of the

Consolidated Financial Statements

2. Financial risk management (continued)

(c) Credit risk (continued)

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 Trade and other receivables (Note 9) and Derivative financial instruments (Note 11) for additional information regarding receivables and credit risk exposure.

Trade receivables

The loss allowance provision as at 30 June 2026 is determined as follows. The expected credit losses below also incorporate forward looking information.

2026 $'000	Neither past due nor impaired	Less than 30 days	30 to 59 days	60 to 89 days	90 days or more	Total
Gross carrying amount	20,786	4,539	305	265	127	26,022
Loss allowance provision	—	—	—	—	6	6
Expected loss rate	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**4.7%**	**0.0%**

2025 $'000	Neither past due nor impaired	Less than 30 days	30 to 59 days	60 to 89 days	90 days or more	Total
Gross carrying amount	15,602	9,746	540	—	—	25,888
Loss allowance provision	—	—	5	—	—	5
Expected loss rate	**0.0%**	**0.0%**	**0.9%**	**0.0%**	**0.0%**	**0.0%**

Credit risk concentration

Three (2025: three) external customers represent $18,349,500 (2025: $14,325,100), 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.

(d) Liquidity risk

Financing Arrangements

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

	2026 $'000	2025 $'000
Bank facilities expiring within one year	—	25,000
Bank facilities expiring beyond one year	15,000	—
Total undrawn borrowing facilities	**15,000**	**25,000**

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

Notes to and forming part of the

Consolidated Financial Statements

2. Financial risk management (continued)

(d) Liquidity risk (continued)

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.

30 June 2026	Less than 1 Year $'000	Between 1 & 2 Years $'000	Between 2 & 3 Years $'000	Beyond 3 Years $'000	Total Contractual Cash Flows $'000	Carrying Amount $'000
Non-derivatives						
Payables	31,954	—	—	—	31,954	31,954
Borrowings	628	—	—	—	628	345[1]
Lease liabilities	3,086	826	785	1,826	6,523	5,849
Total non-derivative financial liabilities	**35,668**	**826**	**785**	**1,826**	**39,105**	**38,148**
Derivatives						
Forward foreign exchange contracts — inflow	(22,767)	—	—	—	(22,767)	(22,767)
Forward foreign exchange contracts — outflow	22,859	—	—	—	22,859	22,859
	92	—	—	—	92	92
Foreign currency options	190	—	—	—	190	190
Total derivative financial liabilities / (assets)	**282**	**—**	**—**	**—**	**282**	**282**

30 June 2025	Less than 1 Year $'000	Between 1 & 2 Years $'000	Between 2 & 3 Years $'000	Beyond 3 Years $'000	Total Contractual Cash Flows $'000	Carrying Amount $'000
Non-derivatives						
Payables	28,505	—	—	—	28,505	28,505
Borrowings	689	—	—	—	689	660
Lease liabilities	3,438	3,041	156	138	6,773	6,641
Total non-derivative financial liabilities	**32,632**	**3,041**	**156**	**138**	**35,967**	**35,806**
Derivatives						
Forward foreign exchange contracts — inflow	(13,909)	—	—	—	(13,909)	(13,909)
Forward foreign exchange contracts — outflow	14,113	—	—	—	14,113	14,113
	204	—	—	—	204	204
Foreign currency options	195	—	—	—	195	195
Total derivative financial liabilities / (assets)	**399**	**—**	**—**	**—**	**399**	**399**

1 The carrying amount of Borrowings includes capitalised borrowing costs of $283,000. Refer Borrowings (Note 18) for further details.

Notes to and forming part of the

Consolidated Financial Statements

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 2026 and 30 June 2025 on a recurring basis:

Recurring fair value measurements	30 June 2026 Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000	30 June 2025 Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value								
Derivative financial instruments	—	307	—	307	—	111	—	111
Total financial assets at fair value	**—**	**307**	**—**	**307**	**—**	**111**	**—**	**111**
Financial liabilities at fair value								
Derivative financial instruments	—	(589)	—	(589)	—	(510)	—	(510)
Total financial liabilities at fair value	**—**	**(589)**	**—**	**(589)**	**—**	**(510)**	**—**	**(510)**

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 2026.

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.

Consolidated Financial Statements

3. Material items

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

	Expense / (Income) $'000	Tax (benefit) / expense $'000	Total $'000
30 June 2026			
Restructuring expenses	605	(167)	438
Transformation expenses	943	(283)	660
Onerous lease expense[1]	843	(253)	590
Impairment of intangible assets[2]	20,698	(1,550)	19,148
ERP cost	298	(89)	209
ATO refund[3]	(115)	(3,347)	(3,462)
Regulatory and legal costs in relation to ASIC matter[4]	2,319	(96)	2,223
Total material items from continuing operations	**25,591**	**(5,785)**	**19,806**

	Expense / (Income) $'000	Tax (benefit) / expense $'000	Total $'000
30 June 2025			
Realisation of Foreign Currency Translation Reserve (FCTR)[5]	(1,319)	84	(1,235)
Restructuring expenses	6,174	(1,773)	4,401
Transformation expenses	1,261	(378)	883
Onerous lease expense[6]	3,158	(947)	2,211
Impairment of intangible assets[7]	10,241	(98)	10,143
Professional fees in relation to ASIC matter	200	(60)	140
Total material items from continuing operations	**19,715**	**(3,172)**	**16,543**

1 The Group recognised an onerous lease expense of $843,394 following the decision to relocate its corporate head office to new premises at 383 Kent Street, Sydney in FY26. The expense relates to the Group's existing Kingsgrove office lease and comprises the write-down of right-of-use assets and office fit-out assets, together with the recognition of unavoidable lease-related outgoings.

2 Comprising a goodwill impairment charge of $15,032,000 (ANZ segment), and brand impairment charges of $2,266,000 in relation to Manicare, $800,000 in relation to Swisspers, $2,100,000 in relation to Fusion Health, $200,000 in relation to Dr. LeWinn's and $300,000 in relation to Revitanail. Refer Intangible Assets (Note 16) for further details.

3 The Group recognised a tax benefit of $3,347,000 comprising refunds in respect of the 2023 and 2024 income tax years (including interest) and the recognition of an additional tax benefit arising from the deductibility of certain strategic alliance costs (previously treated as non-deductible). The tax benefit follows engagement with the Australian Taxation Office (ATO), which accepted that a portion of the costs relating to the strategic alliance announced in March 2022 are deductible under the *Income Tax Assessment Act 1997 (Cth)*.

4 Costs include a $2,000,000 provision in relation to estimated ASIC penalties and $319,000 in legal fees incurred by the Company. Refer to Provisions (Note 19) for further details.

5 McPherson's Consumer Products Pte. Ltd (Singapore) was deregistered in FY25. In line with Australian Accounting Standards, the accumulated balance of the FCTR (foreign currency translation reserve) is fully realised and recorded in the Consolidated Profit and Loss at the time of deregistration.

6 The Group has recognised onerous lease expenses totalling $3,157,553 in relation to the Kingsgrove warehouse following the execution of a sublease agreement with Excel Logistics Pty Ltd, effective from March 2025 through to June 2027. As a result of this arrangement and the associated change in use of the leased premises, the following items have been recognised:
- Impairment of the right-of-use asset relating to the Kingsgrove warehouse head-lease of $2,297,196;
- Onerous lease outgoings provision relating to the Kingsgrove warehouse head-lease of $1,390,313;
- Write-down of warehouse-related fixed assets of $421,477; and
- Impairment of leased warehouse equipment of $75,523

These amounts were partially offset by the recognition of sublease income receivable over the lease term of $1,026,956.

7 The impairment charge of $10,240,670 includes an impairment of brand names amounting to $5,208,000, an impairment of goodwill of $4,704,545, and an impairment of customer relationship assets of $328,125. See Intangible Assets (Note 16) for further details.

Notes to and forming part of the

Consolidated Financial Statements

4. Dividends

Details of dividends declared during the year ended 30 June 2026 are as follows:

	2026 $'000	2025 $'000
Ordinary		
No final dividend was paid for the financial year ended 30 June 2025 (2024: 2.0 cent per fully paid share)	–	–
No interim dividend was declared for the financial year ended 30 June 2026 (2025: nil)	–	–
Total dividends	**–**	**–**
Dividends not recognised at year end		
Since the 2026 financial year end, the Directors have not declared a dividend (2025: nil)	–	–
Franked Dividends		
Franked dividends paid after 30 June 2026 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 2026.		
Franking credits available for subsequent financial years based on a tax rate of 30%[1]	**15,476**	**17,620**

Dividend reinvestment plan (DRP)

The Company's dividend reinvestment plan remains suspended.

5. Segment Information

The Group has identified its operating segments on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the Chief Operating Decision Maker, being the CEO and Managing Director, for the purpose of making decisions about resource allocation and performance assessment.

Information reported to the Chief Operating Decision Maker for this purpose is focused on the geographical location the consolidated entity operates in. The consolidated entity's reportable operating segments under AASB 8 are therefore as follows:

- 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.

Segment revenues

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

Revenues from continuing operations of approximately $74,149,000 (2025: $58,749,000) were derived from two (2025: one) 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.

1 Available franking credits decreased from $17,620,000 to $15,476,000, due to the additional tax benefits received from the ATO in respect of the deductibility of certain strategic alliance costs, resulting in a corresponding reduction in the Group's franking account balance.

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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 2026						
Sales to external customers	115,756	2,553	—	118,309	—	118,309
Total sales revenue	**115,756**	**2,553**	**—**	**118,309**	**—**	**118,309**
Other income	—	—	—	—	—	—
Total segment revenue and other income (excluding interest)	**115,756**	**2,553**	**—**	**118,309**	**—**	**118,309**
Contribution after A&P (CAAP)[1] before material items	41,445	180	—	41,625	—	41,625
Employee and Other expenses	(31,804)	(1,294)	(4,256)	(37,354)	—	(37,354)
EBITDA[1] before material items	**9,641**	**(1,114)**	**(4,256)**	**4,271**	**—**	**4,271**
Depreciation and amortisation expense	(3,779)	(82)	(250)	(4,111)	—	(4,111)
Segment EBIT before material items	**5,862**	**(1,196)**	**(4,506)**	**160**	**—**	**160**
Material items before tax and borrowing costs	(22,422)	—	(3,169)	(25,591)	—	(25,591)
Segment EBIT including material items	**(16,560)**	**(1,196)**	**(7,675)**	**(25,431)**	**—**	**(25,431)**
Interest income				223	—	223
Borrowing costs				(458)	—	(458)
Loss before income tax				**(25,666)**	**—**	**(25,666)**
Income tax benefit / (expense)				5,405	—	5,405
Loss after income tax				**(20,261)**	**—**	**(20,261)**

Assets are reported on a consolidated level to the Group's Chief Operating Decision Maker.

1 Contribution after Advertising and Promotions (CAAP) and earnings before interest, tax, depreciation and amortisation (EBITDA) are non-IFRS measures that do not have a standardised meaning prescribed by IFRS. However, the Company believes that, in combination with IFRS measures, they assist in providing users with a comprehensive understanding of the operational performance of the business. CAAP comprises gross margin less cost of distribution and advertising and promotions (A&P).

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5. Segment Information (continued)

Segment results (continued)

	Australia and New Zealand $'000	International $'000	Corporate $'000	Consolidated $'000	Less: Discontinued Operations $'000	Continuing Operations $'000
30 June 2025						
Sales to external customers	138,122	3,038	—	141,160	2,187	138,973
Total sales revenue	**138,122**	**3,038**	**—**	**141,160**	**2,187**	**138,973**
Other income	—	15	5	20	—	20
Total segment revenue and other income (excluding interest)	**138,122**	**3,053**	**5**	**141,180**	**2,187**	**138,993**
Contribution after A&P (CAAP)[1] before material items	55,273	30	5	55,308	2,479	52,829
Employee and Other expenses	(40,119)	(1,591)	(4,088)	(45,798)	(246)	(45,552)
EBITDA[1] before material items	**15,154**	**(1,561)**	**(4,083)**	**9,510**	**2,233**	**7,277**
Depreciation and amortisation expense	(6,103)	(128)	(308)	(6,539)	—	(6,539)
Segment EBIT before material items	**9,051**	**(1,689)**	**(4,391)**	**2,971**	**2,233**	**738**
Material items before tax and borrowing costs	(16,739)	(87)	(2,889)	(19,715)	—	(19,715)
Segment EBIT including material items	**(7,688)**	**(1,776)**	**(7,280)**	**(16,744)**	**2,233**	**(18,977)**
Interest income				250	—	250
Borrowing costs				(947)	—	(947)
Profit / (loss) before income tax				**(17,441)**	**2,233**	**(19,674)**
Income tax benefit / (expense)				2,402	(670)	3,072
Profit / (loss) after income tax				**(15,039)**	**1,563**	**(16,602)**

Assets are reported on a consolidated level to the Group's Chief Operating Decision Maker.

1 Contribution after Advertising and Promotions (CAAP) and earnings before interest, tax, depreciation and amortisation (EBITDA) are non-IFRS measures and do not have a standardised meaning prescribed by IFRS. However, the Company believes that, in combination with IFRS measures, they assist in providing users with a comprehensive understanding of the operational performance of the business. CAAP comprises gross margin less cost of distribution and advertising and promotions (A&P).

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6. Income tax

(a) Income tax expense / (benefit)

	2026 $'000	2025 $'000
Current income tax charge	1,503	89
Deferred tax relating to origination and reversal of temporary differences	(3,485)	(2,548)
Adjustments in respect of current income tax of previous years	(3,423)	57
Total income tax (benefit) / expense	**(5,405)**	**(2,402)**
Income tax (benefit) / expense is attributable to:		
Loss from continuing operations	(5,405)	(3,072)
Profit from discontinued operations	—	670
Total income tax (benefit) / expense	**(5,405)**	**(2,402)**

(b) Numerical reconciliation of income tax (benefits) / expense to prima facie tax payable

	2026 $'000	2025 $'000
Loss from continuing operations before income tax expense	(25,666)	(19,674)
Profit / (loss) from discontinued operations before income tax expense	—	2,233
	(25,666)	**(17,441)**
Prima facie income tax (benefit) / expense at 30% (2025: 30%)	**(7,700)**	**(5,232)**
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Tax rate differences in overseas entities	(5)	135
Share-based payment (write back) / expense	32	(119)
Impairment of intangible assets	4,660	2,879
Amortisation of contract asset and inventory prepayment	288	270
Costs in relation to ASIC matter	600	
Realised foreign currency gain not taxable	—	(312)
Under / (over) provision in prior periods[1]	(3,423)	57
Other	143	(80)
Income tax (benefit) / expense	**(5,405)**	**(2,402)**

(c) Tax expense relating to items of other comprehensive income

	Note	2026 $'000	2025 $'000
Cash flow hedges	21(a)	(3)	29

1 For further information, see the ATO refund of material items per note 3.

Notes to and forming part of the

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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 comprehensive income	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Brand names	(4,354)	(5,904)	(1,550)	—
Customer relationships	(181)	(256)	(75)	(191)
Employee benefits	554	1,259	705	240
Right-of-use assets	(879)	(1,336)	(457)	(1,157)
Lease liabilities	2,144	2,395	251	521
Sublease asset	(488)	(298)	190	298
Onerous lease provision	255	398	143	(398)
Tax losses	5,065	2,097	(2,968)	(2,097)
Other	768	1,078	276	236
Net deferred tax assets / (liabilities)	**2,884**	**(567)**	**(3,485)**	**(2,548)**

Reconciliation of deferred tax assets / (liabilities), net:

	2026 $'000	2025 $'000
As at 1 July	(567)	(3,535)
Tax expense during the period recognised in profit or loss	3,485	2,548
Tax income / (expense) during the period recognised in OCI	(3)	29
Under / (over) provision in prior years	(31)	391
As at 30 June	**2,884**	**(567)**

7. Key management personnel

	2026 $	2025 $
Key management personnel compensation		
Short-term employee benefits	1,720,284	1,500,513
Post-employment benefits	108,229	109,791
Long-term benefits	13,467	21,978
Share based payments[1]	85,213	(137,402)
Total key management personnel compensation	**1,927,193**	**1,494,880**

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

8. Cash and cash equivalents

	2026 $'000	2025 $'000
Cash on hand	5,110	9,476
Total cash and cash equivalents	**5,110**	**9,476**

1 The FY26 balance reflects only the expense recognised for TSR-based rights granted in FY24, FY25 and FY26. No expense has been recognised for the EPS-based rights granted in FY24, FY25 and FY26 due to the probability of non-market performance conditions being met.

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9. Trade and other receivables

	2026 $'000	2025 $'000
Trade receivables	26,022	25,888
Provision for impairment	(6)	(5)
Trade receivables, net of impairment	**26,016**	**25,883**
Sublease receivable[1]	1,624	481
Other receivables and prepayments	2,859	3,093
Total trade and other receivables — current	**30,499**	**29,457**
Sublease receivable[1]	—	512
Total other receivables — non-current	**—**	**512**

Movements in the provision for impairment of trade receivables	2026 $'000	2025 $'000
Balance at 1 July	(5)	(2)
(Provisions) / reversal of impairment	(6)	(12)
Net receivables written off as uncollectible	5	9
Total provision for impairment at 30 June	**(6)**	**(5)**

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.

	2026 $'000	2025 $'000
Neither past due nor impaired	20,786	15,602
Past due, but not impaired:		
• Less than 30 days	4,539	9,746
• 30 to 59 days	305	540
• 60 to 89 days	265	—
• 90 days or more	127	—
Gross carrying amount	**26,022**	**25,888**
Provision for impairment	(6)	(5)
Net carrying amount	**26,016**	**25,883**

Credit risk concentration

Refer to Financial risk management (Note 2(c)) for information about credit risk concentration.

1 The Group recognised sublease receivables of $2,166,000 in respect of Stage 2 of the Kingsgrove warehouse sublease on 1 July 2025, relating to the lease term from 1 July 2025 to 30 June 2027. The sublease receivable balance of $1,624,000 represents the amortised balance at 30 June 2026. The Group recognised sublease interest income of $46,000 for the 2026 financial year.

Notes to and forming part of the

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10. Inventories

	2026 $'000	2025 $'000
Raw materials	3,302	1,323
Finished goods	25,687	22,060
Total inventories	**28,989**	**23,383**
Provision for inventory obsolescence	(2,765)	(3,592)
Total inventories, net of obsolescence provision	**26,224**	**19,791**

Inventories recognised as an expense during the year amounted to $48,705,000 (2025: $56,304,000). These were included in Materials and Consumables in the consolidated statement of comprehensive income.

Write-backs of inventories to net realisable value amounted to $593,000 (2025: write-downs of $1,503,000). These were recognised 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.

	2026 $'000	2025 $'000
Current derivative financial instrument assets		
Forward foreign exchange contracts — cash flow hedges	307	111
Total current derivative financial instrument assets	**307**	**111**
Current derivative financial instrument liabilities		
Foreign currency options — cash flow hedges	191	315
Forward foreign exchange contracts — cash flow hedges	398	195
Total current derivative financial instrument liabilities	**589**	**510**

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 foreign exchange rates in accordance with the Group's financial risk management policies (refer to Financial risk management (Note 2)). For information about the methods and assumptions used in determining the fair value of derivatives please refer to Financial risk management (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 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 2026 to June 2027. 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

	2026 $'000	2025 $'000
Preferred Brand Agreement (PBA) - current	1,009	961
Preferred Brand Agreement (PBA) - non-current	—	1,009
Total contract asset	**1,009**	**1,970**

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, McPherson's Limited completed the sale of the Multix brand and related inventory to International Consolidated Business Group Pty Ltd, as trustee for the ICBG Unit Trust, for total consideration of $19.2 million (inclusive of post-completion adjustments).

Subsequent accounting adjustments, including sales cut-off impacts (Multix sales invoiced prior to divestment but delivered post divestment in FY25) and the aged customer allowance accrual release, have been recognised within discontinued operations for the year ended 30 June 2025.

There were no discontinued operations for the year ended 30 June 2026.

Financial information relating to the discontinued operation for the comparative year is set out below.

b) Financial performance and cash flow information

	2026 $'000	2025 $'000
Revenue	—	2,187
Expenses	—	46
Profit / (loss) from operating activities before income tax and impairment	**—**	**2,233**
Material items before tax	—	—
Income tax (expense)/benefit	—	(670)
Profit / (loss) after income tax of discontinued operations	**—**	**1,563**
Profit / (loss) on sale after income tax	—	—
Profit from discontinued operation	**—**	**1,563**
Net cash inflow / (outflow) from operating activities	—	1,033
Net cash inflow / (outflow) investing activities	—	—
Net cash inflow / (outflow) financing activities	—	—
Net increase / (decrease) in cash from discontinued operations	**—**	**1,033**

Notes to and forming part of the

Consolidated Financial Statements

14. Property, plant and equipment

Leasehold improvements	2026 $'000	2025 $'000
At cost	142	111
Accumulated depreciation and write-offs	(109)	(105)
Total leasehold improvements	**33**	**6**
Plant and equipment		
At cost	12,472	12,046
Accumulated depreciation and write-offs	(9,241)	(7,891)
Total plant and equipment	**3,231**	**4,155**
Total property, plant and equipment	**3,264**	**4,161**

(a) Reconciliations

	Leasehold Improvements $'000	Plant and Equipment $'000	Total $'000
Carrying amount at 30 June 2024	13	5,953	5,966
Additions	—	637	637
Disposals	(5)	(436)	(441)
Depreciation expense	(2)	(2,004)	(2,006)
Foreign currency exchange differences	—	5	5
Carrying amount at 30 June 2025	**6**	**4,155**	**4,161**
Additions	39	765	804
Disposals	(6)	(118)	(124)
Depreciation expense	(5)	(1,564)	(1,569)
Foreign currency exchange differences	(1)	(7)	(8)
Carrying amount at 30 June 2026	**33**	**3,231**	**3,264**

(b) Non-current assets pledged as security

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

Notes to and forming part of the

Consolidated Financial Statements

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

	2026 $'000	2025 $'000
Buildings	2,659	3,035
Equipment and Vehicles	500	1,668
Total right-of-use assets	**3,159**	**4,703**

Additions to right-of-use assets in 2026 were $3,144,609 (2025: $1,978,510) primarily relating to the Company's new head office lease.

(b) Amounts recognised in the statement of comprehensive income

Depreciation charge of right-of-use assets	2026 $'000	2025 $'000
Buildings	(806)	(2,729)
Equipment and Vehicles	(218)	(751)
Total depreciation charge of right-of-use assets	**(1,024)**	**(3,480)**
Expenses relating to short-term and low value leases (included in Rental Expense)	(259)	(297)
Interest expense (included in Borrowing Costs)	(119)	(140)
Cash outflow for leases	(3,020)	(3,857)

Notes to and forming part of the

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16. Intangible assets

	Goodwill $'000	Brand Names $'000	Customer Relationships $'000	Other Intangibles $'000	Total $'000
At 30 June 2026					
Cost	23,729	41,977	2,700	13,626	82,032
Accumulated amortisation and impairment	(19,737)	(25,140)	(2,097)	(10,604)	(57,578)
Net book amount	**3,992**	**16,837**	**603**	**3,022**	**24,454**
At 30 June 2025					
Cost	23,729	41,977	2,700	13,055	81,461
Accumulated amortisation and impairment	(4,705)	(19,474)	(1,847)	(9,261)	(35,287)
Net book amount	**19,024**	**22,503**	**853**	**3,794**	**46,174**

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 2024	**23,729**	**27,711**	**1,489**	**1,569**	**54,498**
Additions	—	—	—	2,980	2,980
Disposals	—	—	—	—	—
Amortisation charge	—	—	(308)	(755)	(1,063)
Impairment charge	(4,705)	(5,208)	(328)	—	(10,241)
Contingent consideration adjustment	—	—	—	—	—
Carrying amount at 30 June 2025	**19,024**	**22,503**	**853**	**3,794**	**46,174**
Additions	—	—	—	571	571
Disposals	—	—	—	—	—
Amortisation charge	—	—	(250)	(1,343)	(1,593)
Impairment charge	(15,032)	(5,666)	—	—	(20,698)
Carrying amount at 30 June 2026	**3,992**	**16,837**	**603**	**3,022**	**24,454**

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 operating segment:

	2026 $'000	2025 $'000
Australia and New Zealand (ANZ)	3,992	19,024

Key assumptions used

The Group tests whether goodwill has suffered any impairment in accordance with the Group's accounting policies. For the financial year ended 30 June 2026, the recoverable amount of the ANZ operating segment to which goodwill has been allocated has been determined using a Fair Value less Costs of Disposal (FVLCD) approach 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 approach is considered to be a more appropriate representation of fair value given the state of transformation in progress.

The following assumptions were used in the 2026 FVLCD calculation (2025: FVLCD calculation):

- EBITDA 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 developments;
- 18.0% post-tax discount rate (FY25: 17.0%), determined solely for measuring the fair value less cost of disposal of each cash-generating unit (or group of cash-generating units) as required by accounting standards;
- 2.5% terminal growth rate (FY25: 2.5%) based on the Reserve Bank of Australia's long-term target inflation rate; and
- 2% costs of disposal (FY25: 2%) estimated based on the Company's experience with disposal of assets.

Impairment charge

As at 30 June 2026, the FVLCD calculation for the ANZ operating segment was lower than the carrying value of its net assets, resulting in the recognition of an impairment loss of $15,032,000 relating to goodwill. The impairment primarily reflects a recalibration of growth projections based on current trading performance.

A goodwill impairment loss of $4,705,000 was recognised in the prior year ended 30 June 2025.

Impact of reasonably possible changes in key assumptions

If projected EBITDA declined by 15% below current estimates, an additional impairment charge of $9.1 million would arise in respect of the carrying amount of the ANZ operating segment assets. Adverse changes in other key assumptions would also result in additional impairment.

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 using a FVLCD approach. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

The FVLCD calculations are prepared using the relief from royalty analysis. Each analysis calculates the future net contribution expected to be generated by the brand, which is based on the latest Board approved 5-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.

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16. Intangible assets (continued)

Brand names (continued)

The carrying values of purchased brand names are:

	2026 $'000	2025 $'000
Manicare	7,125	9,391
Dr. LeWinn's	1,800	2,000
Fusion Health	2,100	4,200
Swisspers	3,356	4,156
Lady Jayne	1,956	1,956
Other brand names	500	800
Total brand names	**16,837**	**22,503**

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 2026						
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	2.8%—5.3%	3.0%	2.5%	16.5%	23.5%
Dr. LeWinn's	FVLCD	6.2%—11.1%	1.6%	2.5%	18.0%	25.4%
Fusion Health	FVLCD	6.7%—11.0%	2.5%	2.5%	18.0%	25.4%
Swisspers	FVLCD	2.8%—7.7%	2.5%	2.5%	16.5%	23.5%
Lady Jayne	FVLCD	1.4%—8.1%	2.3%	2.5%	17.0%	24.3%
Maseur	FVLCD	4.8%-13.3%	1.5%	2.5%	18.0%	25.5%
Revitanail	FVLCD	1.0%—2.7%	-	2.5%	-	-

30 June 2025						
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%—5.5%	4.5%	2.5%	15.5%	21.5%
Dr. LeWinn's	FVLCD	4.1%—5.0%	1.8%	2.5%	17.0%	23.7%
Fusion Health	FVLCD	3.9%—15.5%	3.8%	2.5%	16.0%	22.1%
Swisspers	FVLCD	2.0%—9.0%	2.8%	2.5%	15.5%	21.5%
Lady Jayne	FVLCD	1.2%—6.0%	2.3%	2.5%	16.0%	22.2%
Maseur	FVLCD	(9.4%)-3.0%	1.5%	2.5%	16.0%	22.3%
Revitanail	FVLCD	2.5%—3.4%	5.5%	2.5%	16.0%	22.3%

16. Intangible assets (continued)

Brand names (continued)

Impairment charge

During the year ended 30 June 2026, an impairment charge of $2,266,000 was recognised in relation to Manicare, $800,000 in relation to Swisspers, $2,100,000 in relation to Fusion Health, $200,000 in relation to Dr. LeWinn's and $300,000 in relation to Revitanail. These impairments primarily reflect a recalibration of brand growth projections in light of recent trading performance. No impairment charges were recognised for other brands.

Total impairment charges for all brand names in FY25 amounted to $5,208,000.

Impact of reasonably possible changes in key assumptions

If the projected sales by individual brand were 10.0% below the current estimates, an additional impairment charge of $0.7 million would arise for Manicare, $0.3 million for Swisspers, $0.2 million for Fusion Health, and $0.2 million for Dr. LeWinn's.

If the royalty rates by individual brand were 50 basis points below the current estimates, an impairment charge of $0.2 million would arise for Lady Jayne, and $0.1 million for Maseur. An additional impairment charge of $1.2 million would arise for Manicare, $0.7 million for Swisspers, $0.4 million for Fusion Health, and $0.6 million for Dr. LeWinn's.

If the projected sales by individual brand were 10% below the current estimates and the royalty rates by individual brand were 50 basis points below the current estimates, an impairment charge of $0.4 million would arise for Lady Jayne, and $0.1 million for Maseur. An additional impairment charge of $1.8 million would arise for Manicare, $0.9 million for Swisspers, $0.6 million for Fusion Health, and $0.7 million for Dr. LeWinn's.

If the discount rates by individual brand were 100 basis points above the current estimate, an additional impairment charge of $0.4 million would arise for Manicare, $0.2 million for Swisspers, $0.1 million for Fusion Health, and $0.1 million for Dr. LeWinn's.

17. Trade and other payables

	2026 $'000	2025 $'000
Trade payables	7,880	6,015
Customer contract liabilities	20,878	13,259
Other payables	3,196	9,231
Total trade and other payables	**31,954**	**28,505**

The increase in customer contract liabilities to $20.9 million (FY25: $13.3 million) reflects wholesaler rebate and trading-term accruals under the new pharmacy wholesaler operating model.

Other payables decreased to $3.2 million (FY25: $9.2 million). The decrease primarily reflects the settlement in July 2025 of employee redundancy costs accrued at 30 June 2025 in connection with the exit of the Group's Kingsgrove warehouse and transition to a third-party logistics (3PL) operating model.

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18. Borrowings

	2026 $'000	2025 $'000
Bank loan — secured	—	—
Other borrowings — unsecured	628	689
Debt issue costs	(283)	(29)
Total current borrowings	**345**	**660**

	2026 $'000	2025 $'000
Interest income		
Interest income	339	250
Borrowing costs		
Borrowing costs applicable to debt facilities	(392)	(706)
Amortisation of refinancing costs	(66)	(241)
Total borrowing costs	**(458)**	**(947)**
Net finance costs	**(119)**	**(697)**

In November 2025, the Group entered a new three-year debt facility with Hongkong and Shanghai Banking Corporation (HSBC) for a total capacity of $16.2 million (2025: $32.5 million). The facility is denominated in Australian dollars and expires in November 2028.

This facility comprises two tranches:

- $10.0 million receivable finance facility; and
- $6.2 million revolving credit facility (including $1.2 million bank guarantee line facility)

Under the terms of the facility, the Group is required to comply with the following 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 $50 million

Guarantor coverage:

The Group is required to ensure at all times that:

- The aggregate EBITDA[1] of the guarantors is at least 90% of Group EBITDA[1]
- The aggregate total assets of the guarantors is at least 90% of the Group's total assets; and
- Each Group member whose EBITDA[1] or Total Assets represents greater than 5% of Group EBITDA[1] or Total Assets is a guarantor under the Facility Agreement

As at 30 June 2026, the Group has utilised $1.0 million of its bank guarantee facility for office leases, and the Group was in compliance with its facility covenants and guarantor coverage.

1 Adjusted EBITDA as defined by facility agreement = EBITDA before material items and less operating lease cash payments.

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;
- Security 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:

	2026 $'000	2025 $'000
Property, plant and equipment	3,260	4,156
Intangible assets	15,397	34,238
Total non-current assets pledged as security	**18,657**	**38,394**
Cash	4,996	9,174
Receivables	28,779	28,754
Inventories	25,951	19,957
Total current assets pledged as security	**59,726**	**57,885**
Total assets pledged as security	**78,383**	**96,279**

19. Provisions

	2026 $'000	2025 $'000
Provisions — current		
Employee entitlements	1,650	3,945
Make good provision	1,457	—
Onerous lease provision	850	658
Employee incentives	70	105
Regulatory and legal provision	2,000	—
Total current provisions	**6,027**	**4,708**
Provisions — non-current		
Employee entitlements	292	385
Make good provisions	85	1,587
Onerous lease provision	—	668
Total non-current provisions	**377**	**2,640**

(a) Employee entitlements

Current employee entitlements reflect annual leave and long service leave accrued for 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.

Employee entitlements decreased to $1.7 million (FY25: $3.9 million), primarily reflecting the July 2025 settlement of accrued leave entitlements for warehouse employees recognised at 30 June 2025 on exit of the Kingsgrove warehouse and transition to the new third-party logistics (3PL) operating model.

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19. Provisions (continued)

(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 provision $'000	Onerous lease provision $'000	Regulatory and legal provision $'000
Carrying amount at 1 July 2025	**105**	**1,587**	**1,326**	**—**
Additional provisions charged to profit or loss	259	117	214	2,000
Unused amounts reversed to profit or loss	(21)	—	—	—
Payments	(274)	(162)	(690)	—
Foreign currency exchange differences	1	—	—	—
Carrying amount at 30 June 2026	**70**	**1,542**	**850**	**2,000**

(c) Onerous lease provision

The onerous lease provision relates to the future outgoings of the Kingsgrove warehouse and office space.

(d) Provision related to the ASIC Proceedings

As disclosed on 9 December 2022, McPherson's Limited (Company) is a defendant in civil proceedings commenced by the Australian Securities and Investments Commission (ASIC) in relation to events occurring in 2020 (Proceedings). On 13 August 2026, the Federal Court of Australia (Court) ruled in favour of the ASIC against the Company and a former Chief Executive Officer and Managing Director of the Company. Subject to any appeal rights available, there will be a further hearing to determine any penalties to be imposed on the Company.

As a result of the Court's decision and in line with the requirements of Australian Accounting Standards, the Company recognised a provision of $2.0 million. Based on the information available to the Company, this amount represents the Company's best estimate of the penalties that may be imposed on the Company by the Court as a result of the outcome of the Proceedings. The actual amount of any penalties payable by the Company will ultimately be determined by the Court at a future date and may be materially higher or lower than the provision.

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20. Contributed equity

	2026 $'000	2025 $'000
Issued and paid up capital 138,954,011 fully paid ordinary shares (June 2025: 143,949,141)	216,387	217,218

Movements in ordinary shares

	Number of shares '000	Total $'000
Opening balance 1 July 2025	**143,949**	**217,218**
Share buy-back	(4,995)	(809)
Less: Transaction costs arising on share buy-back	—	(32)
Deferred tax credit recognised directly in equity	—	10
Closing balance at 30 June 2026	**138,954**	**216,387**

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.

Performance Rights

Information relating to the Group's Employee Performance Rights, 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

Given the balance of retained losses at 30 June 2026, and informed by the loss after tax for FY26, the Board has determined not to pay a full-year dividend.

The Company has continued its disciplined approach to capital management. During the year it refinanced its debt facilities to better align with the new operating model and conducted an on-market share buy-back (announced on 25 February 2026)[1].

The Board continues to monitor and review the Company's allocation of capital to ensure the business is appropriately supported to deliver sustainable revenue growth.

1 As at 30 June 2026, the Company had acquired 4,995,130 shares for a consideration of $0.8m.

Notes to and forming part of the

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21. Reserves and accumulated losses

(a) Reserves

	Note	2026 $'000	2025 $'000
Hedging reserve — cash flow hedges		(162)	(166)
Share-based payments reserve		1,874	1,768
Foreign currency translation reserve		1,079	1,308
Total reserves		**2,791**	**2,910**
Cash flow hedge reserve			
Balance 1 July		(166)	(86)
Revaluation — gross		(390)	(397)
Deferred tax	6	117	120
Transfer to cost of sales — gross		397	288
Deferred tax	6	(120)	(91)
Total cash flow hedge reserve		**(162)**	**(166)**
Share-based payments reserve			
Balance at 1 July		1,768	2,163
Share-based payment expenses	22	106	(395)
Total share-based payments reserve		1,874	1,768
Foreign currency translation reserve			
Balance 1 July		1,308	2,451
Realisation of foreign currency translation reserve		—	(1,319)
Currency translation differences arising during the year		(229)	176
Total foreign currency translation reserve		**1,079**	**1,308**
Financial assets at FVOCI reserve			
Balance 1 July		—	(6,000)
Transfer to retained earnings		—	6,000
Total financial assets at FVOCI reserve		**—**	**—**

(b) Accumulated losses

	Note	2026 $'000	2025 $'000
Balance 1 July		(147,148)	(126,109)
Loss after tax		(20,261)	(15,039)
Dividends provided for or paid	4	—	—
Transfer from FVOCI reserve		—	(6,000)
Total accumulated losses		**(167,409)**	**(147,148)**

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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.

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.

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 (PR) 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.

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22. Share-based payments (continued)

(a) Employee performance rights plan (continued)

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	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
	2025	25% of Rights vesting at Threshold EPS, then pro rata to 50% vesting between Threshold and Mid-Point EPS, then pro rata to 100% vesting between Mid-Point and Maximum EPS.	3 years
	2026	25% of Rights vesting at Threshold EPS, then pro rata to 50% vesting between Threshold and Mid-Point EPS, then pro rata to 100% vesting between Mid-Point and Maximum EPS	3 years
ELP	2024	30% of Rights vesting at +50.0% TSR CAGR, then pro rata to 100% of Rights vesting at +70% TSR CAGR	3 years
	2025	25% of Rights vesting at Threshold TSR, then pro rata to 50% vesting between Threshold and Mid-Point TSR, then pro rata to 100% vesting between Mid-Point and Maximum TSR.	3 years
	2026	25% of Rights vesting at Threshold TSR, then pro rata to 50% vesting between Threshold and Mid-Point TSR, then pro rata to 100% vesting between Mid-Point and Maximum TSR.	3 years
PR	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
	2025	**First 67% of Rights** 25% of Rights vesting at Threshold EPS, then pro rata to 50% vesting between Threshold and Mid-Point EPS, then pro rata to 100% vesting between Mid-Point and Maximum EPS. **Remaining 33% of Rights** 25% of Rights vesting at Threshold TSR, then pro rata to 50% vesting between Threshold and Mid-Point TSR, then pro rata to 100% vesting between Mid-Point and Maximum TSR.	3 years
	2026	**First 67% of Rights** 25% of Rights vesting at Threshold EPS, then pro rata to 50% vesting between Threshold and Mid-Point EPS, then pro rata to 100% vesting between Mid-Point and Maximum EPS. **Remaining 33% of Rights** 25% of Rights vesting at Threshold TSR, then pro rata to 50% vesting between Threshold and Mid-Point TSR, then pro rata to 100% vesting between Mid-Point and Maximum TSR.	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:

	2026		2025	
	Average fair value at grant date	Number of rights	Average fair value at grant date	Number of rights
As at 1 July	$0.28	12,431,403	$0.33	7,776,403
Granted during the year	$0.20	10,395,000	$0.22	5,640,000
Exercised during the year	—	—	—	—
Lapsed during the year	$0.29	(6,521,867)	$0.37	(985,000)
As at 30 June	**$0.23**	**16,304,536**	**$0.28**	**12,431,403**
Vested and exercisable	**—**	**—**	**—**	**—**

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

			Number of rights	
Type of Rights	**Grant date**	**Vesting date**	**30 June 2026**	**30 June 2025**
Equity-settled Performance Rights				
HLP	3 November 2025	30 September 2028	2,761,000	—
ELP	3 November 2025	30 September 2028	1,381,000	—
HLP	28 November 2024	30 September 2027	1,654,000	1,654,000
ELP	28 November 2024	30 September 2027	827,000	827,000
HLP	28 November 2023	22 September 2026	1,336,000	1,336,000
ELP	28 November 2023	22 September 2026	668,000	668,000
HLP	22 November 2022	22 September 2025	—	909,000
ELP	22 November 2022	22 September 2025	—	455,000
Performance Rights	3 November 2025	30 September 2028	4,303,000	—
Performance Rights	28 November 2024	30 September 2027	1,671,000	3,159,000
Performance Rights	17 June 2024	22 September 2026	247,043	690,220
Performance Rights	12 October 2023	22 September 2026	1,456,493	1,655,183
Performance Rights	23 September 2022	22 September 2025	—	766,000
Cash-settled Performance rights				
ELP	24 September 2021	24 September 2025	—	312,000
Total			**16,304,536**	**12,431,403**

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22. Share-based payments (continued)

(a) Employee performance rights plan (continued)

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

Performance Rights	Fair value
HLP and other EPS CAGR and EPS target 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.

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

	HLP	ELP	Share-based (EPS & TSR)
Valuation Date	3 November 2025	3 November 2025	3 November 2025
Hurdle start date	1 July 2025	1 July 2025	1 July 2025
Hurdle end date	30 June 2028	30 June 2028	30 June 2028
Share price at grant date	AUD 0.25	AUD 0.25	AUD 0.25
Fair value at measurement date[1]	AUD 0.25	AUD 0.10	EPS: AUD 0.25 TSR: AUD 0.10
Exercise price	AUD 0.00	AUD 0.00	AUD 0.00
Expected volatility[2]	54%	54%	54%
Expected dividend yield p.a.[3]	0.00%	0.00%	0.00%
Risk free rate p.a.[4]	3.63%	3.63%	3.63%

(b) 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:

	2026 $'000	2025 $'000
Share based Performance Rights issued under the Employee Performance Rights plan[5]	106	(395)
Total expenses	**106**	**(395)**

1 To calculate fair value, a Monte-Carlo simulation was used to estimate the likelihood of achieving the absolute 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.
5 For FY26 issued performance rights, only TSR-based rights have been expensed, with no expense recognised for EPS-based rights due to an assessment of the probability of non-market performance conditions being met.

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23. Contractual commitments for expenditure

The Group primarily leases offices, 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.

Capital commitments

At the reporting date, the Group had no contractual commitments for capital expenditure that had not been recognised in the financial statements (2025: nil).

24. Contingent liabilities

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.

Furthermore, refer to Provisions (Note 19 (d)) for details pertaining to the matter previously disclosed as a contingent liability. As disclosed in Provisions (Note 19 (d)) following the Court's recent decision, a provision has now been recognised with respect to this specific matter.

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:

(a) Auditors of the Group - PricewaterhouseCoopers Australia

	2026 $	2025 $
Audit and review of financial statements	606,900	666,557
Total remuneration for PricewaterhouseCoopers Australia	**606,900**	**666,557**

(b) Other auditors and their related network firms

	2026 $	2025 $
Audit and review of financial statements of controlled entities	54,246	55,678
Other non-audit services		
• Tax services	114,410	82,108
• Other assurance services	—	34,600
• Other non-audit services	157,000	104,030
Total remuneration of other auditors (excluding PwC)	**325,656**	**276,416**
Total remuneration of auditors	**932,556**	**942,973**

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26. Earnings per share

	2026 Cents	2025 Cents
Basic loss per share	(14.2)	(10.5)
Diluted loss per share	(14.2)	(10.5)
Basic (loss) / earnings per share excluding material items	(0.3)	1.0
Diluted (loss) / earnings per share excluding material items	(0.3)	1.0
Basic loss per share from continuing operations	(14.2)	(11.5)
Diluted loss per share from continuing operations	(14.2)	(11.5)
Basic loss per share from continuing operations excluding material items	(0.3)	(0.0)
Diluted loss per share from continuing operations excluding material items	(0.3)	(0.0)
Basic earnings / (loss) per share from discontinued operations	—	1.1
Diluted earnings / (loss) per share from discontinued operations	—	1.1

Reconciliation of (loss) / earnings used in calculating (loss) / earnings per share

	2026 $'000	2025 $'000
Basic and diluted (loss) / earnings per share		
Loss after income tax from continuing operations excluding material items	(455)	(59)
Material items from continuing operations after income tax (Note 3)	(19,806)	(16,543)
Profit / (loss) after income tax from discontinued operations excluding material items	—	1,563
Material items from discontinued operations after income tax (Note 3)	—	—
Loss after income tax	**(20,261)**	**(15,039)**

Weighted average number of shares used as the denominator

	2026 Number	2025 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share[1]	142,934,538	143,949,141

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. The unvested Performance Rights have not been included in the determination of basic earnings per share.

1 At 30 June 2026 the Group had 16,304,536 performance rights on issue (FY25: 12,431,403) which are potentially dilutive ordinary shares. These have been excluded from the calculation of diluted earnings per share for the year ended 30 June 2026 because their inclusion would be antidilutive. Accordingly, diluted earnings per share is equal to basic earnings per share for the period. These instruments could dilute basic earnings per share in future periods.

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27. Particulars in relation to controlled entities

		Ownership Interest	
Name of entity	Country of Incorporation	2026 %	2025 %
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 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) Business Information Consulting Co. Ltd	China	100	100
McPherson's Limited Employee Security Plans Trust[2]	Australia	100	100

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
- Payment and receipt of interest on certain advances at prevailing rates
- 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.

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 Deed of cross guarantee (Note 29).

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.

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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 2026 of the parties to the Deed of Cross Guarantee.

	2026 $'000	2025 $'000
Revenue	107,974	129,846
Other income	338	660
Expenses	(132,113)	(149,211)
Finance costs	(444)	(932)
Loss before income tax	**(24,245)**	**(19,637)**
Income tax benefit / (expense)	5,173	2,864
Loss after income tax	**(19,072)**	**(16,773)**

(b) Movements in consolidated accumulated losses of the parties to the Deed of Cross Guarantee

	2026 $'000	2025 $'000
Summary of movements in consolidated accumulated losses		
Accumulated losses at beginning of the financial year	(157,527)	(134,754)
Loss after income tax for the year	(19,072)	(16,773)
Dividends provided for or paid	—	—
Transfer of FVOCI reserve to accumulated losses	—	(6,000)
Accumulated losses at the end of the financial year	**(176,599)**	**(157,527)**

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29. Deed of Cross Guarantee (continued)

(c) Balance sheet of the parties to the Deed of Cross Guarantee

	2026 $'000	2025 $'000
Current assets		
Cash and cash equivalents	3,619	8,087
Trade and other receivables	27,598	23,834
Inventories	24,564	18,198
Derivative financial instruments	307	111
Current tax receivable	—	861
Other assets	1,009	961
Total current assets	**57,097**	**52,052**
Non-current assets		
Property, plant and equipment	3,084	4,058
Right-of-use asset	2,931	4,453
Other receivables	—	511
Intangible assets	24,799	46,519
Other assets	—	1,009
Investments	9,599	11,167
Deferred tax assets	2,757	—
Total non-current assets	**43,170**	**67,717**
Total assets	**100,267**	**119,769**
Current liabilities		
Trade and other payables	46,964	44,372
Borrowings	345	660
Lease liabilities	2,767	3,240
Derivative financial instruments	589	510
Provisions	3,614	3,902
Total current liabilities	**54,279**	**52,684**
Non-current liabilities		
Borrowings	—	—
Lease liabilities	2,839	3,156
Provisions	2,682	3,298
Deferred tax liabilities	—	369
Total non-current liabilities	**5,521**	**6,823**
Total liabilities	**59,800**	**59,507**
Net assets	**40,467**	**60,262**
Equity		
Contributed equity	216,310	217,142
Reserves	756	647
Accumulated losses	(176,599)	(157,527)
Total equity	**40,467**	**60,262**

Notes to and forming part of the

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

	2026 $'000	2025 $'000
Loss after income tax	**(20,261)**	**(15,039)**
Non-cash items included in Profit / (loss) after income tax:		
Depreciation of property, plant and equipment	1,569	2,006
Amortisation of intangible assets	1,593	1,063
Depreciation of right-of-use asset	1,024	3,480
Share-based payments expense	106	(395)
Onerous lease expenses	843	3,158
Impairment of intangible assets	20,698	10,241
Amortisation of contract assets	961	900
Realisation of Foreign Currency Translation Reserve	—	(1,319)
Other	(329)	24
Changes in operating assets and liabilities, excluding the effects from purchase or disposal of business assets:		
Increase in payables	3,098	1,998
(Decrease) in provisions	(1,135)	(1,732)
(Decrease) in net tax liabilities	(2,629)	(3,267)
Decrease / (increase) in receivables	1,553	(5,144)
(Increase) / decrease in inventories	(6,416)	6,237
Net cash inflows from operating activities	**675**	**2,211**

(b) Non-cash investing and financing activities

There were no non-cash investing and financing activities in the years ended 30 June 2025 and 2026.

(c) Net debt reconciliation

	2026 $'000	2025 $'000
Cash and cash equivalents	5,110	9,476
Borrowings (excluding unamortised capitalised borrowing costs)	(628)[1]	(689)
Net cash / (debt) (excluding lease liabilities)	**4,482**	**8,787**
Current lease liability	(2,903)	(3,404)
Non-current lease liability	(2,946)	(3,237)
Net cash / (debt) (including lease liabilities)	**(1,367)**	**2,146**

	Liabilities from financing activities		
	Borrowings $'000	Leases $'000	Total $'000
As at 1 July 2025	**(660)**	**(6,641)**	**(7,301)**
Cash flows	62	2,983	3,045
Acquisition — leases	—	(3,231)	(3,231)
Disposal — leases	—	1,017	1,017
Foreign exchange adjustment	—	23	23
Capitalised borrowing costs	253	—	253
As at 30 June 2026	**(345)**	**(5,849)**	**(6,194)**

1 Borrowings for the purposes of the net debt calculation are presented before unamortised capitalised borrowing costs of $283,000. Refer to Borrowings (Note 18) for more details.

Consolidated Financial Statements

31. Events occurring after balance date

As disclosed on 9 December 2022, McPherson's Limited (Company) is a defendant in civil proceedings commenced by the Australian Securities and Investments Commission (ASIC) in relation to events occurring in 2020 (Proceedings). On 13 August 2026, the Federal Court of Australia (Court) ruled in favour of the ASIC against the Company and a former Chief Executive Officer and Managing Director of the Company. Subject to any appeal rights available, there will be a further hearing to determine any penalties to be imposed on the Company.

As a result of the Court's decision and in line with the requirements of Australian Accounting Standards, the Company recognised a provision of $2.0 million. Based on the information available to the Company, this amount represents the Company's best estimate of the penalties that may be imposed on the Company by the Court as a result of the outcome of the Proceedings. The actual amount of any penalties payable by the Company will ultimately be determined by the Court at a future date and may be materially higher or lower than the provision. Refer to Provisions (Note 19).

32. Parent entity financial information

(a) Summary financial information

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

	2026 $'000	2025 $'000
Balance Sheet		
Current assets	1,307	7,694
Total assets	63,016	75,579
Current liabilities	31,665	34,393
Total liabilities	31,685	34,399
Shareholders' equity		
Issued capital	216,387	217,218
Cash flow hedge reserve	(86)	(168)
Share-based payments reserve	1,874	1,768
Financial assets at FVOCI reserve	—	—
Accumulated losses — 2025 reserve	(177,638)	(177,638)
Accumulated losses — 2026 reserve	(9,206)	—
Total shareholders' equity	**31,331**	**41,180**
Loss for the period	**(9,206)**	**(20,740)**
Total comprehensive expense	**(9,018)**	**(21,202)**

(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.

Consolidated entity disclosure statement

as at 30 June 2026

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

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 *Corporations 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.

Shareholder Information

Additional information required by ASX and not shown elsewhere in this report is as follows. This information is current as at 25 August 2026.

Distribution of equity securities

There were 2,936 holders of 138,954,011 fully paid ordinary shares. These shares carry one vote per share and carry the rights to dividends.

	Number of Holders	Ordinary shares	% of Issued Capital
1 — 1,000	193	76,241	0.05
1,001 — 5,000	1,314	3,740,899	2.69
5,001 — 10,000	475	3,604,416	2.59
10,001 — 100,000	838	25,267,742	18.18
100,001 — over	116	106,264,713	76.47
Total	**2,936**	**138,954,011**	**100.00**
Rounding			—0.02
Holding less than a marketable parcel (minimum $500 parcel at $0.1370 per share)	**1,186**	**2,411,427**	**1.73**

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 25 August 2026 are as follows:

Name	Ordinary Shares	% of Issued Capital*
National Nominees Ltd ACF Australian Ethical Investment Limited	20,509,112	14.25%
Spheria Asset Management Pty Ltd	15,072,014	10.47%
CW Retail Holdings Pty Ltd	14,223,817	9.88%
Pinnacle Investment Management Group Limited	10,726,014	7.45%

* The above percentages are those notified to the Company by the substantial shareholder and are based on the number of ordinary shares on issue before the on-market share buy-back (being 143,949,141 ordinary shares).

Twenty largest holders of quoted equity securities

Name	Shares Held	% of Issued Capital
HSBC Custody Nominees Group (Australia) Limited	25,427,698	18.30
CW Retail Holdings Pty Ltd <CW Retail Holdings A/C>	14,056,017	10.12
Citicorp Nominees Group	11,393,600	8.20
JP Morgan Nominees Australia Pty Limited	9,260,456	6.66
Gallin Pty Ltd	6,350,000	4.57
Mr. Hansjoerg Zinsli	3,600,000	2.59
Mrs. Emma Jane Gracey	3,516,230	2.53
Mr. Anthony Mark Van Der Steeg	2,100,000	1.51
EXLDATA Pty Ltd	2,053,915	1.48
Mr. John Gassner and Mr. Nathan Rothchild	1,450,001	1.04
PC Cotton Pty Ltd <Goldcraft Pty Ltd Super A/C>	1,270,000	0.91
Kae Ventures Pty Ltd <Kae Ventures A/C>	1,000,000	0.72
EXLDATA Pty Ltd	863,405	0.62
Mr. Orlando Berardino Di Iulio and Ms Catharina Maria Koopman	850,000	0.61
R I Finances Pty Ltd	750,000	0.54
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client>	630,676	0.45
Ms. Cam-Phuong Thi Nguyen	610,000	0.44
Mr. Paul Sze Yuen Cheung and Mrs. Pauline Kwok Sim Cheung	587,493	0.42
Strategic Value Pty Ltd <TAL Super A/C>	575,975	0.41
Mrs. Georgia Kalligas	556,144	0.40
Top 20 Holders of ordinary fully paid shares	**86,901,610**	**62.54**
Total remaining shareholders	**52,052,401**	**37.46**
Total ordinary fully paid shares	**138,954,011**	**100.00**

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 25 August 2026 is 16,304,536 performance rights. The number of holders of unquoted securities (performance rights) is 16.

McPherson's listing

McPherson's Limited is listed on the Australian Securities Exchange under ASX code MCP.

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) 2026 Corporate Governance Statement does not appear in this Annual Report.

Our 2026 Corporate Governance Statement and 2026 ASX Appendix 4G can be found at:

https://mcphersons.com.au/pages/corporate-governance

Corporate Directory

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:

Level 8, 383 Kent Street
Sydney NSW 2000
Telephone: (02) 9370 8000
Facsimile: (02) 9370 8093
Email: cosec@mcpher.com.au
Website: www.mcphersons.com.au

General Counsel and Company Secretary

Craig Durham

Auditor

PricewaterhouseCoopers
One International Towers Sydney
Watermans Quay
Barangaroo NSW 2000

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067
Telephone within Australia: 1300 85 05 05
Telephone outside of Australia: +61 3 9415 5000
Facsimile: (03) 9473 2500
https://www.computershare.com/au
https://www.computershare.com/au/contact-us

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).

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Making Confidence Simple

McPHERSON'S

ESTD. 1860

MCPHERSON'S
ESTD. 1860

28 September 2026

Dear Shareholder

McPherson's Limited — 2026 Annual General Meeting

On behalf of the Board of Directors, I am pleased to invite you to participate in the 2026 Annual General Meeting (**AGM**) of McPherson's Limited (**Company**).

The AGM will be a hybrid meeting commencing at **11:00am (AEDT) on Friday 30 October 2026**. Shareholders can choose to attend in person at McPherson's Sydney office located at **Level 8, 383 Kent Street, Sydney, NSW, 2000** or shareholders may choose to participate online using the **Lumi AGM online platform at https://meetings.lumiconnect.com/300-168-468-247**.

Business of the AGM

The formal business of the AGM is set out in the Notice of Meeting. The Notice of Meeting provides important information in relation to the matters to be considered by shareholders at the meeting, and I encourage you to read these materials carefully.

Resolution 1 relates to the election of Mr John Batstich as a non-executive director of the Company.

Mr Batistich, who was appointed to the Board on 17 November 2025, is an experienced non-executive director and strategic board advisor with more than 30 years of cross-sector leadership in marketing, digital innovation, customer experience and general management. Further details supporting Mr Batistich's election as a non-executive director of the Company can be found in the Notice of Meeting.

Resolution 2 relates to shareholders' consideration of the Company's 2026 Remuneration Report.

Shareholders will be given a reasonable opportunity to comment on and ask questions on the Company's 2026 Remuneration Report. While your vote on the Company's 2026 Remuneration Report is advisory, your directors take the outcome of the vote and comments made by shareholders very seriously when reviewing the Company's remuneration policies.

Resolution 3 relates to the proposed grant of 8,022,000 performance rights to Mr Brett Charlton, CEO and Managing Director [for the year ending 30 June 2027] pursuant to the Company's Performance Rights Plan and Mr Charlton's employment agreement.

Subject to shareholder approval, Mr Charlton receives a grant of performance rights each year consistent with, and calculated according to, the terms and conditions of his employment agreement.

The Board acknowledges that the proposed grant of performance rights to Mr Charlton for the year ending 30 June 2027 (subject to shareholder approval) is a substantial grant and would be dilutive if these rights ultimately vest.

To address this, the vesting of Mr Charlton's High-Level Performance (**HLP**) Rights (which represents 66% of his performance rights grant for the year ending 30 June 2027 (subject to shareholder approval)), is subject to an underlying earnings per share hurdle calculated on a diluted basis (**Underlying Diluted EPS**) over a three-year performance period.

By measuring performance on a diluted EPS basis, the potential impact of performance rights is already incorporated into the vesting framework. As a result, Mr Charlton will only be rewarded with HLP Rights where earnings growth is sufficient to deliver commensurate value on a per-share basis to existing shareholders, notwithstanding the potential dilution associated with the award.

McPherson's Limited
ABN 98 004 068 419

ADDRESS:
Level 8, 383 Kent Street,
Sydney NSW 2000

PHONE: +61 2 9370 8000
FAX: +61 2 9370 8093

WEBSITE:
www.mcphersons.com.au

The Board has set the Underlying Diluted EPS hurdles for Mr Charlton having regard to the potential dilutive effect of the performance rights and considers those hurdles appropriately challenging and aligned with shareholder value creation.

Shareholders will also note that the Company has disclosed the performance measures for Mr Charlton's performance rights in the Notice of Meeting.

Disclaimer: It is important to note that the disclosed performance measures are set solely for the purposes of assessment of vesting under the Company's long-term incentive arrangements outlined in the Company's Performance Rights Plan. They are not intended to be, and should not be relied upon as guidance, forecasts or predictions of the Company's future earnings, financial performance or financial position.

How to Participate Online via Lumi

The Lumi platform allows you to view a live webcast of the meeting, ask questions in real-time, and submit your votes dynamically.

To join virtually, please follow these steps:

1. **Access the Platform**: Visit https://meetings.lumiconnect.com/300-168-468-247 on your computer, laptop, or mobile device using a compatible browser (such as Chrome, Safari, Edge, or Firefox).
2. **Enter the Meeting ID**: 300-168-468-247
3. **Log In**: Select "Shareholder or Proxyholder" and enter your credentials:
    - **Username**: Your Shareholder Reference Number (SRN) or Holder Identification Number (HIN).
    - **Password**: The postcode registered to your holding (for domestic shareholders) or your 3-character country code (for overseas shareholders).

Online registration will open at 10:00am (AEDT) on Friday 30 October 2026, one hour before the meeting commences. We recommend logging in at least 15 minutes prior to the start time.

Voting and Proxy Forms

If you are unable to attend the meeting live (physically or virtually), you are strongly encouraged to lodge a proxy vote in advance. Directed proxy forms must be received by our Share Registry no later than 11:00am (AEDT) on Wednesday 28 October 2026.

Shareholder questions

Shareholders attending the meeting in person may ask questions during the meeting. Shareholders participating via Lumi will be able to submit written or audio questions during the meeting. If you prefer to submit a question either to the Board or the External Auditor ahead of time, please do so via cosec@mcpher.com.au by 11:00am (AEDT) on Wednesday 28 October 2026.

For further details and a comprehensive walkthrough of the platform, please download the McPherson's Online Meeting Guide available on our website in the Investor Centre / Annual General Meeting – 2026 page on the www.mcphersons.com.au.

On behalf of the Company and its management, I sincerely hope that you can join the Company's 2026 AGM and we look forward to your attendance at the meeting.

Yours sincerely,
McPherson's Limited

Ari Mervis
Chairman

MCPHERSON'S
ESTD. 1860

Notice of 2026 Annual General Meeting

MCPHERSON'S LIMITED

ABN 98 004 068 419

The Annual General Meeting (AGM) of McPherson's Limited will be held on Friday 30 October 2026 at 11:00 am (AEDT) at Level 8, 383 Kent Street, Sydney, NSW, 2000.

The AGM will be a hybrid meeting.

You can attend the AGM in person at the above address in Sydney.

Shareholders not attending in person can participate in the AGM online by entering this link in their browser:

https://meetings.lumiconnect.com/300-168-468-247

Notice of 2026 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 **Friday 30 October 2026 at 11:00 am (AEDT)** at **Level 8, 383 Kent Street, Sydney, NSW, 2000**.

The 2026 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/300-168-468-247 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 2026 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 **11.00am (AEDT) on Wednesday 28 October 2026**.

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 2026.

Resolutions

1. Election of Mr John Batistich as a Non-Executive Director

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

"That John Batistich, who was appointed as a non-executive director on 17 November 2025 and who retires in accordance with the Company's Constitution and ASX Listing Rule 14.4, be elected as a Director of the Company."

2. Adoption of the 2026 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 2026 be adopted."

***Note**: In accordance with section 250R of the Corporations Act 2001 (Cth), the vote on Resolution 2 will be advisory only and will not bind the Directors or the Company.*

3. 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 8,022,000 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 **28 September 2026**

By order of the Board

Craig Durham
General Counsel & Company Secretary
McPherson's Limited

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 2026 (**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 — Election of Mr John Batistich as a Non-Executive Director

Mr Batistich was appointed as a non-executive director on 17 November 2025 and, in accordance with Rule 45(d) of the Company's Constitution and ASX Listing Rule 14.4, being eligible, offers himself for election.

Mr Batistich is an experienced non-executive director and strategic board advisor with more than 30 years of cross-sector leadership in marketing, digital innovation, customer experience and general management. Mr Batistich has held senior roles with leading global companies including Westfield Group, PepsiCo, Kimberly-Clark, Wrigley Company and Lion Nathan.

Mr Batistich currently serves as a non-executive director of Foodco Group Pty Ltd and Adairs Limited (ASX:ADH). Mr Batistich has previously served on the boards of Zip Co Limited, Heart Research Institute, Versa Connects (AI) Pty Ltd, Fishburners Limited and Sunnyfield Disability Services, and as a Board Advisor to Moose Toys. Mr Batistich's board experience spans consumer goods, retail, financial services and technology, with a strong focus on customer-centric strategy, digital innovation and people and culture.

Mr Batistich holds a Bachelor of Business and a Master of Management and is a Graduate of the Australian Institute of Company Directors (GAICD).

Mr Batistich was appointed as a member of the Company's Audit & Risk Committee, the Remuneration, People & Culture Committee and the Nominations Committee effective on 1 February 2026.

Recommendation

The Directors (with Mr Batistich 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.

Resolution 2 — Adoption of the 2026 Remuneration Report

The Company's Remuneration Report is included within the Directors' Report for the financial year ended 30 June 2026 (**2026 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 2026 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 2026 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 2026 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 2 is advisory only and does not bind the Company or its Directors. However, the Directors 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 2.

Subject to the voting restrictions set out below, the chair of the meeting intends to vote any undirected proxies in favour of Resolution 2.

Voting Prohibitions

In accordance with the Corporations Act, the Company will disregard any votes cast (in any capacity) on Resolution 2 by or on behalf of a member of the Key Management Personnel of the Company (whose remuneration is disclosed in the 2026 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 3 — Issue of Performance Rights to Mr Brett Charlton, Chief Executive Officer and Managing Director under the Performance Rights Plan

Resolution 3 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 (**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 3 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 and Managing Director 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 $1,012,284 in respect of the financial year ended 30 June 2027, being up to 150% of Mr Charlton's Total Fixed Remuneration of $674,856 per annum, comprising:

- 5,348,000 High Level Performance Rights (**HLP**) — 100% of Total Fixed Remuneration (rounded to the nearest thousand).
- 2,674,000 Exceptional Level Performance Rights (**ELP**) — 50% of Total Fixed Remuneration (rounded to the nearest thousand).

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 determined on a diluted basis (**Underlying Diluted EPS**), measured over a three-year performance period. Underlying Diluted EPS excludes material items.

Underlying Diluted EPS reflects earnings available to shareholders after considering the potential dilution associated with performance rights awards. Adopting Underlying Diluted EPS ensures executives are only rewarded where underlying earnings growth is sufficient to create value on a per-share basis for existing shareholders and aligns vesting outcomes with shareholder interests.

The Underlying Diluted EPS hurdles below have therefore been set by the Board having regard to the potential dilutive effect of any performance rights issued to Mr Charlton under the Plan. The Board considers the Underlying Diluted EPS hurdles (set out below) to be sufficiently challenging to align with shareholder value creation but still being motivating for participants invited to participate in the Plan.

The proportion of Underlying Diluted EPS HLP Rights that will vest will be determined as follows:

Underlying Diluted EPS (FY29)	% HLP Performance Rights that Vest*
Less than 2.27 cents per share	Nil
2.27 cents per share (Threshold)	25%
3.15 cents per share (Mid-Point)	50%
3.86 cents per share (Maximum)	100%

**with linear vesting between Threshold and Mid-Point, and Mid-Point and Maximum.*

Underlying Diluted EPS is derived from the Annual Report of the Company for the relevant financial years.

<u>Disclaimer</u>: The performance hurdles outlined above are set solely for the purposes of assessment of vesting under the Company's long-term incentive arrangements outlined in the Plan. They are not intended to be, and should not be relied upon as guidance, forecasts or predictions of the Company's

future earnings, financial performance or financial position.

In determining Underlying Diluted EPS for the performance period, the Board may adjust, 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, the intent and purpose of the Plan 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. For any ELP Performance Rights to vest, the Company will be required to achieve an Absolute Total Shareholder Return CAGR (**Absolute 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.

The Board considers Absolute TSR CAGR to be the most appropriate shareholder measure, as it directly links vesting outcomes to the returns experienced by shareholders. Given the Company's size, trading characteristics and the absence of a meaningful peer group, the Board considers Absolute TSR CAGR to provide a more transparent and reliable measure of long-term value creation than Relative TSR.

The proportion of ELP Performance Rights that will vest will be determined as follows:

Absolute TSR CAGR (FY29)	% ELP Performance Rights that Vest*
Less than 25.0%	Nil
25.0% TSR CAGR (Threshold)	25%
35.0% TSR CAGR (Mid-Point)	50%
45.0% TSR CAGR (Maximum)	100%

**with linear vesting between Threshold and Mid-Point, and Mid-Point and Maximum.*

Absolute TSR CAGR will be determined by calculating the amount by which the 20-trading day VWAP for the Company's ordinary shares in the period ending at close of trade on 30 June 2029 (**FY29 VWAP**) exceeds a base share price of $0.1262 per share (being the 20-trading day VWAP for the Company's ordinary shares in the period ending at close of trade on 30 June 2026), plus dividends paid by the Company during the three-year period from 1 July 2026 to 30 June 2029, expressed as a percentage. For these purposes dividends paid on ordinary shares will be deemed to be re-invested in the Company's ordinary shares at the closing price on the relevant ex-dividend date for each dividend.

Absolute TSR CAGR hurdles represent an estimate of potential absolute share price growth, having regard to Underlying EPS performance hurdles.

The Board will assess achievement or otherwise of these vesting conditions after the end of the financial year ending 30 June 2029.

Rather than paying the applicable long-term incentive award in cash, the Board is proposing, subject to obtaining shareholder approval of this Resolution 3, 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 2029 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 3 is obtained, Mr Charlton will be issued, shortly after the 2026 AGM and in any event no later than one month thereafter, performance rights equal in value to $1,012,284 based on the Volume Weighted Average Price (**VWAP**) of the Company's shares on the Australian Securities Exchange (**ASX**) over the 20 trading days ending at close of trading on 30 June 2026, rounded to the nearest thousand (being $0.1262 per share). This calculation would result in 8,022,000 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.

The VWAP of the Company's shares on the ASX over the 20 trading days ending at close of trading on 30 June 2026 was chosen as the most appropriate VWAP because of its alignment to the three-year performance period to which the proposed issue of performance rights in this Resolution 3 relates.

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 $0.1262) 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 3 for the issue of performance rights to Mr Charlton is not obtained and Mr Charlton meets some or all 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 2029 and the relevant cash award amount (if any) would be paid to him after 30 June 2029, provided he was still employed by the Company at the relevant time.

Below are the details of Mr Charlton's holding of shares and performance rights in the Company as at the date of this Notice:

Shares	Performance Rights
100,000 (purchased on-market)	2,481,000 (approved by shareholders at the Company's AGM on 27 November 2024 and granted on 28 November 2024)
	4,142,000 approved by shareholders at the Company's AGM on 31 October 2025 and granted on 3 November 2025)

2,004,000 performance rights granted to Mr Charlton on 29 November 2023 (which were lapsed on 1 September 2026), 2,481,000 performance rights granted to Mr Charlton on 28 November 2024 and 4,142,000 performance rights granted to Mr Charlton on 3 November 2025 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 2026 and the proposed remuneration and emoluments to be provided for the financial year ending 30 June 2027 are set out below:

	FY26	FY27
Total Fixed Remuneration (TFR)	$655,200 (inclusive of superannuation) from 1 July 2025 to 1 October 2025 and then $674,856 (inclusive of superannuation) from 2 October 2025 to 30 June 2026	$674,856 (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 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.	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 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	4,142,000 performance rights comprising: 2,761,000 High Level Performance Rights (HLP) — 100% of fixed remuneration. 1,381,000 Exceptional Level Performance Rights (ELP) — 50% of fixed remuneration.	8,022,000 performance rights comprising (if approved by shareholders on 30 October 2026): 5,348,000 High Level Performance Rights (HLP) — 100% of fixed remuneration. 2,674,000 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 3 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 3 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 3, 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 3 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 3.

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:

(a) 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;

(b) the circumstances of or reasons for Mr Charlton ceasing employment with the Company; and

(c) 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 3 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 3) unanimously recommends 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 Exclusions

The Company will disregard any votes cast in favour of Resolution 3 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 and by the shareholders at the Company's Annual General Meeting conducted on 27 November 2024.

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 3.

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 Wednesday 28 October 2026. 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 2 and 3), 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/300-168-468-247

To log in, you will need to enter the **Meeting ID 300-168-468-247** 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 Friday 30 October 2026) 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 2 and 3 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 2 and 3. 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 2026 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
Level 8, 383 Kent Street
Sydney, New South Wales, Australia 2000
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
ESTD. 1860

McPherson's Limited
ABN 98 004 068 419

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

McPherson's Limited Annual General Meeting

The McPherson's Limited Annual General Meeting will be held on Friday, 30 October 2026 at 11:00 am (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 11:00 am (AEDT) Wednesday 28 October 2026

ATTENDING THE MEETING VIRTUALLY

To view the live webcast,ask questions and vote on the day of the meeting you will need to visit:
https://meetings.lumiconnect.com/300-168-468-247

ATTENDING THE MEETING IN PERSON

The meeting will be held at:
Level 8, 383 Kent Street, 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
ESTD. 1860

McPherson's Limited
ABN 98 004 068 419

MCP

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
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 Wednesday, 28 October 2026.**

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 securityholder 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: I9999999999

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 Level 8, 383 Kent Street, Sydney, NSW 2000 and online on Friday, 30 October 2026 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 2 and 3 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 2 and 3 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 2 and 3 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	Election of Mr John Batistich as a Non-Executive Director	☐	☐	☐
Resolution 2	Adoption of the 2026 Remuneration Report	☐	☐	☐
Resolution 3	Issue of Performance Rights to Mr Brett Charlton, Chief Executive Officer and Managing Director under the Performance Rights Plan	☐	☐	☐

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 Securityholder(s)

This section must be completed.

Individual or Securityholder 1	Securityholder 2	Securityholder 3	
			/ /
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

Update your communication details *(Optional)*

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

Mobile Number	Email Address

MCP 326984A

computershare

McPHERSON'S

ESTD. 1860

McPherson's Limited
ABN 98 004 068 419

MCPRM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SUBURB
SAMPLETOWN VIC 3030

Dear Securityholder,

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 securityholder 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
30 Oct 2026, 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/300-168-468-247 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: 300-168-468-247

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

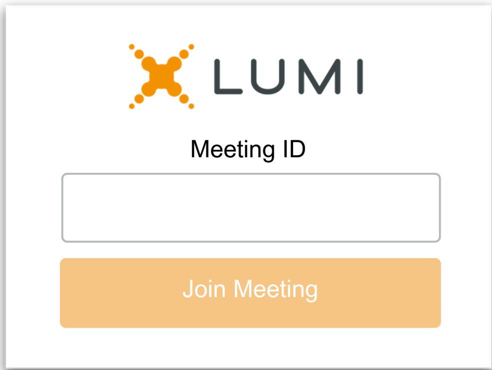
To receive your unique username and password, please contact Computershare on +61 3 9415 4024.

Guests

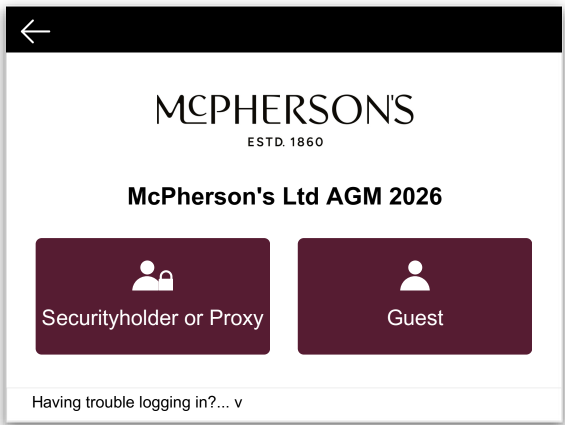
To register as a guest, you will need to enter your name and email address.

Registering for the meeting

1 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.

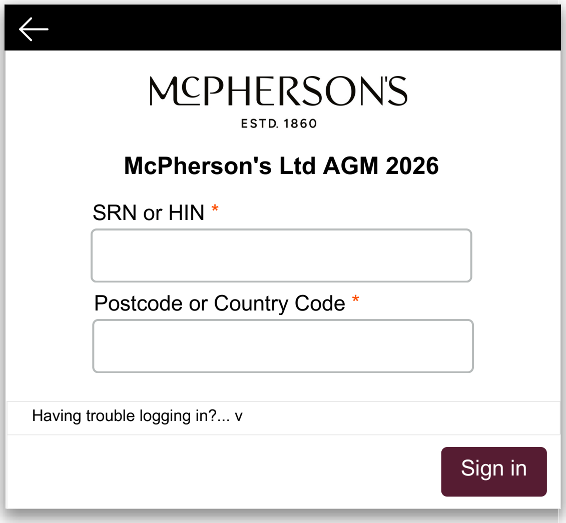


2 To proceed into the meeting, you will need to read and accept the Terms and Conditions and select if you are a Securityholder/Proxy or a Guest. Note that only Securityholders and Proxies can vote and ask questions in the meeting.

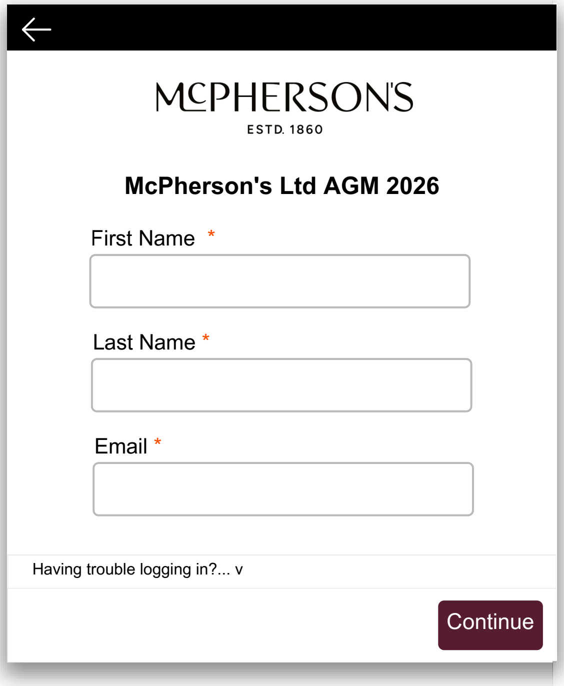


3 **To register as a Shareholder,** enter your SRN or HIN and Postcode or Country Code and press Sign in.

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.

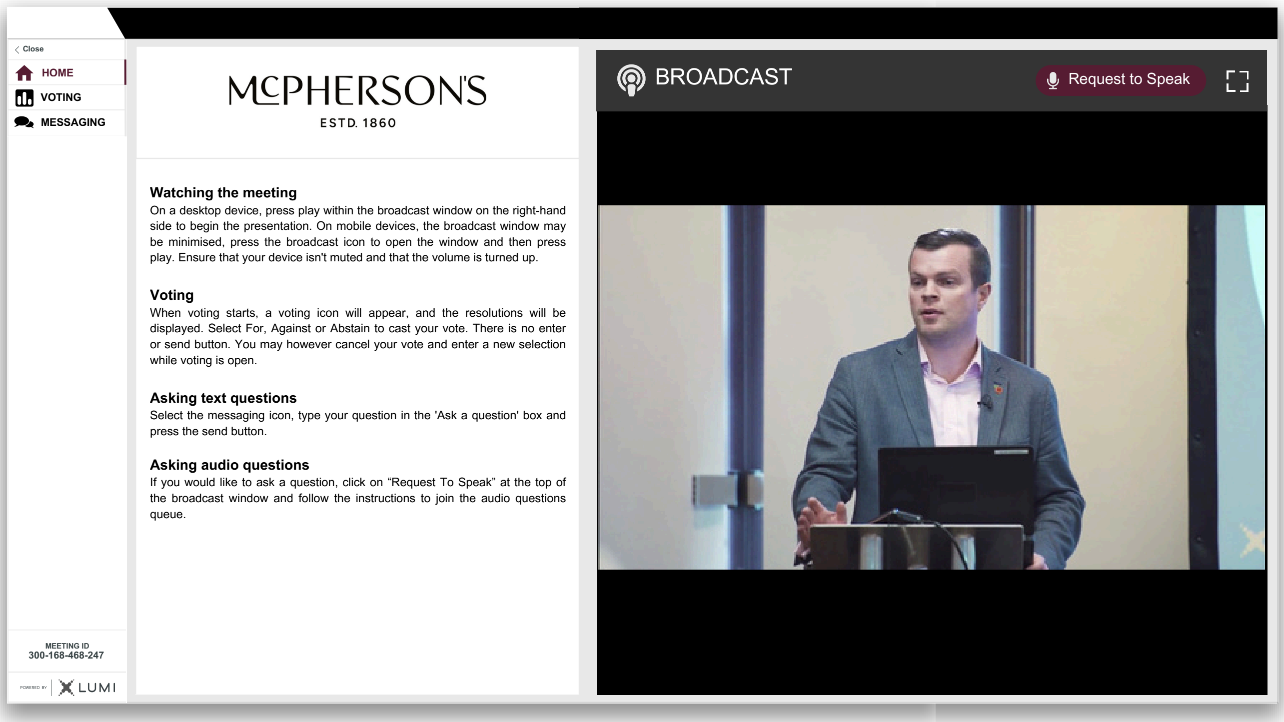


Watching the meeting

4 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.

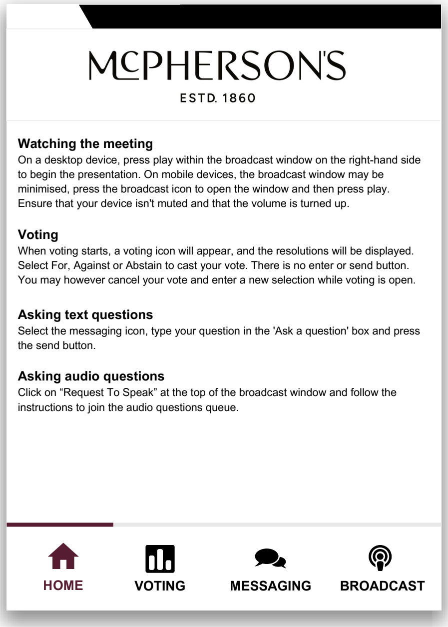
To reduce the webcast to its original size, select the minimise icon.

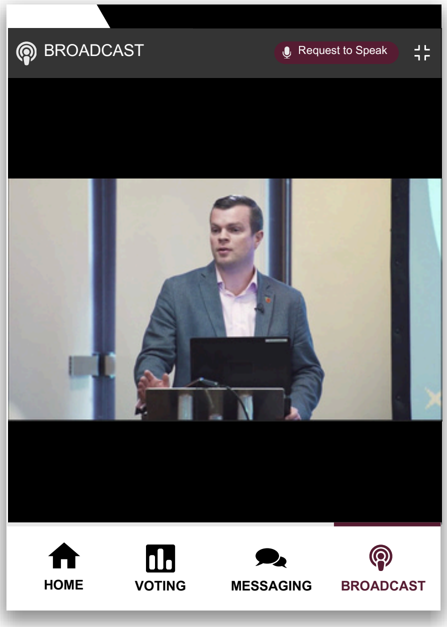


5 On a mobile device, select the Broadcast icon at the bottom of the screen to open the webcast. Press play and ensure your device is not muted.

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.



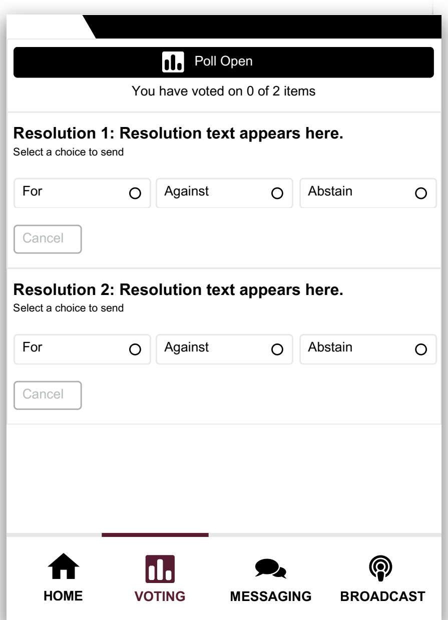


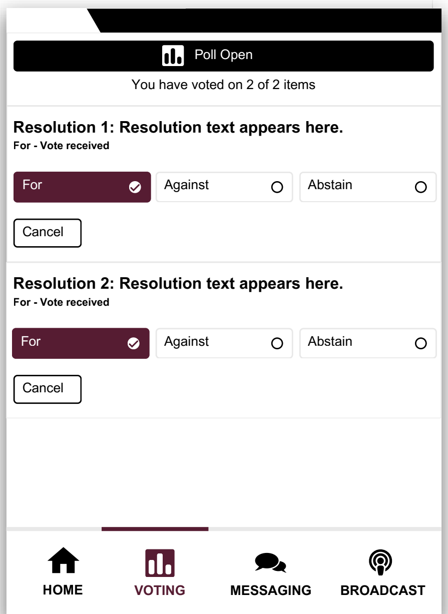
Voting

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.

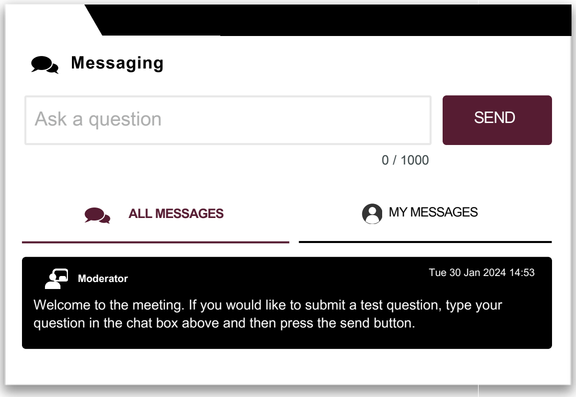




Text Questions

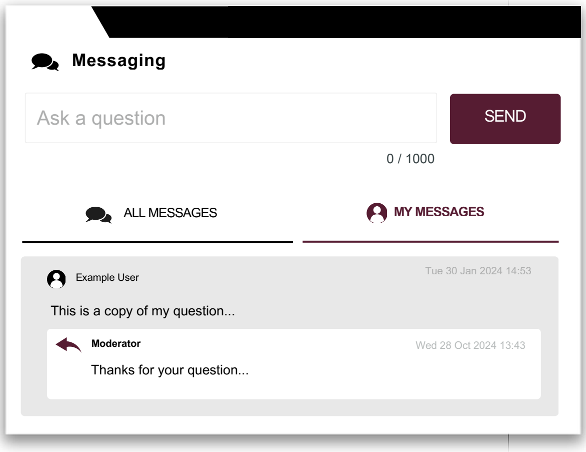
7 To ask a written question, tap on the messaging icon, type your question in the box at the top of the screen and press the send button SEND.

Confirmation that your message has been received will appear.



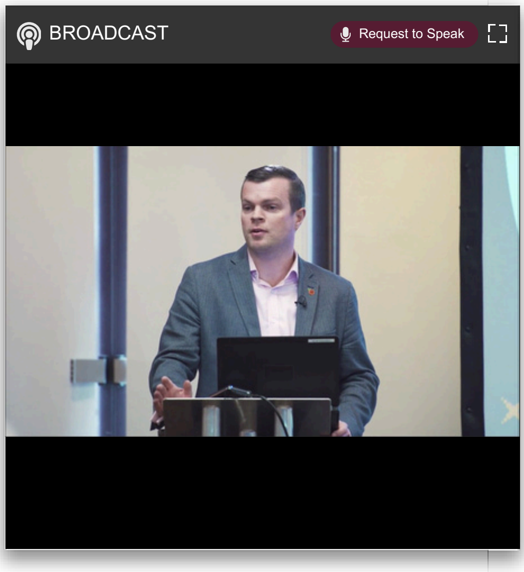
8 Questions sent via the Lumi platform may be moderated before being sent to the Chair. This is to avoid repetition and remove any inappropriate language.

A copy of your sent questions, along with any written responses, can be viewed by selecting "MY MESSAGES".



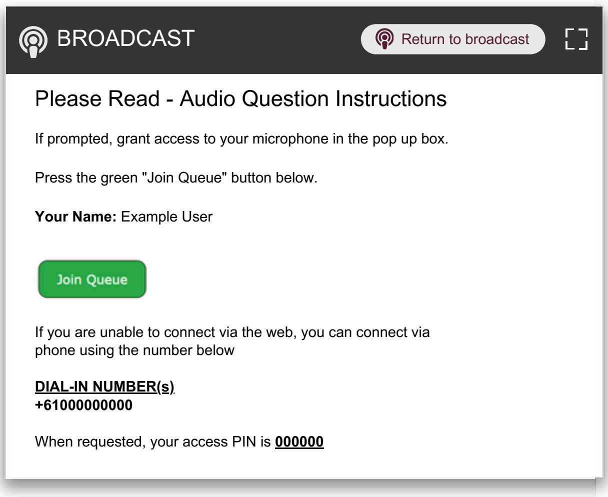
Audio Questions

9 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
AFG	Afghanistan
AGO	Angola
AIA	Anguilla
ALA	Aland Islands
ALB	Albania
AND	Andorra
ANT	Netherlands Antilles
ARE	United Arab Emirates
ARG	Argentina
ARM	Armenia
ASM	American Samoa
ATA	Antarctica
ATF	French Southern
ATG	Antigua & Barbuda
AUS	Australia
AUT	Austria
AZE	Azerbaijan
BDI	Burundi
BEL	Belgium
BEN	Benin
BFA	Burkina Faso
BGD	Bangladesh
BGR	Bulgaria
BHR	Bahrain
BHS	Bahamas
BIH	Bosnia & Herzegovina
BLM	St Barthelemy
BLR	Belarus
BLZ	Belize
BMU	Bermuda
BOL	Bolivia
BRA	Brazil
BRB	Barbados
BRN	Brunei Darussalam
BTN	Bhutan
BUR	Burma
BVT	Bouvet Island
BWA	Botswana
CAF	Central African Republic
CAN	Canada
CCK	Cocos (Keeling) Islands
CHE	Switzerland
CHL	Chile
CHN	China
CIV	Cote D'ivoire
CMR	Cameroon
COD	Democratic Republic of Congo
COK	Cook Islands
COL	Colombia
COM	Comoros
CPV	Cape Verde
CRI	Costa Rica
CUB	Cuba
CYM	Cayman Islands
CYP	Cyprus
CXR	Christmas Island
CZE	Czech Republic
DEU	Germany
DJI	Djibouti
DMA	Dominica
DNK	Denmark
DOM	Dominican Republic
DZA	Algeria
ECU	Ecuador
EGY	Egypt
ERI	Eritrea
ESH	Western Sahara
ESP	Spain
EST	Estonia
ETH	Ethiopia
FIN	Finland
FJI	Fiji
FLK	Falkland Islands (Malvinas)
FRA	France
FRO	Faroe Islands
FSM	Micronesia
GAB	Gabon
GBR	United Kingdom
GEO	Georgia
GGY	Guernsey
GHA	Ghana
GIB	Gibraltar
GIN	Guinea
GLP	Guadeloupe
GMB	Gambia
GNB	Guinea-Bissau
GNQ	Equatorial Guinea
GRC	Greece
GRD	Grenada
GRL	Greenland
GTM	Guatemala
GUF	French Guiana
GUM	Guam
GUY	Guyana
HKG	Hong Kong
HMD	Heard & McDonald Islands
HND	Honduras
HRV	Croatia
HTI	Haiti
HUN	Hungary
IDN	Indonesia
IMN	Isle Of Man
IND	India
IOT	British Indian Ocean Territory
IRL	Ireland
IRN	Iran Islamic Republic of
IRQ	Iraq
ISL	Iceland
ISM	British Isles
ISR	Israel
ITA	Italy
JAM	Jamaica
JEY	Jersey
JOR	Jordan
JPN	Japan
KAZ	Kazakhstan
KEN	Kenya
KGZ	Kyrgyzstan
KHM	Cambodia
KIR	Kiribati
KNA	St Kitts And Nevis
KOR	South Korea
KWT	Kuwait
LAO	Lao Pdr
LBN	Lebanon
LBR	Liberia
LBY	Libyan Arab Jamahiriya
LCA	St Lucia
LIE	Liechtenstein
LKA	Sri Lanka
LSO	Kingdom of Lesotho
LTU	Lithuania
LUX	Luxembourg
LVA	Latvia
MAC	Macao
MAF	St Martin
MAR	Morocco
MCO	Monaco
MDA	Republic Of Moldova
MDG	Madagascar
MDV	Maldives
MEX	Mexico
MHL	Marshall Islands
MKD	Macedonia Former Yugoslav Rep
MLI	Mali
MLT	Malta
MMR	Myanmar
MNE	Montenegro
MNG	Mongolia
MNP	Northern Mariana Islands
MOZ	Mozambique
MRT	Mauritania
MSR	Montserra
MTQ	Martinique
MUS	Mauritius
MWI	Malawi
MYS	Malaysia
MYT	Mayotte
NAM	Namibia
NCL	New Caledonia
NER	Niger
NFK	Norfolk Island
NGA	Nigeri
NIC	Nicaragua
NIU	Niue
NLD	Netherlands
NOR	Norway
NPL	Nepal
NRU	Nauru
NZL	New Zealand
OMN	Oman
PAK	Pakistan
PAN	Panama
PCN	Pitcairn Islands
PER	Peru
PHL	Philippines
PLW	Palau
PNG	Papua New Guinea
POL	Poland
PRI	Puerto Rico
PRK	North Korea
PRT	Portugal
PRY	Paraguay
PSE	Palestinian Territory
PYF	French Polynesia
QAT	Qatar
REU	Reunion
ROU	Romania Federation
RUS	Russia
RWA	Rwanda
SAU	Saudi Arabia
SDN	Sudan
SEN	Senegal
SGP	Singapore
SGS	Sth Georgia & Sandwich Isl
SHN	St Helena
SJM	Svalbard & Jan Mayen
SLB	Soloman Islands
SCG	Serbia & Outlying
SLE	Sierra Leone
SLV	El Salvador
SMR	San Marino
SOM	Somalia
SPM	St Pierre and Miqueion
SRB	Serbia
STP	Sao Tome and Principle
SUR	Suriname
SVK	Slovakia
SVN	Slovenia
SWE	Sweden
SWZ	Swaziland
SYC	Seychelles
SYR	Syrian Arab Republic
TCA	Turks & Caicos
TCD	Chad
TGO	Congo
THA	Thailand
TJK	Tajikistan
TKL	Tokelau
TKM	Turkmenistan
TLS	East Timor Republic
TMP	East Timor
TON	Tonga
TTO	Trinidad & Tobago
TUN	Tunisia
TUR	Turkey
TUV	Tuvalu
TWN	Taiwan
TZA	Tanzania
UGA	Uganda
UKR	Ukraine
UMI	United States Minor Outlying
URY	Uruguay
USA	United States of America
UZE	Uzbekistan
VNM	Vietnam
VUT	Vanuatu
WLF	Wallis & Fortuna
WSM	Samoa
YEM	Yemen
YMD	Yemen Democratic
YUG	Yugoslavia Socialist Fed Rep
ZAF	South Africa
ZAR	Zaire
ZMB	Zambia
ZIM	Zimbabwe

Need help?

If you require any help using this system prior to or during the meeting, please call +61 2 8075 0100 so we can assist you.