18 August 2022

ASX Market Announcements Office
Australian Securities Exchange
Exchange Centre
20 Bridge Street,
Sydney NSW 2000

2022 ANNUAL REPORT

Attached for release is the Blackmores Limited Annual Report for the year ended 30 June 2022.

Further information on Blackmores can be found at www.blackmores.com.au.

This announcement was authorised for release by the Board of Directors.

Helen Mediati
Group General Counsel & Company Secretary
Blackmores Limited

Blackmores Ltd
ABN 35 009 713 437
20 Jubilee Ave (PO Box 1725)
Warriewood NSW 2102, AUSTRALIA
P +61 2 9910 5000
F +61 2 9910 5555
Naturopathic Advisory Service
1800 803 760

BLACKMORES GROUP

ANNUAL REPORT 2022

90 YEARS OF NATURAL HEALTH

IN LOVING *memory*

'Sister' Esther Mercie Whellan 1920-2022

Born in Rockhampton in 1920, a young Mercie Whellan was inspired to study nursing after watching her mother's battle with arthritis. Mercie first met Blackmores' founder Maurice Blackmore, the father of Naturopathy in Australia in 1946, when he treated her mother with natural remedies. With her mother's health having improved, Mercie began working for Maurice in Brisbane a year later, marking the beginning of her Blackmores journey.

Mercie was known as the welcoming and reassuring front-office face in Maurice Blackmore's Brisbane clinic. Dressed in her nursing sister's uniform, Mercie met with patients to identify symptoms and support Maurice to determine the best treatment. Mercie travelled with Maurice throughout Queensland to spread the word to country practitioners on the benefits of naturopathy.

When Maurice established a national naturopathic association, Mercie was appointed Treasurer. When he realised his dream of opening the Australian Naturopathic College in the 1950s, Mercie became a star pupil. Now a fully-fledged nurse and naturopath, Mercie was appointed a Company Director in 1962 and as a trailblazer for women eventually became the Chairman of the Blackmores Board.

Mercie subsequently moved to Sydney and took on the role of General Manager, overseeing day-to-day operations of the growing company. Affectionately known as Sister Whellan, Mercie served as General Manager of Blackmores until she retired from day-to-day operations in 1982. More than a manager, Mercie was a company trouble-shooter, thanks to her unparalleled knowledge of both the company and its products.

Continuing to serve as a Company Director until the age of 72, Mercie retired in 1994, and kept in touch with friends and employees at Blackmores throughout her retirement.

Merice is etched in our history for her professionalism, innovative spirit, loyalty and humanity and will be fondly remembered by all Blackmores people, past and present.

The Board, Management Team and employees of Blackmores Group.

Acknowledgement of Country
Blackmores acknowledges, and pays respect to, the past, present and future Traditional Owners of the lands throughout Australia and extends this acknowledgement and respect to First Nations people in all countries in which we operate. In Australia, we honour the continuing culture of the Aboriginal and Torres Strait Islander people who contribute to the strength and capacity of our company, and their custodianship of the natural resources on which we rely. As a company, we undertake to manage the lands that we work on, and the resources that we rely on, in all respects.

Contents

01	**Year in Review**	**12**
	Chair's Message	14
	CEO's Message	16
02	**Growth Strategy**	**18**
	Ignite for 2024	20
	Growing our Brands	26
	Research and Education	30
03	**Company Leadership**	**34**
	Board of Directors	36
	Executive Team	38
04	**Operating & Financial Review**	**40**
	Group and Divisional Financial Results	42
	Operating Review	44
	Corporate Governance	46
	Group Risks	48
	Health and Safety	54
05	**Citizenship & Sustainability**	**56**
	Our People	58
	Sustainability	60
	Caring for our Communities	64
06	**Financial Report**	**66**
	Directors' Report	68
07	**Remuneration Report**	**72**
08	**Financial Statements**	**98**

Blackmores Limited Annual General Meeting

Blackmores Limited Annual General Meeting will be held on Thursday 20 October 2022 at 2pm AEDT at Blackmores Campus, 20 Jubilee Avenue, Warriewood, NSW 2102

ACN 009 713 437
ASX: BKL

20 Jubilee Avenue
Warriewood NSW 2102
Australia

P: +61 2 9910 5000
IR@blackmores.com.au
blackmores.com.au

SBN/ISSN

Blackmores was founded to give people the choice to take control of their health and wellbeing through the power of nature. Our purpose remains as it did in 1932, when visionary naturopath Maurice Blackmore combined nature and science to deliver quality health solutions.

PURPOSE-LED, PERFORMANCE *driven* FOR THE PAST 90 YEARS

About

Blackmores Group employs over 1,200 people.

Our purpose

To give people a choice to make living well each day a natural way of life.

Our mission

Combine our knowledge of nature and science to deliver quality solutions to bring wellness to people and their pets everywhere, every day.

Our vision

To connect every person on earth to the healing power of nature.

Our values

Known as our PIRLS, they are both behavioural and aspirational, underpinning our work practices and decisions and supported by our governance framework.

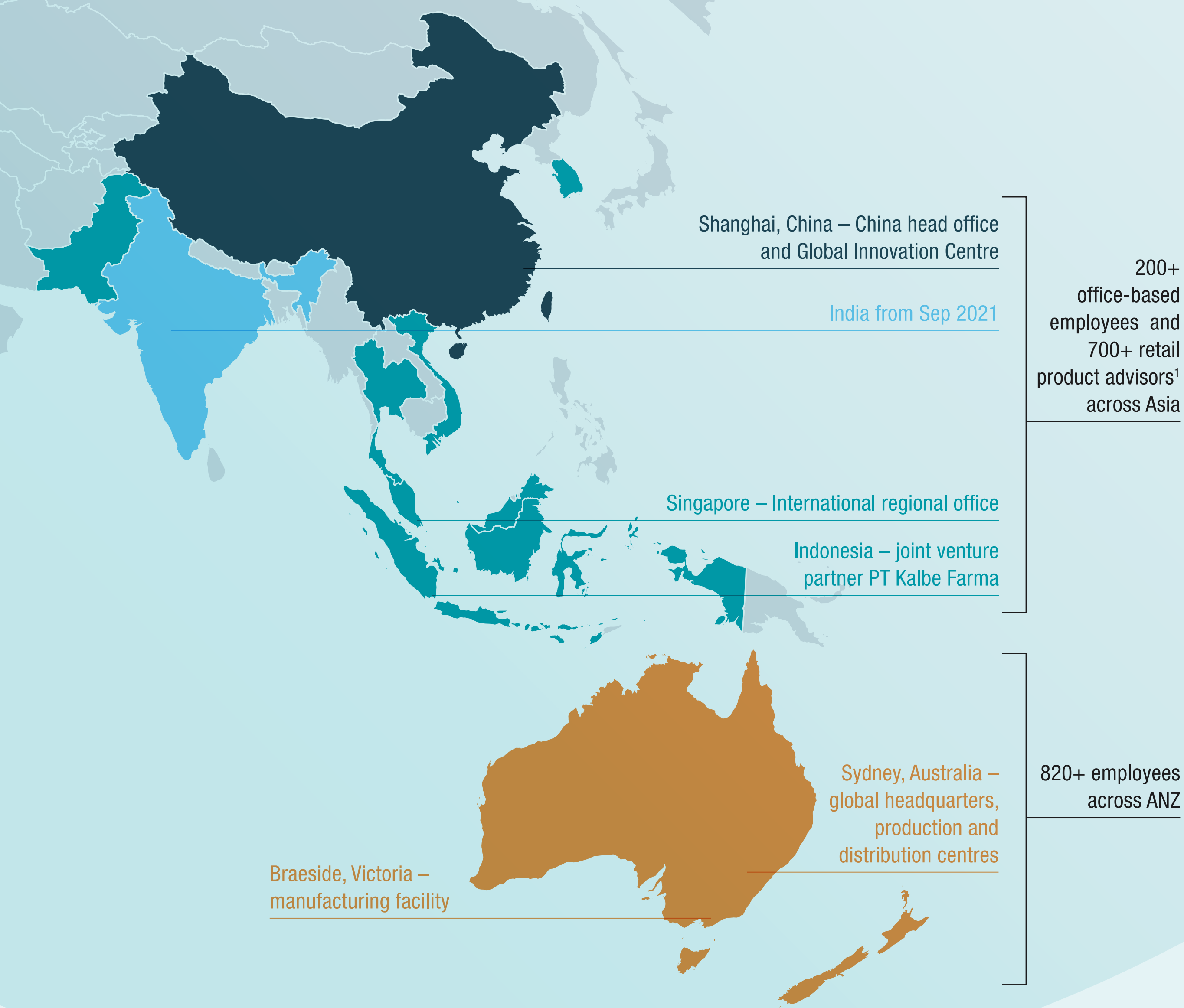
- Passion for Natural Health
- Integrity
- Respect
- Leadership
- Social Responsibility

Our brands

Our research and education centre

Our global *footprint*

access to 3 billion consumers across Asia-Pacific



1 This includes 500+ retail product advisors managed by third parties and 180+ retail product advisors who are Blackmores' employees.

2. Our workforce includes all permanent full-time and part-time employees inclusive of the Executive team and 180 retail product advisors who are Blackmores' employees. Does not include retail product advisors, managed by third parties.

3
Australia based facilities – manufacturing, packing and distribution

1,200+
employees[2]

13
markets reached

33K+
global points of distribution

40+
years proudly in Asia

The Blackmores story

Maurice Blackmore's belief in the health-giving properties of herbs and minerals led him to develop a whole system of healthcare based on naturopathic principles. Maurice Blackmore's son, Marcus, took the reins of the business in 1975 and furthered the vision established by his father. Today, Blackmores and its people look to its future paying homage to 90 years of leadership in natural health.

1930

Maurice Blackmore starts his naturopathic education and business journey

1932 opens his first health food store in Brisbane and explores herbal remedies which he referred to as 'Celloid' mineral therapy

1934 establishes first naturopathic training college in Australia

1940

Maurice continues to lead development of training and tools

1945 opens part-time country clinics to train practitioners

1947 publishes Queensland's first health magazine, *The Herald of Health*

1950

Maurice expands his education and industry footprint across the nation

1952 launches *The Naturopathic Chronicle*, Australia's first health newspaper

1954 establishes The Australian National Naturopathic Association

1955 Maurice Blackmore had almost 8,000 testimonials for naturopathic cures, with many published in *Writing a Wrong*

1960

The Blackmores business continues to grow

1962 The National Association of Naturopaths, Osteopaths and Chiropractors (NANOC) was formed with Maurice Blackmore as President

1966 Maurice Blackmore rehabilitates run-down animals with Celloid mineral nutrients and turns the horses into champions

1970

Marcus Blackmore becomes Managing Director following his father's retirement

1976 expansion to Singapore and Malaysia and launch of *Nature and Health Journal*

1978 Australian first launch of 'cruelty-free' skin and hair care products

1979 first company to launch high potency sustained release vitamins

1980

Blackmores experiences a decade of change as Marcus drives expansion and advocacy

1983 establishes the Maurice Blackmore Research Foundation

1985 Blackmores Laboratories Pty Limited floats on the ASX

1985 Blackmores Naturopathic Advisory Service launched

1988 sponsors Kay Cottee's non-stop unassisted solo voyage around the world sailing the *Blackmores First Lady*

1989 the newly named Blackmores Limited launches in Thailand

90

Decades of commitment pay off through consumer trust and award-winning performance

2000 recognised as Australia's Most Trusted Vitamin and Supplement Brand

2001 website recognised in top 10 Australian health sites

2004 acquires naming rights for the Sydney Marathon Festival. The Blackmores Sydney Running Festival raises millions for charity each year

2008 opens Blackmores Warriewood Campus and Production Headquarters

2000

Blackmores proves resilient and continues growth

2020 commitment to net zero by 2030 made as part of our sustainability strategy

2020 acquisition of Braeside manufacturing completed (formerly Catalent)

2021 Divestment of Global Therapeutics (Fusion and Oriental Botanicals)

2021 launches in India

2021 (B) More personalised online shopping is launched

2021 Good Health Changes Everything Campaign launched

2020

2022 certified by the Workplace Gender Equality Agency (WGEA)

2022 robotic automation installed in Braeside manufacturing

2022 commenced rollout of Halal certified range of products

2022 first ever TV campaign for PAW by Blackmores launches

2022 manufactured over 2.3 billion doses in our Braeside plant

2022 celebrates 90 years

2022

1990

Expansion continues into new markets, and environment policies come to the forefront

1991 launches *Living Naturally* quarterly magazine

1991 Marcus Blackmore launches Freedom for Health campaign to protect access to complementary medicines

1995 Blackmores forms an Environment Committee to ensure the Company stays at the forefront of environmental issues

1996 launches website with product and ingredient information

2010

Blackmores launches new services and establishes itself as a research and development leader

2012 Blackmores Institute established as a centre of research excellence

2013 honoured by the Heart Research Institute for 20-year support and its role in raising $7m for the Heart Research Institute

2015 signs a joint venture with Kalbe Farma, to facilitate entry into Indonesia

2017 Blackmores and Blackmores Foundation gift a combined $10m to advance research and education at the National Institute of Complementary Medicine (NICM) at Western Sydney University

2018 opens Bungarribee Distribution Centre in Western Sydney

2019 Blackmores Institute publishes *Sustainable Nutrition*

Group Financial Snapshot FY22

$649.5m
Group Revenue

↑ 12.8%[1]

$31.1m
Underlying NPAT

↑ 22.6%

$56.6m
Underlying EBIT

↑ 19.0%

53.4%
Gross Margin

↑ 110bps

95 cents[2]
Full year dividend fully franked per share

1. 12.9% in constant currency.
2. Full year dividend includes final dividend of 32 cents per share (fully franked) combined with interim dividend of 63 cents per share (fully franked).
3. 31.2% in constant currency.

$82.2m
Group net cash
17.2%

$288.2m
ANZ Revenue
2.7%

$215.7m
International Revenue
31.8%[3]

$145.6m
China Revenue
10.6%

29%
Group sales from e-commerce

$17.0m
Annualised gross savings through Leading Value Position (LVP) and OPEX

FY 22 Company *highlights*

Consumer and Brand

Blackmores #1

in market leadership in Australia[1] and Thailand[2]

BioCeuticals #1

leading practitioner brand in pharmacy in Australia[3]

+520 million

consumers reached[4]

Operations

2.3 billion

tablets and capsules produced at Braeside in FY22

42.8 million

units bottled at Warriewood

5,500

average orders processed per week at our Bungarribee Distribution Centre

A year of action, progress, and connecting people to the healing power of nature.

Research and Education

204,000

unique educational touchpoints

#2

in Advantage Survey for pharmacy retail education

40+

research projects and clinical trials

Sustainability

4.1% ↓

Group carbon emissions reduction

Nature Positive

Developed a nature risk assessment methodology aligned to global best practice

64% ↑

waste diverted from landfill, up from 48% in previous year

1. Nielsen AU Pharmacy + Grocery FYTD 2/7/22 Domestic (Retail and Practitioner).
2. IQVIA (Thailand), March 2022.
3. Nielsen AU Pharmacy + Grocery FYTD 2/7/22 Practitioner sales only.
4. Kantar Research, Awareness and Multimarket Tracker, Blackmores, June 2022.

GOOD HEALTH CHANGES EVERYTHING

01

Year in Review

STRONG FOUNDATIONS FOR SUSTAINABLE, PROFITABLE *growth*

Chair's Message

Our company celebrates its 90th anniversary this year. From its early origins, founded by Maurice Blackmore in 1932 in Brisbane, Queensland, it is incredible to reflect on the journey which has created and transformed this business into an iconic Australian company with unrivalled heritage and expertise in natural health, operating in thirteen markets. We are immensely proud of our significant milestone as we reflect on what we have achieved and as we continue to further advance the opportunities and long-term potential of this great Australian company.

We continue to live and operate in uncertain times, with the COVID-19 pandemic continuing to test the broader economic outlook as well as the way we consider the value of health. This past year has provided its fair share of challenges. Earlier this year, we faced devastating floods in northern NSW and south-east Queensland, where the local communities continue to rebuild their lives. The protracted conflict in Ukraine is having a terrible impact on millions of people and causing uncertainty in world equity markets, a result of uncertainty linked to rising inflation. Throughout these challenges, the Blackmores team has supported and cared for our stakeholders and each other, and that makes me immensely proud. The Board acknowledges and thanks the extraordinary commitment of our people, our customers and the communities we serve, who have shown great resilience and adaptability over the past twelve months.

Despite these challenges, this past year saw us further advance key initiatives from our growth strategy to deliver strong results in FY22. We finished the year with Revenue and net profit after tax ahead of FY21. These consistent results are due to a relentless focus on delivering against our key strategic priorities. As we manage risk, it is even clearer that driving growth in targeted segments and markets, continuing to simplify our business, improving our supply chain and focussing on key investments in strategic priorities will drive the long-term health of the business.

Building resilience through diverse experiences and perspectives

Over the past twelve months there has been a great amount of positive change at Blackmores.

At last year's AGM, shareholders appointed all current Directors which has added significantly to the depth and breadth of skills and experience to the Board.

Throughout the past year, the Directors have provided great diversity of perspectives, strong focus, guidance and direction to our management team who have benefited from the shared experience to support them in their delivery of Blackmores' transformation and strategic goals.

In September 2021, we announced the appointments of Erica Mann and Stephen Roche to the Blackmores' Board. Erica brings significant expertise and understanding of complementary medicines. She has deep global perspective in over-the-counter healthcare products and has worked in leadership roles in organisations at the forefront of health technology trends and has navigated highly regulated, complex, multi-channel and multi-product environments globally. Stephen has extensive ASX-listed experience, as both a Director and as a CEO. He brings over 20 years of expertise in pharmacy, manufacturing operations and complex supply chains to the Blackmores' Board. Both Erica and Stephen have already made a valuable contribution to the Board since their appointments.

I would like to take the opportunity to thank David Ansell who resigned from the Blackmores' Board. David has served as a Director since 22 October 2013 and has served on all Committees, most recently as Chair of the People and Remuneration Committee. Over his 9-year tenure, David has made a significant contribution to Blackmores which included expansion into Asia, joint venture with Kalbe Farma in Indonesia and acquisition of the Braeside manufacturing facility. We wish David all the best for the future.

Deepening our accountability for a world where people and nature thrive together

This year Blackmores signed up to its first sustainability-linked loan deepening our commitment to achieve emissions reduction targets (including scope one, scope two and measured scope three emissions), as well as meeting milestones to progress an ethical supply chain.

In 2020 Blackmores committed to reaching net zero emissions by 2030 and take steps to decarbonise our operations.

We have made strong progress on these commitments in the past year reducing total emissions by a further 4.1% and improving waste diversion from landfill from 48% to 64% in the period. Equally important is our focus on an ethical supply chain, where we have introduced measures to address the risk of exploitation, including and acting on findings from independent third-party audits. I would like to acknowledge Alastair's leadership and commitment to the Company's ESG efforts, which include his appointment as a member of the Climate Leaders Coalition in 2022, alongside more than 40 other Australian CEOs. Our progress on these matters will be detailed in the 2022 Sustainability Report, which will be published in September.

Pleasingly, Blackmores was named an Employer of Choice for Gender Equality (EOCGE) by the Australian Government's Workplace Gender Equality Agency. The EOCGE citation for Blackmores recognises the work undertaken to achieve pay parity. Female representation in leadership comprises 67% of women on our Board, 47% of women in senior executive positions and 54% of women in senior management positions. We continue to support all staff through our gender-equal parental leave and domestic violence policies and flexible working 'FlexFit' philosophy which encourages a family friendly and flexible workplace.

Dividend

Our improved financial results for FY22, together with Blackmores' continued strong capital position, enabled the Board to declare a fully franked final dividend of 32 cents per share bringing the full year dividend to 95 cents per share fully franked, up 33.8% on the prior year. The Company's Dividend Reinvestment Plan (DRP) remains active.

The current discount applying to shares issued under the plan is 2.5%. The Board continues to regularly review capital management alternatives and capital management options are considered against our other investment initiatives including working capital requirements for our fast growth markets and multi-year investments required in technology and digital.

Confidence in the future

I continue to have great confidence in our Company's future, and our strong brands and products which enable our consumers to take control of their health and wellbeing.

In 2022, we achieved strong results through a volatile environment and remain focused on supporting management as they oversee the Company's transformation program focused on delivery of the Ignite for Growth FY24 objectives.

On behalf of the Board, I extend my thanks to all our people who have built the Company and made it what it is today, and to our loyal customers and suppliers and shareholders for your continued support. We are excited about what can be achieved in the coming year and look forward to the possibilities ahead.

In good health always,

Anne Templeman-Jones
Chair, Blackmores Limited
Sydney, Australia

18 August 2022

CEO's Message

We made great progress in our transformation in FY22 with all three brands and all markets in growth for the first time in four years. These results were achieved while continuing to face volatility and disruption caused by floods in Australia, lockdowns in China and rising inflationary pressure.

Our strategy to simplify operations while targeting our investments in growth segments and markets has delivered improved performance in FY22. Momentum continues to build behind product innovation and increased levels of advertising, combined with expansion of distribution across Asia.

Financial year 2022 results

I am pleased to report that for the period ending June 30, 2022, Blackmores Group revenue was up 12.8% to $649.5m and underlying EBIT up 19% to $56.6m. We continue to drive important programs linked to portfolio simplification, continuous improvement in our make and bottling plants, as well as increased productivity enabled by investments in technology, digital and process reengineering.

In ANZ revenue was up 2.7% (excluding the impact of minor sales from contract manufactured products from Braeside, ANZ revenue increased 3.4% compared to the prior year) vs prior corresponding period (pcp) to $288.2m with Underlying EBIT up 7.0% vs pcp to $43.1m. The results signal a return to growth equal to or ahead of the market, despite disruptions caused by lockdowns in the first half, flooding in the second half of the year and ongoing global supply chain issues.

In our International segment, revenue was up 31.8% to $215.7m and Underlying EBIT was up 43.9% to $29.8m. The strong result was driven by focused operational execution supported by new product launches, distribution expansion and sustained on-shelf availability. All this while remaining agile and focused on customer service which translated into share gains in both COVID-19 surge and non-surge periods.

In FY22 China revenue was up 10.6% to $145.6m and Underlying EBIT was up 11.2% to $16.0m. This result was despite a very difficult second half, navigating extensive lockdowns across China and closure of many ports and distribution centres. In the important 618 e-commerce sales event in June 2022, Blackmores once again secured a spot in the top 4 VDS health brands on the China platforms and was able to acquire more customers than the same event the year before.

The Blackmores Group as of 30 June 2022 generated strong operating cashflow, before interest and tax of $55.0m which was lower than the prior year. We made the conscious decision to increase our finished goods inventory to improve customer service and limit out-of-stocks and to support our growth in international markets as they experienced surges brought about by the COVID-19 pandemic. Blackmores Group finished the year with a consolidated net cash position of $82.2m compared to $70.1m net cash as at 30 June 2021.

progress

Investing for efficiencies and growth

The Group's capital expenditure program in FY22 focused on efficiency and production capabilities at our Braeside factory,cyber security, cloud-based planning tools to ensure we remain agile and responsive both in terms of demand and supply, plus work health and safety initiatives.

Capital expenditure (CAPEX) along with other investing activities, was $10.7m in FY22 compared to $18.4m for the prior year. The reduction is primarily due to $9.3m of cloud computing expenditure being accounted for within OPEX.

Purpose-led and performance driven

The importance of having a choice to make living well a natural part of life, alongside an even greater need for equality and diversity is no more important than it is right now. Our employees tell us that connection to Blackmores' purpose and values drives a deeper desire for their performance. Above all, this year has strengthened our resolve to being a global leader in sustainable business practice. The past 12 months delivered the highest revenue growth and margins since our turnaround commenced in 2020, despite the ongoing significant market disruption that has impacted our industry and our peers. This demonstrates that the purpose-led, future-fit business model that we are building delivers profitable and sustainable growth.

Healthy Planet, Healthy People is our sustainability program which recognises that we have both an impact and a dependency on nature. In FY22, we set sustainability linked loans in place for 50% of our banking facilities. Our key sustainability targets are linked to the interest we pay on these loans, which holds us to account, provides a good incentive to deliver the targets and is also tied to a real financial outcome. We already have 50% of our Warriewood Campus using renewable electricity and we have plans to transition all Australian facilities to 100% renewable electricity in the next 2 years.

The resilience of our customers, our suppliers and our people

I want to recognise our customers and employees who have all remained resilient through rolling lockdowns which have occurred across all the cities and provinces that we serve across the Indo-Pacific. I also want to thank our shareholders for their ongoing support and confidence in our team.

We are all excited about what can be achieved in FY23 as we continue to build on the foundations that have been put into place over the past 2 years. Our success is predicated on the strength of our customer relationships, the resilience of our people and the culture we continue to advance, and our focus on simplifying the business as we digitise our operations and better serve the communities in which we operate.

Personally, it is a privilege to be entrusted with leading this great Australian health company and I am excited about the leadership role that Blackmores continues to play in an ever-changing health landscape.

Alastair Symington
Group CEO and Managing Director,
Blackmores Limited

GOOD HEALTH CHANGES EVERYTHING

02

Growth Strategy

focused

ON 3 CORE BRANDS, KEY MARKETS, AND 5 CONSUMER GROWTH PILLARS

Ignite for *growth* strategy

Our winning ambition

To connect 1 billion people to the healing power of nature by 2025

Our strengths

Our goals

01

Consumers

Most loved health brand

02

Growth

Consumption > market

03

Our People

#1 industry employer

04

Sustainability

Net zero emission by 2030

05

Value

Shareholder return > market

06

Health Leadership

Ranked #1 thought leader in Natural Health

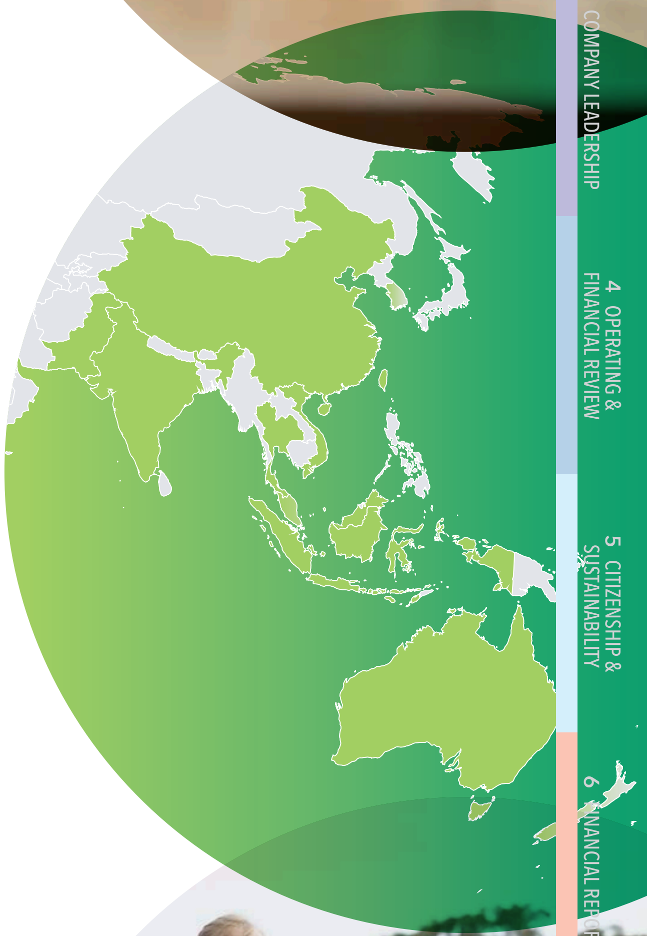
Our 3 core brands

Blackmores
BioCeuticals
PAW

BLACKMORES® BioCeuticals paw PURE ANIMAL WELLBEING by BLACKMORES

Our focus markets

Australia
China
South East Asia
India



5 consumer growth pillars

Move
Modern Parenting
Everyday Mental Wellbeing
CORE
Pet Health

Ivan Dretvic, Head of IT Architecture, with his family.

FY22 strategic highlights

Delivering against our strategic pillars and positioning Blackmores for sustainable future growth.

01 Drive growth in targeted segments and markets

Accelerated growth in our targeted segments and market

02 Simplify our operations and reduce cost

Strong operational improvements through COVID-19 volatility

03 Strengthen our supply chain

Continued investment in efficiency and automation

04 Ignite the Australian Vitamin and Dietary Supplements (VDS) opportunity

Invested in ANZ to position for market recovery

05 Transform digital commerce and operations

Continued disciplined investment in digital capability

FY22 SUMMARY

achievements

FY22 STRATEGIC ACHIEVEMENTS

- Halal certified products phase 1 rollout in Indonesia and Malaysia
- India market launch in September 2021
- Strong revenue growth in key markets of Indonesia and Thailand
- Strong performance in China Double 11 and 618 shopping festivals and strengthened brand awareness
- Delivered our biggest product innovation year in recent history with more than $50m in net sales

- Completed a sales force and marketing redesign
- Delivered procurement savings and COGS reduction
- Portfolio optimisation plan delivered
- Commenced enterprise wide process redesign

- Braeside manufacturing increased output and efficiency
- Improved packing capacity and efficiency at Warriewood
- Invested in manufacturing automation delivering efficiency and safety improvements

- Renewed focus on advertising and promotion (A&P) with the launch of 3 new brand campaigns (Blackmores, BioCeuticals, PAW)
- Improvement in Blackmores brand health measures
- Customer collaboration and execution of Joint Business Partnerships (JBP)

- Improved Integrated Business Planning (IBP) with cloud -based planning system – allowing us to serve our customers better today and in the future
- Completed rollout of Oracle cloud-based Enterprise Resource Planning (ERP) in Asia
- Expanded e-commerce presence on key platforms

Delivered annualised gross savings of $17m in FY22

Our strategic goals

Blackmores' transformation aims to deliver key strategic goals by 2025.

FY24 STRATEGIC GOALS

01 Drive growth in targeted segments and markets

To reach 1 billion people by 2025.

International + China to contribute >60% sales and fully operational in India and Vietnam.

02 Simplify our operations and reduce cost

Ongoing portfolio optimisation towards more productive SKUs.

$55m in gross annualised OPEX and COGS savings by FY23.

03 Strengthen our supply chain

Futureproof supply chain, automation and continuous improvement at Braeside plant.

04 Ignite the Australian Vitamin and Dietary Supplements (VDS) opportunity

Deliver market-leading customer and practitioner experience.

05 Transform digital commerce and operations

Omni-channel excellence with e-commerce >40% of total group sales.

Micah Dizon,
Production Team Leader,
Warriewood Operations

Cheryl Griffin,
Brand Experience Manager,
ANZ Category team

Growing our Brands

Consumer Focused Product Innovation

Our Innovation Journey

Blackmores has a clear innovation strategy that is fuelled by consumer and practitioner insights and focused on our 5 consumer growth pillars in targeted segments.

Robust consumer-centric research and planning has led to the development of a 3-year innovation pipeline for Blackmores Group. The pipeline will help drive sustainable growth by bringing new products to our markets. The first year of this pipeline was successfully launched in FY22 with the combined expertise of Product Development, Regulatory, Quality, Manufacturing, Marketing and Sales. This execution has delivered over $50m in sales across our 13 markets.

International

In FY22, our International business delivered a record number of new and existing product launches, contributing to strong net sales growth.

As part of our Cultural Customisation strategy we launched Blackmores Multivitamins + Vitality featuring hero ingredient Black Seed Oil. With Black Seed Oil a highly regarded ingredient in households across Asia, we delivered the product into Singapore, Taiwan, Korea and launched an Ultra Refined Blackseed Oil into Singapore and India.

In Thailand we launched our first in market broad-spectrum probiotic with five strains. Designed for local conditions the product is shelf stable and does not require refrigeration.

We continued to use consumer insights to guide our pack choices, including naming conventions and pack sizes, ensuring we have the right products, in the right channel, at the right price.

China

Our Global Innovation centre in Shanghai prioritised Multi-Action Joint Ease to meet the consumer need for relieving joint pain during and after exercise. The product has had a very positive consumer uptake, overachieving on targets and paving the way for a broader rollout across Chinese retailers.

Australia

Innovation in this key market was largely focused on immunity products in response to the second year of the pandemic.

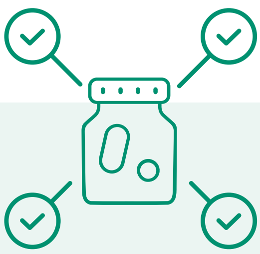
Blackmores Bio C® + Cold Fighter was developed to give consumers a boost of vitamin C and Andrographis to relieve 6 common cold symptoms.

Blackmores Daily Immune Action is a convenient one-a-day tablet formulated with a daily blend of vitamin C, vitamin D, Zinc and Elderberry for year-round immune health support.

BioCeuticals expanded our ArmaForce® range to include ArmaForce® Recover and ArmaForce® Daily Protect. ArmaForce® grew +23.7% across the range and the BioCeuticals brand performed strongly.

Pet Health

Our pet health brand PAW launched Liver Hepato, an antioxidant liver therapy for cats and dogs, in May 2022 as part of their clinical range available in veterinary clinics. This year PAW also underwent a label refresh bringing a new and updated look and feel to the brand, delivering an improved consumer shopping experience both instore and online.



We have connected with over 25,000 consumers and healthcare professionals, and over 4,000 pet owners for insights to inform our innovation strategy.

Growing our Brands

Inspiring Brand Communication

Blackmores Group increased investments in our 3 power brands with highly engaging and effective new campaigns and strong media support for Blackmores, PAW and BioCeuticals.

Bold communication platforms and engaging creatives, executed consistently across channels, have maximised our consumer reach to unlock the potential of our brands. A step change in our approach to digital has supercharged the impact of these campaigns by delighting our consumers and practitioners across every touchpoint.

Blackmores 'Good Health Changes Everything'

This campaign is based on the universal insight that good health is at the heart of everything we value. It captures the transformative power of good health and wellbeing – physically, mentally and emotionally.

Every month from February 2022, we reached 8 million+ Australians aged over 18 with this powerful message. Our campaign for BioC® 1000 builds off this base campaign with an immunity focused creative communication idea of protecting your unmissable moments.

BioCeuticals 'Arma Yourself'

BioCeuticals set out to inspire consumers to strengthen their immune health with its first-ever online and offline shopper campaign for ArmaForce® 'Arma Yourself' connects our consumers and practitioners with the range to prepare for winter with confidence and stay on their feet if a cold or flu hits. The campaign has cemented ArmaForce's position as the number 1 practitioner grade immune support supplement in Pharmacy[1] and has reached over 1 million Australians since the May 2022 campaign launch.

1. IQVIA Total VMS Pharmacy Scan Sales MAT 23/07/22.

PAW 'More Than Human'

The PAW campaign was based on insights that we treat our pets like family, yet we don't understand their health needs in the same way. The campaign educates pet parents about the differences between pets and people, and showcases PAW as the leading provider of natural, vet-approved healthcare that can both prolong the onset of health conditions or manage them as they arise. The campaign launched with a focus on the category's behaviour segment – reaching 5.5 million pet owners in its first 3 months of airing.

Capability and Development

Blackmores invested in the development of our marketing capability with the second full year of Vitality Brand Masters – a global program designed to develop the skills, tools and capabilities of a world-class marketing organisation.

We introduced a Competency Framework to guide the development of critical skills, based on external benchmarking tailored to our business.

We are proud to be the only company in the Healthcare and Pharmaceutical industry, to have Vitality Brand Masters recognised by the Australian Marketing Institute (AMI). Through the AMI endorsement, Blackmores marketers receive points towards their Certified Practising Marketer (CPM) accreditation.


Protect your unmissable moments

Research and Education

The Blackmores Institute: Sharing knowledge, changing lives

The Blackmores Institute is the education, science communications and research arm of Blackmores Limited, driven by our vision to be the leading authority on natural health education and research.

We empower our people with the knowledge, confidence and skills, to recommend our products with ease. By supporting retailers, distributors, sales staff and healthcare professionals to make appropriate product recommendations, we contribute to consumer health – and to the overarching Blackmores ambition to bring the healing power of nature to 1 billion people.

Sound research conducted with a range of university research partners enables us to advance the science in our industry and to bring new evidence-based products to market.

A connected, global approach to education

Producing engaging science content and communication aligns with business needs to keep our brand top of mind and ensures healthcare professionals have access to evidence-based information and the know-how to put their new knowledge into practice.

Complementary Medicine Education (CMEd) program

Since CMEd was launched in 2018, over 2,000 pharmacists have received full CMEd accreditation. This highly respected course of approximately 25 hours duration is accredited by national pharmacy authorities and fills an important gap in pharmacist education as they receive little complementary medicine training in their under-graduate courses.

CMEd accreditation is designed to boost pharmacist knowledge of complementary medicine ingredients and common health conditions, and drive confidence in delivering personalised integrative healthcare in their stores.

Be Certified

Be Certified is an online retail product education program for retail pharmacists, pharmacy assistants and product advisors in both independent and banner group pharmacy chains. It highlights product benefits and features and how to communicate these with confidence to store customers and employees. The online course also provides unique micro-credentialling opportunities to learners, so they get rewarded for completing the courses. In FY22 this course successfully achieved over 55,000 completions.

BioCeuticals education

In FY22, we introduced several new online education solutions for BioCeuticals including Prescribing Solutions micro courses designed for pharmacists, and Clinical Mastery for healthcare practitioners. Both have been extremely successful achieving outstanding net-promoter-scores indicating a very high willingness to recommend the courses to others and strengthening BioCeuticals brand reputation.

The BioCeuticals Symposium is a flagship thought leadership event supporting healthcare practitioners to address chronic and complex health conditions. This year's virtual event theme, Enhancing Mental Wellbeing: Navigating Modern-Day Life, provided healthcare professionals with knowledge about key ingredients in our range which play an important role in helping patients improve their mental wellbeing.

Natural Health Simplified

Natural Health Simplified is a major online employee learning program, comprising short videos and quizzes about products in our ranges including the fundamental principles of naturopathy. By increasing the natural health literacy of our employees, we build their confidence and knowledge to better their own health and share with family, friends and communities.

BLACKMORES
INSTITUTE
RESEARCH | EDUCATION | INNOVATION

"Our passion for natural health, and changing the lives of global communities by improving health literacy and unlocking the healing power of nature, underpins our research and education programs and everything we do."

Dr Lesley Braun
Director, Blackmores Institute

Research and Education

Achievements in Research and Education

1. 40+ research projects and clinical trials tackling health conditions like pre-diabetes, vision issues and mental wellbeing.
2. Partnerships with over a dozen leading universities and academic institutions across Australia, Asia and Europe.
3. 204,921 unique touchpoints across all our online learning activities (up by 39% on last year).
4. 93,035 completions of our online and virtual education courses for healthcare practitioners, students and consumers (up by 89.3% on last year).
5. +71 average Net Promoter Score for all our Education training (above industry standards).
6. Ranked #2 in Advantage Survey for pharmacy retail education in Australia – higher than any other VDS or pharmaceutical company.
7. Blackmores Institute membership up 5% to 38,139 Healthcare Professionals (HCPs).
8. Exhibited at China's CIIE as part of Blackmores 'future clinic' and conducted 811 health checks.
9. Launched our first guidebook entitled Mental Wellbeing – The Essential Guide to Using Herbs and Nutritional Supplements. The book proposes a supportive model of care – the Mental Wellbeing (MWB) Spiral – and has been the subject of numerous keynote presentations, podcasts, articles and thought leadership, with the aim of supporting clinicians, patients and consumers to meet the significant mental health challenges in our communities.

Advancing the science of complementary and integrative medicine

Key research:

1. Clinical trials for pre-diabetes, with a large multi-centre study being conducted in Indonesia
2. Cognition – a double-blind study being completed in Australia
3. Vision – a first-of-its kind clinical trial conducted in China
4. Preconception pregnancy and foetal outcomes – launch of a major research report identifying possible new ingredients to support healthy development

Our best-in-class research programs and partnerships support a global knowledge base of complementary medicine.

Claire Briggs,
Senior Technical Manager
Blackmores Institute

GOOD HEALTH CHANGES EVERYTHING

03

Company Leadership

COMMITTED LEADERSHIP MAKING A *difference*

Board of Directors

Anne Templeman-Jones

BCOM, EMBA, MRM*, CA., FAICD

Chair and Independent Non-Executive Director

Appointed: 28 October 2020

Committees: People and Remuneration Committee, Audit Committee, Risk and Technology Committee, Nominations Committee

Anne brings insights and experiences from an extensive career in executive and non- Director roles covering financial and operational risk, compliance, regulatory, governance and strategy across industry sectors of banking and financial services including payments, health, engineering services in the energy chemicals and resource sectors, consumer goods and manufacturing.

During her 30-year executive career, Anne held a number of leadership positions in corporate and private banking with domestic and offshore banks.

Other current and former external appointments

Commonwealth Bank Limited and Group companies (2016 – current, Worley Limited (2017 – current), Cyber Security Research Centre Ltd (2018-current), Trifork AG (April 2022 – current) and a Director of New South Wales Treasury Corporation (2020 – current). Prior roles as a Non-Executive Director G.U.D. Limited (August 2015–31 August 2021), The Citadel Group Ltd (September 2017–May 2020).

1

2

3

4

5

6

1

Alastair Symington

BECON, PG DIP INTL BUS (MASTERS IN ASIAN STUDIES), MAICD

Chief Executive Officer and Managing Director

Appointed: 16 September 2019

Committees: People and Remuneration Committee, Risk and Technology Committee, Audit Committee

Alastair has more than 25 years of consumer goods experience in health and beauty across multiple geographies, spent 10 years with Nestlé and Gillette in Australia, before joining Procter & Gamble (P&G) in 2006. Alastair led global and regional teams, including as China Managing Director for Wella based in Shanghai followed by Vice President of Global Emerging Markets, based out of Switzerland.

Joining Coty as part of the merger between P&G specialty beauty brands and the former Coty company, had the responsibility as Senior Vice President of APAC, Latin America and the Middle East his covered a geographic zone of more than 80 markets, $1BN USD in revenue and 2500 employees.

2

Erica Mann

DIP. ANAL CHEM, DIP. MMKT. MGMT., GAICD

Independent Non-Executive Director

Appointed: 20 September 2021

Committees: Risk and Technology Committee

Erica has extensive C-Suite experience with a 30 year career across complex, highly regulated, multi-channel and multi-product environments. As President & Head of Bayer's Global Consumer Health Division Erica directed every aspect of one of the world's leading global consumer selfcare companies. Prior to joining Bayer, Erica was the Global President and General Manager of Pfizer (Wyeth) Nutrition.

Erica brings a strong understanding of complementary medicines, naturopathic principles and deep experience in over-the-counter therapeutic goods. Erica chaired the board of the World Self-Medication Industry, a body that sets standards and guidelines for the design and labelling of non-prescription medicines and dietary supplements and held executive positions on the boards of South African Pharmaceutical Manufacturers' Association, Medicines Australia and the International Association of Infant Food Manufacturers.

Other current and former external appointments

Currently Non-Executive Director of Kellogg Company (NYSE: K), Perrigo Company PLC (NYSE: PRGO) and Supervisory Board Member at Koninklijke DSM N.V (AMS: DSM). She recently completed Berkeley Law School's ESG certificate course. Fortune named Erica to the list of the 50 Most Powerful Women International in 2016 and 2017. Erica was also selected by Nelson Mandela to participate in the Trade Mission to the UK in 1996.

3

Stephen Roche

BBUS (FINANCE AND BANKING), FAICD

Independent Non-Executive Director

Appointed: 20 September 2021

Committees: Chair, People and Remuneration Committee from 12 April 2022, People and Remuneration Committee, Audit Committee, Nominations Committee

Stephen has extensive board and senior executive/CEO experience in strategy (including customer and marketing), business development and supply chains across pharmacy, healthcare, retail and consumer markets. Significantly, he has over 20 years' experience in Australian and New Zealand pharmacy markets, including serving as Deputy Chairman of the National Pharmaceutical Services Association.

Stephen was previously Managing Director of Bridgestone Australia & New Zealand, and was Managing Director and CEO of ASX listed Australian Pharmaceutical Industries Limited (from August 2006 until February 2017). He has also held senior executive roles at Mayne and Faulding extending across health and primary care services, distribution and business development.

Other current and former external appointments

Stephen is currently a Non-Executive Director of Myer Family Investments Pty Ltd and ASX listed Baby Bunting Limited and a Director of the Adelaide Football Club.

Vice Chairman, Bridgestone China & Asia Pacific (2020–2021) and the founding Chairman of the Priceline Sisterhood Foundation (2015-2018), Non-Executive Director of Epworth Healthcare (2017-2018) and Gold Cross Products and Services (2004 – 2007).

4

Wendy Stops

BAPPSC (INFORMATION TECHNOLOGY), GAICD

Independent Non-Executive Director

Appointed: 28 April 2021

Committees: Chair Risk and Technology Committee, People and Remuneration Committee, Nominations Committee, Audit Committee (until 12 April 2022)

Wendy draws from her deep executive leadership and management skills in global information technology and operational, quality and risk management expertise, with senior executive leadership roles in Asia Pacific and globally.

Other current and former external appointments

Non-Executive Director with the Coles Group and Fitted for Work, Council Member of the University of Melbourne, Chair of the Industry Advisory Board for the Melbourne Business School's Centre for Business Analytics, Member of the Digital Experts Advisory Panel for the Department of Prime Minister and Cabinet's Digital Taskforce, Member of the AICD's Governance of Technology & Innovation Panel and of Chief Executive Women's Leaders Program Committee.

Wendy was previously a Non-Executive Director of the Commonwealth Bank of Australia (2015-2020) and Altium Ltd (2018-2019).

5

Sharon Warburton

BBUS (ACCOUNTING AND BUSINESS LAW), FCA, FAICD, FAIB

Independent Non-Executive Director

Appointed: 28 April 2021

Committees: Chair Audit Committee, Risk and Technology Committee, Nominations Committee

Sharon has extensive board and executive experience in corporate strategy, Australian and international business operations, finance, accounting, and risk management, along with significant expertise in governance and remuneration across the mining, retail, property, and infrastructure sectors.

Other current and former external appointments

Non-Executive Director and Chair of the Audit and Risk Committee of Wesfarmers Limited, Non-Executive Director of Karlka Nyiyaparli Aboriginal Corporation RNTBC, Northern Star Resources Limited, Thiess Group Holdings Pty Limited and Worley Limited.

Sharon has also been a part-time member of the Takeovers Panel since 2015 and is an Adjunct Professor in Leadership and Strategy at Curtin University's Faculty of Business and Law

6

David Ansell*

BA (COMMUNICATION), GAICD

Independent Non-Executive Director

Appointed: 22 October 2013

Board Committees: until 12 April 2022 Chair of People and Remuneration Committee and Board Risk and Technology Committee, from 12 April 2022 People and Remuneration Committee

David brings to his Board roles, strong operating experience, end to end supply chain management, deep consumer and customer understanding and broad industry experience, locally and globally.

David enjoyed a highly successful executive career in consumer-facing organisations in Australia, Asia and the United States. He played a pivotal role in the startup years of FOXTEL, was CEO of Advertising Agency, Saatchi & Saatchi and Managing Director of Mars Incorporated in ANZ.

Most recently, David was Managing Director of JDE Peets, Australia and New Zealand's largest pure play coffee Company. During his time at JDE Peets he led the acquisition of Campos Coffee in Australia and the Brew Group in NZ.

Other current and former external appointments

A former Director of Cycling Australia, currently Chair of Campos Coffee and Taylors Wines.

* David Ansell resigned from the Blackmores Limited Board, effective 30 June 2022.

Executive Team

Alastair Symington

Group Chief Executive Officer and Managing Director

Patrick Gibson

Chief Financial Officer*

Kitty Liu

Managing Director, China

John Rosair

Managing Director, Australia and New Zealand and Global Pet

Dean Garvey

Managing Director, International

Jane Franks

Chief People Officer

Andrew Fuary

Chief Operations Officer^

Joanne Smith

Chief Marketing and Innovation Officer

Helen Mediati

Group General Counsel

Cecile Cooper

Chief Governance Officer

Lesley Braun

Director, Blackmores Institute

Kris Ellis

Chief Information Officer

* Patrick Gibson commenced 1 March 2022, replacing Gunther Burghardt.
^ Andrew Fuary commenced 14 June 2022, replacing Jeremy Cowan.

Alastair Symington, Chief Executive Officer
with Chief Operations Officer, Andrew Fuary.

GOOD HEALTH CHANGES EVERYTHING

04

Operating & Financial Review

Group and Divisional Financial Results 42
Operating Review 44
Corporate Governance 46
Group Risks 48
Health and Safety 54

INVESTING IN EFFICIENCY AND *growth*

Group and Divisional Financial Results

Blackmores delivered Statutory revenue of $649.5m up 12.9%[1] driven by growth in all segments, with Underlying EBIT up 19.0% and Statutory Net Profit After Tax (NPAT) of $30.6m[2], up 27.8%.

Revenue growth was driven predominantly by International up 31.2% (in constant currency), China up 10.6% and Australia up by 2.7% compared to the prior year. Gross margin improved by 110 bps from an optimisation of price, product mix, trade spend, and Cost of Goods Sold (COGS) efficiency programs, despite supply chain challenges impacting the cost and availability of raw materials.

Group Underlying EBIT improved by 19.0% (21.4% in constant currency) from a 43.9% increase in International, 11.2% in China and a 7.0% increase in our largest segment ANZ. Corporate expenses were higher due to continued strategic investment in transformation projects including Cloud-IT projects and regulatory costs.

The International business experienced a particularly strong first half growth with demand for immunity products coinciding with a spike in COVID-19 cases in Indonesia and Thailand. China continued to focus on cross border ecommerce, resulting in strong growth over key shopping festivals. Growth in the ANZ business was driven by brand investment across our 3 brands, and an increased demand for our immunity products along with strong channel execution.

We have continued to see a structural change in the VDS market driving a shift from traditional channels to online. Our Asia markets including China, now represent 55.6% of Group sales.

Australia and New Zealand

Australia and New Zealand revenue of $288.2m was up 2.7% on the prior year. Excluding the impact of minor sales from contract manufactured products from Braeside, ANZ revenue increased 3.4% compared to the prior year. Reported EBIT increased 7.0% to $43.1m through gross margin improvement and cost containment, partially offset by increased investment in advertising and promotion. Gross margin improvement was driven by COGS efficiencies and mix improvements and efficiencies in trade spend.

Sales in the first half were impacted by COVID-19 flow on effects including border closures, reduced retail foot traffic from lockdowns and lower sales from international students and visitors. The second half saw a strong recovery supported by the investment in our brands, delivering product innovation and execution of our channel strategy in order to set Blackmores up for long term growth. Supply chain disruptions resulted in out of stocks on certain products, although this impact was reduced in the second half.

All Australian brands contributed to revenue growth with BioCeuticals and PAW growing strongly compared to prior year.

Blackmores, BioCeuticals and PAW brand health measures remain strong, and we retain our number one position in Australia in our key segments. Blackmores is the most trusted VDS brand in Australia[3] for the 14th year running and the leading VDS brand[4].

International (excluding China)

Our International business delivered strong revenue growth of 31.2% at constant currency (31.8% at actual FX) to $215.7m, with reported EBIT growth of 43.9% to $29.8m.

The strong result was driven by significant revenue growth across our key markets of Indonesia, 36.7% and Thailand, 33.3%. All International markets delivered growth in the year, supported by increased brand awareness, new product launches and higher consumer demand for immunity products, accelerated by COVID-19. Top line growth has also been supported by the investment in more than 700 Product Advisors as well as more targeted price/pack initiatives to deliver net sales per unit uplift.

The Blackmores brand continues to gain market share and distribution in key international markets. In Thailand we are the leading brand in the VDS market[5] and have moved into the top 3 brand position in Indonesia[6].

In September 2021 Blackmores commenced trading in India through a launch on Amazon with key products, subsequently expanding into other online marketplaces and e-pharmacies. We also entered a distribution partnership with Udaan, a business-to-business e-wholesaler beginning with top independent pharmacies in key cities.

Market innovation included the launch of 61 products across the region. Good progress is being made with our Halal strategy across South East Asia two thirds of our Indonesian range has the coveted Majelis Ulama Indonesia (MUI) Halal logo and Singapore at more than half the range.

China

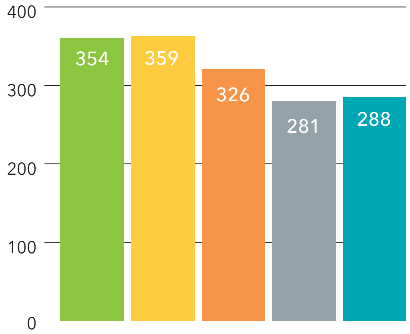
China revenue was up 10.6% to $145.6m (10.6% in constant currency), which contributed to reported EBIT of $16.0m, up 11.2% over prior year. This was despite on-going strict lockdowns in key cities in China. The result was driven by Free Trade Zone (FTZ) growth and strong performance across e-commerce platforms was strong in both the Double 11 and 618 key shopping festivals despite more challenging trading conditions. This performance is a result of ongoing investment in innovation as well as local capabilities to deepen cross border e-commerce (CBEC) and digital health performance. Key categories driving growth being premium Fish Oil and Eye Care. Pleasingly we maintained performance in the pregnancy segment, despite market declines in this area.

Blackmores remained in the top 4 VDS[7] brands across all CBEC platforms in China during the year.

1 In constant currency.
2. Attributed to shareholders of Blackmores Limited, from Continuing Operations.
3. 2009-2022 Reader's Digest Most Trusted Brand Surveys.
4. Nielsen AU Pharmacy + Grocery FYTD 2/7/22 Domestic (Retail and Practitioner).
5. IQVIA (Thailand), March 2022.
6. IQVIA (Indonesia), March 2022.
7. Smartpath Data 2/8/22.

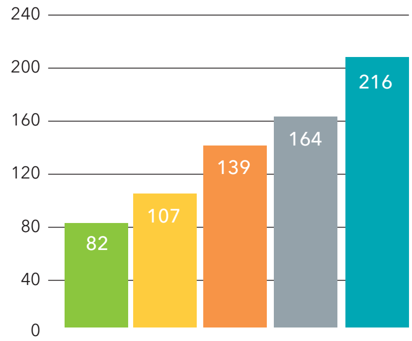
Australia and New Zealand

Revenue $288 million



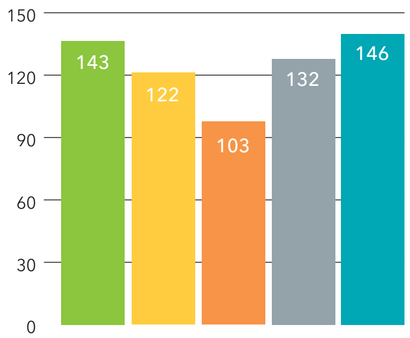
International

Revenue $216 million



China

Revenue $146 million

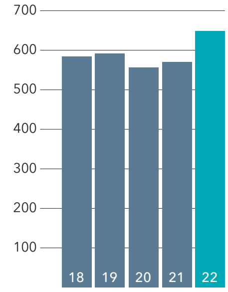


2018 2019 2020 2021 2022

Revenue[1]

$649.5 million

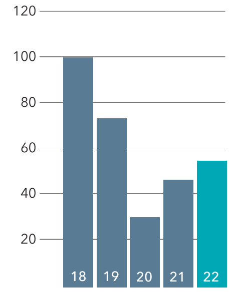
The Group delivered revenue of $649.5m across all divisions and brands, up 12.8%[2] on the prior year.



Underlying EBIT[3,4]

$56.6 million

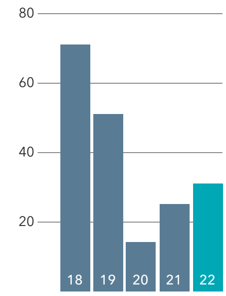
Earnings before interest and tax of $56.6m was up 19.0% compared to the prior year.



Underlying NPAT[3,4]

$31.1 million

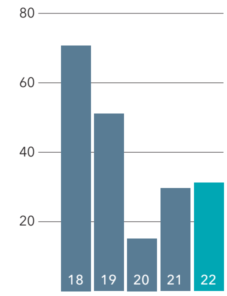
Net profit after tax attributable to shareholders of $31.3m, up 22.6% on the prior year compared to $25.4m.



Statutory NPAT

$30.6 million

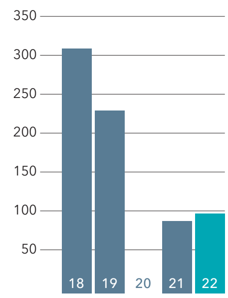
Net profit after tax attributable to shareholders of $30.6m, up 7.0% on the prior year compared to $28.6m (excluding Discontinued operations up 27.8%).



Dividends per share

95 cents

Dividend represents payout ratio of 60% for the year ending 30 June 2022.



1. Excluding Discontinued operations.
2. 12.9% in constant currency.
3. FY20 – FY22 reflects the accounting standard clarification on upfront configuration and customisation costs incurred in implementing SaaS arrangements. Includes Continuing operations only.
4. Underlying is a non-Statutory measure of financial performance derived from Statutory results, after adjustment for material one-off items that are non-recurring in nature, which the Board has determined do not reflect the on-going operations of the Group. A reconciliation between Underlying EBIT to Statutory EBIT is presented in note 2.2.2 to the Financial Statements. 2018 statutory and underlying financial results were consistent.

Operating Review

About Blackmores Group Operations

16 sites across 13 markets

Accountable to 20+ regulatory authorities

Key Australian Operational Facilities

Braeside Manufacturing, VIC

30,000sqm soft gel and hard tablet manufacturing facility producing approximately 60% of our volume.

Warriewood Operations, NSW

A purpose-built 25,000sqm facility where the majority of our products are packaged, and quality checked.

Bungarribee Distribution Centre, Western Sydney, NSW

A 16,000sqm warehouse processing 5,500 orders per week.

Continuous improvement in quality processes, laboratory management and testing methodology underpin the highest possible quality standards in our industry.

Overview

We continued to execute against our growth strategy to return Blackmores to sustainable, profitable growth and to create value for our shareholders whilst mitigating impacts of the second year of the pandemic.

Key highlights over the year included:

- Adapting and operating whilst managing global supply chain challenges, labour shortages and ongoing COVID-19 pandemic-related work health and safety challenges.
- COGS savings program delivered an additional $11m in FY22.
- A continued relentless focus on quality across Blackmores Group. Improvements in quality processes, laboratory management and testing methodology underpin the highest possible quality standards in our industry.
- A strong focus on employee health and wellbeing, and business continuity, through the COVID-19 pandemic has meant no reported onsite cases of COVID-19 in our operations teams. In addition to this, we saw a 22% reduction in our number of Lost Time Injuries (LTI's) and 42% reduction in our severity index.

Integrated Business Planning (IBP)

Our IBP process is designed to support our customer service levels (to help support our customers receiving the products they want, when they want them), while balancing and optimising our inventories and working capital. In the past year we continued our IBP maturity improvement to deliver streamlined workflows, accelerated innovation for growth, and optimised make versus buy decisions for our product portfolio. We have invested in a world-class cloud-based technology for our IBP system which we anticipate will drive improvement in all facets of IBP.

Performance highlights and challenges

Braeside Manufacturing

Braeside delivered a solid performance across all metrics and maintained full production without interruption to ensure supply to our valued customers. The site manufactured 2.3 billion doses of soft gel capsules and solid dose tablets, representing approximately 60% of Blackmores' total volume. Braeside delivered on its COGS objectives through its Continuous Improvement programs. Major capital investment projects at Braeside included:

- Installation of a state-of-the-art automated robotic tray tipping system, unique in the soft gel industry globally – targeted at improving production efficiency and reducing employee work health and safety risk.
- Upgraded sprinkler system with a 400,000 litre fire water tank and two back up diesel-powered high-volume water pumps to mitigate fire risk.
- Other capital works to improve efficiency, safety, and quality.

Warriewood Operations

The site successfully maintained full operational continuity throughout the COVID-19 pandemic and delivered on all key metrics. Major achievements include:

- Packed over 42.8 million units exceeding its monthly output record four times throughout the year. The highest output exceeded the previous record by 19%.
- Delivered on COGS savings commitments through its Continuous Improvement initiatives.
- Built capability in our people through leadership development training by TAFE NSW and an Operations Development Day.
- Recorded only 1 Lost Time Injury (LTI) for the entire year.

Bungarribee Distribution Centre

The Distribution Centre maintained full operational continuity throughout the year, supporting both domestic and international markets through the second year of the pandemic. The facility was able to adapt to fluctuations in our business, driven by volatile demand across markets as they went in and out of lockdown restrictions throughout the year.

Freight capacity continued to be constrained during a challenging year which added complexity and cost to our operation. Like many businesses, our logistics operations have experienced unprecedented freight and associated cost pressures which we have navigated, to minimise impact on our Profit and Loss (P&L) and our customers.

Group Quality

This financial year Blackmores saw a reduction of 40% in consumer complaints related to product quality, making it a standout year. All our sites also maintained their Halal certification along with achieving Vegan certification for our BioCeuticals range. Importantly, the Operations team have embarked on their continuous improvement journey with one of the first steps being to digitise our work processes with an aim of reducing effort and improving efficiencies.

Adapting our Supply Chain

The pandemic drove significant changes in demand for immunity products that impacted local and international markets. Our teams worked with our manufacturing partners on a supply solution that kept these important immunity products such as Bio C®, 1000 Vitamin D3 1000 IU, and Bio Zinc available in all our markets.

A stringent focus on working conditions in our facilities delivered zero disruption or downtime due to COVID-19 pandemic restrictions. Whilst the global supply chain – inbound and outbound – was marked by unpredictable COVID-19 related delays or setbacks with materials providers and or logistics services, our maturing Integrated Business Planning (IBP) IBP process, supported our FY22 performance and growth across Australia, China, and International markets.

Operational Workplace Health and Safety

In FY22, every facility was 100% operational and incurred zero downtime due to COVID-19. We supported our people in every part of our operations so that, in turn, we could protect our ability to make and sell products and respond to fluctuating market demands.The highly regulated Good Manufacturing Practice (GMP) production environment along with COVID-19 protocols and procedures in place at Braeside, Warriewood, and Bungarribee provided our people with one of the safest possible working environments throughout the COVID-19 pandemic.

Procurement and Strategic Sourcing

The Procurement and strategic sourcing team at Blackmores is responsible for sourcing all direct and indirect spend within the organisation. This includes packaging, product, ingredients and services, logistics and agency spend. In FY22 strategic sourcing continued to deliver strong results for Blackmores Group, including:

- $6m in cost reduction initiatives to help offset prevailing inflationary headwinds.
- Increased dual sourcing coverage of our top 40 bulks to 83% of volume doses to support business continuity and unlock capacity for growth outside of Braeside.
- Executed >$100m in renewed agreements with strategic partners in our value chain.
- Continued governance around ethical sourcing, coordinated 4 Sedex Members Ethical Trade Audits (SMETA); 13 of the 17 due corrective and preventive actions were closed in the reporting period. Current risk assessments have been completed for 98% of Tier One Direct suppliers.

COGS Savings and continuous improvement

Our Leading Value Position (LVP) program has multiple workstreams across the Supply Chain. The LVP now in its 3rd year is evolving Blackmores' culture to one of challenging how and why we do things, to help fuel our growth. The program identifies where value can be unlocked in the business through Continuous Improvement initiatives across our supply chain – including our direct and indirect spend categories.

Commencing in FY21, with a target of $30m of value over 3 years. We have so far delivered annualised gross savings of $13m and $11m respectively in FY21 and FY22 and have set a goal of $12m for FY23, bringing the total expected savings to $36m over 3 years.

"The highly successful 3 Year LVP program is accelerating a Continuous Improvement mindset, fueling future growth at Blackmores."

Corporate Governance

Approach to Corporate Governance

Our Board and all levels of management are committed to continuously improving our governance practices in line with the needs of our business and stakeholders, aligning accountability and stronger risk management within the business.

Our corporate governance framework, illustrated on this page, strives to achieve the right balance between accountability, delegation and oversight to ensure effective and timely decision making.

The Board is responsible for setting Blackmores' strategic direction, ensuring good governance and oversight and instilling a culture that considers and fairly balances the needs of all our stakeholders.

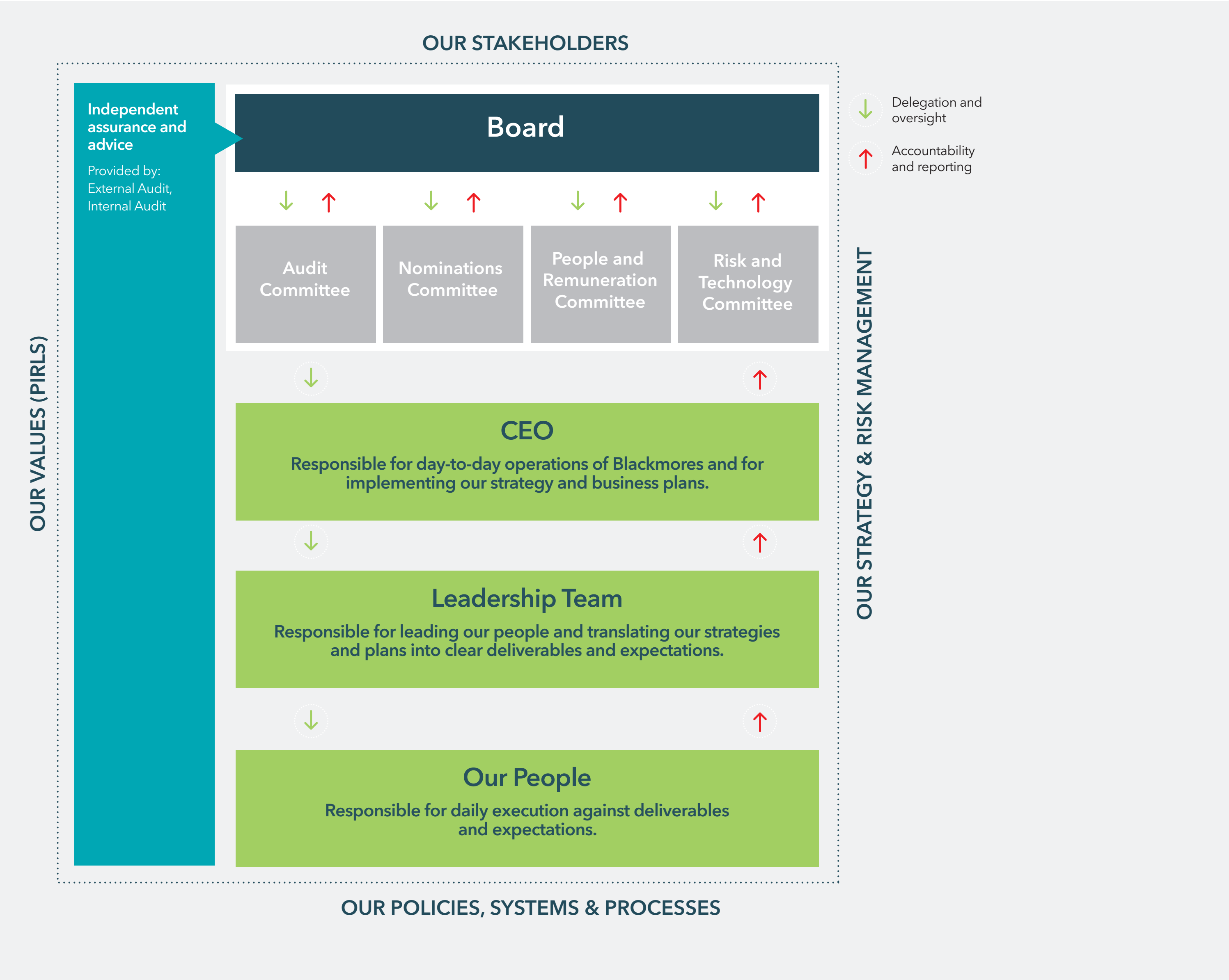
Responsibility for Blackmores' day-to-day management and performance is delegated by the Board to the CEO and from the CEO to other levels of management via a comprehensive delegation of authority framework.

While the Board is responsible for establishing and maintaining the corporate governance framework, good governance is the responsibility of the management team and all employees.

This Corporate Governance Statement was approved by the Board of Blackmores on 17 August 2022 and describes the corporate governance practices of the Company as at that date and for the reporting period to 30 June 2022.

The Blackmores Corporate Governance Statement can be found at: http://www.blackmores.com.au/about-us/investor-centre/corporate-governance

Corporate Governance Framework



Board skills and experience

Robust and effective governance and risk management frameworks are essential to our ability to deliver on our purpose and strategy. Applying these fundamental principles through the Board renewal process enabled us to identify the uplift in that was needed across a combination of disciplines. The Blackmores Board skills matrix below sets out the current skills and experience we consider essential to the effectiveness of the Board and its Committees. We will continue to use this framework to identify potential Board candidates in our ongoing renewal process with a commitment to and focus on improving the way we operate to achieve our goals.

Blackmores Board skills matrix

Skill and experience	Awareness	Practiced/direct experience	High competency, capability, knowledge and experience		Relevance to Blackmores
Leadership			6	Leading successful business outcomes and high standards of corporate governance, as demonstrated by sustained success in a senior leadership role such as CEO level or similar position in an organisation of significant size or complexity.	Setting strategy, driving performance in senior leaders for effective decision making.
Manufacturing, supply chain and consumer products		3	3	Deep experience in manufacturing, logistics, distribution channels and/or consumer products sectors particularly in Asia.	Appreciation of the operating environment, including opportunities, challenges and constraints for our business.
Health	2	1	3	Experience in the health sector (services or regulator) or consumer health products. Exposure to regulation in health sector (for example, TGA or similar regulator in overseas jurisdictions).	Appreciation of the framework within which our business operates, including key industry concepts and regulation.
Strategy/global perspective		1	5	Having a global perspective through exposure or responsibility for leading international operations, particularly in the Asia-Pacific region.	Insight into and ability to shape our approach to harnessing key growth opportunities outside Australia.
Enhanced customer or consumer outcomes		1	5	Experience in understanding the needs of customers and/or consumers and how technology can enhance outcomes.	Ensuring customer and consumer needs are front of mind at all levels.
Governance		1	5	Experience as a Non-Executive Director or a CEO of at least two other listed entities (Australia or overseas) and an understanding of legal and regulatory frameworks underpinning corporate governance principles.	Understanding of the local and offshore listed environment and associated corporate governance frameworks to operate effectively as a director.
Digital technology and operations		4	2	Experience in technology strategies and innovation and how they can be utilised to deliver greater efficiency and customer experience. Understanding of the cyber security risks and oversight is included in this.	Supporting our technology strategy and cyber security strategy.
Financial acumen		3	3	Understanding of the financial drivers of the business, experience in financial accounting, reporting, corporate finance and internal controls, and capital markets.	Assessing financial and capital management initiatives, particularly in addressing complex issues.
Risk management		3	3	Experience in identifying, assessing and monitoring systemic, or emerging risks, strategic risks and both operational and financial risks.	Assessing our risk profile and monitoring our decision making to ensure we operate within our risk appetite and adapt to new risks as they emerge.
Environment, Social and Governance (ESG)		3	3	Understanding potential sustainability, governance and environmental risks and opportunities.	Influencing decision making to support sustainable practices from both an operating perspective and with good governance, to bring about positive environmental, business and community outcomes.
Merger and Acquisitions (M&A)	1	1	4	Experience in due diligence and execution of major acquisitions, divestments, and mergers, including strategy, due diligence, valuation and/or integration.	Assessment of inorganic growth opportunities in the context of our organic growth strategy.
People and culture		3	3	Oversight of the Group culture and The Code of Conduct.	Understanding organisational culture, succession planning and remuneration and reward frameworks.
Stakeholder management	1		5	Experience in building and maintaining trusted and collaborative relationships with governments, regulators and/or community partners.	

Practiced/direct experience · High competency, capability, knowledge and experience · Awareness

Group Risks

Overview

Blackmores operates in a dynamic and evolving environment of science, naturopathy and health care. Our operations, domestic, international, and digital, continue to present both inherent and strategic opportunities and risks that could materially impact the business.

Part of a strong governance framework is understanding the risks that have the potential to have the greatest impact on our business. In FY22, we have focused on establishing an enhanced approach to tracking our performance versus appetite against risks and opportunities, both current and emerging, and putting in place response strategies that ensure we protect our brands, our business and our people.

Risk Management Framework

Overseen by the Board and the Board Risk and Technology Committee, Blackmores risk management framework supports the identification, management and reporting of material risks, current and emerging. Risks and opportunities that have the potential to impact the delivery of business plans and objectives are assessed using a risk framework that considers the likelihood and consequence of occurrence using consistent risk assessment criteria.

The risk framework incorporates a 'Three Lines of Accountability' model for managing risks and controls and considers both financial and non-financial risks across strategy, operations, and compliance. Over the last 12 months, we have observed and responded to shifts including (but not limited to), escalating geopolitical uncertainty, ongoing COVID-19 pandemic interventions, climate and sustainability opportunities, digital transformation, significant lifestyle, and culture shifts particularly regarding workplace flexibility, heightening cyber security threats, macroeconomic instability and growing focus on lifestyle, health and wellbeing factors.

The content and status of risk profiles and mitigation plans is considered and updated, in line with changes to our environment and operations, through regular reviews by management. All employees are responsible for making risk-based decisions and managing risk within our Board approved risk appetite and specific limits.

The Board reviews Blackmores material risks each quarter, including status against risk appetite, and assesses the effectiveness of the Company's risk management framework annually, in accordance with the ASX Corporate Governance Principles and Recommendations.

The material risks faced by the Group that may impact our ability to achieve our key strategic priorities are outlined in the material risk section on page 50.

Wei Ou, Business Development Director, Blackmores China

Risk Governance Overview

The diagram below sets out an overview of risk governance and management at Blackmores across the Three Levels of Accountability together with key responsibilities of the Board, Executive Team, Group Risk and the business.

Risk Leadership

BOARD OF DIRECTORS

(Assisted by Board Committees)

- Sets and communicates expectations for risk management
- Endorses mission, values, strategy and Code of Conduct underpinning our culture and ways of working
- Approves risk policy, framework and appetite and ensures appropriate processes are in place
- Provides oversight of risk exposures and response plans
- Monitors the effectiveness of overall governance program

EXECUTIVE TEAM

- Sets business direction, manages and resolves material business risk issues, and reports to the Board as required
- Provides recommendations to the Board on risk policy, frameworks, appetite, and processes via Executive Risk, Assurance and Compliance Committee
- Manages risks and fosters a proactive risk culture and accountability for management of risk within agreed appetite levels
- Implements effective risk management within business units and across major projects

THREE LINES OF ACCOUNTABILITY

1st line of accountability

PEOPLE AND OPERATIONS

Owns and manages risks.

Business Units

Strategy

People and Culture

Safety and Wellbeing

Sustainability

Legal and Finance

2nd line of accountability

OVERSIGHT FUNCTIONS

Oversees and sets frameworks and standards. Monitor risk and provide assurance.

Group Risk Function

Compliance

3rd line of accountability

INDEPENDENT ASSURANCE

Provides independent assurance of frameworks and controls effectiveness.

Internal Audit

External Audit

Group Risks

Risk Priorities

Blackmores continued to enhance our risk management approach, enabling the business to better manage areas of uncertainty and complexity across our operations. The broader impacts of the COVID-19 pandemic for both global and domestic economies and businesses continues to unfold and change the risk landscape, requiring ongoing response and management across many of our existing material risks to minimise impacts. We have been adapting our response and taking an agile approach in the way we work and decisions we make.

We remain vigilant when considering our responses and the impact on team members, customers, suppliers, regulatory requirements, and the communities we serve.

Below describes the specific key material risks where the Board and management focus their efforts. It includes a mix of existing and emerging risks that could materially impact the execution and success of Blackmores Group strategy.

Risks	Description	Key actions we are taking
Laws, regulations and geopolitical landscape	Blackmores operates in a highly regulated industry in all markets in which goods are manufactured and sold. Changing geopolitical landscapes and regulations in each of these jurisdictions may impact many aspects of our operations, including tax assessments and dividend payments to the Group and all aspects of the supply chain (access to raw materials, production, manufacturing, pricing, marketing, advertising, labour, distribution and product sales). Remaining compliant with, abreast of and responsive to changes requires diligent monitoring and responsiveness by the business.	• We have a defined Compliance Framework, Risk Management Framework and Assurance program, supported by company policies, standards and procedures. • We employ specialised and experienced resources and teams (Legal, Quality, Regulatory, Safety) to oversee and educate stakeholders of relevant regulatory requirements and monitor potential changes. Where required, we also engage specialist advisors to support legal and regulatory oversight for new and emerging markets. • Our Executive Risk, Assurance and Compliance Committee (RACC), the Board Risk and Technology Committee (BRTC) and the Board, provide oversight of key aspects of our legal and regulatory frameworks and operations. • We actively engage with key government, industry and regulatory bodies to stay up-to-date with regulatory and policy changes • We employ a formal supplier selection process, and flexible supply chain practices are overseen by specialist technical and quality resources. • We have strategically expanded our international operations beyond our primary markets to diversify and lessen key market dependencies. • Our customer base, supply base, route to market and product base is strategically diversified and we continue to focus on reducing key partner and supplier dependencies and establish dual sourcing for key inputs to mitigate the impact of any unanticipated regulatory or geopolitical changes.
Reputation and brand	The strength of Blackmores brand and its portfolio is key to business success. Managing the reputation of brands, and mitigating events that may damage brands (for example, inaccurate media coverage, product quality issues, counterfeit products, third party supplier negligence or incidents, unsatisfactory supplier performance) is critical to Blackmores' ongoing success.	• Blackmores takes pride in its company values and mission, ensuring that our strategy (supported by company policies, standards and procedures) remains consistent with these core values. • Our marketing principles are clearly defined and aligned internal review and approval processes oversee all product claims, marketing, and communications material development. • We utilise a structured Supplier Quality Assurance (SQA) and selection program, have many long-term supplier relationships and apply audits and training. • Through our acquisition of the Braeside manufacturing plant, we are increasingly gaining more control over our end-to-end supply chain. • We employ specialised and experienced technical, quality assurance and product safety teams overseeing over 30 tests and quality assessments on every product. • Blackmores ensures product supply chain traceability technology, intellectual property protection strategies, tamper evident bottle seals, and ongoing testing over the shelf life of every production batch. • We are compliant with and subject to periodic external certification audits and accreditations (Therapeutics Goods Administration (TGA) and equivalent overseas bodies). • We maintain current Crisis Management, Business Continuity, Disaster Recovery, Complaints Handling and Product Recall policies and procedures. Our consumer advisory line responds to all consumer product information queries. • Our consumer insights and innovation team monitor brand health, media (including social/digital) and consumer trends, sharing timely insights with relevant teams.

Risks	Description	Key actions we are taking
Cyber security and data management	Data and information security is essential to protect business critical intellectual property and data privacy. Continuing advances in technology, systems and communication channels mean increasing amounts of private and confidential data are now stored electronically. This, together with increasing cyber-crime, heightens the need for robust data security measures.	• Our specialised Cyber Security and supporting teams monitor, assess and respond to continually evolving cyber threats to keep pace with changing security needs. • The business uses ongoing technology and software updates, including automated patching with incorporated security services to protect our data and technology services. • Blackmores ensures restricted and segregated management of sensitive personal, business, supplier, and customer data. We have defined data governance, classification, and encryption (where relevant) standards. • Our Security Awareness program includes annual employee cyber / information security training and phishing simulations, user access reviews, vulnerability management and penetration testing across the Group's information systems to continually assess our cyber exposure. • The business has implemented and tested disaster recovery procedures to be followed in the event of a cyber incident to restore critical services. Additionally, external independent cyber-attack simulations and assessments provide ongoing insights to improve overall Group security. • We have uplifted IT Security Governance by implementing new security policies and guidelines and have an ongoing program of work with the objective to continually enhance cyber security and data management across the organisation. • Blackmores collaborates with a range of government and industry bodies to provide insights and support to strengthen our cyber resilience.
People and culture	Blackmores' ability to deliver on strategic targets is reliant on retaining and attracting experienced, skilled, and motivated people. It also requires strong, resilient, and effective leaders as the business grows at pace.	• Our Code of Conduct, people and culture strategy and supporting programs work to create an environment that attracts and retains people consistent with and aligned to our stated values and mission. • We have a rolling workforce and succession planning process, and an established people and performance management cycle including employee development, career planning and capability mapping. • Our incentive and reward programs are aligned to Blackmores' vision and growth initiatives, and actively used to celebrate team member performance and contribution. • We use our leadership capability program to ensure our culture is driven by a consistent tone from the top and aligned incentives. • Our attraction and retention program is prioritised towards skills and capabilities critical to business growth.
Safety, health and wellbeing	Blackmores cares about the physical and psychological safety, health and wellbeing of our customers, team members and business partners, including employees of our suppliers. We are committed to creating a safe and supportive environment for everyone working with, using, and impacted by our products and brand. Throughout the COVID-19 pandemic and in the last 2 years in particular, Blackmores has ensured that measures were in place to protect our team members and business partners as a matter of priority.	• Safety, health, and wellbeing is at the heart of the Blackmores business. We emphasise and embed it in everything we do, from our values and mission to our day-to-day operations. • We have defined employee safety and wellbeing policies supported by frameworks, standards, and procedures. All facilities are fitted and equipped with relevant personal protective equipment to meet our defined standards. We also have established flexible workplace and work from home policies and procedures in place as well as secure remote working capabilities. • We have established safety, health, and wellbeing focused leadership training programs, KPIs and periodic monitoring and reporting. Our team members have ongoing access to mental health and wellbeing resources and support, and all complete safety, health and wellbeing induction and periodic refresher training. • Our supply chain processes include embedded safety, health and wellbeing standards that apply to our supplier strategy and selection procedures. • The business is trained in current Crisis, Business Continuity and Disaster Recovery procedures in the event of an emergency. This and other related business resilience policies, frameworks, and standards, have been updated to reflect learnings from the pandemic that strengthen responses. • Blackmores actively monitors and is guided by Government directives and trusted sources advice. A range of responses has been established throughout the pandemic including activation of our Business Crisis Management Team (BCMT) to specifically address employee and business partner safety and wellbeing needs throughout the COVID-19 pandemic. • We count on everyone within the Group and supply chain to act in accordance with laws, our code of conduct and our values. We have an established and confidential whistle-blower portal available for employees and external stakeholders to raise concerns over unethical or illegal conduct.

Group Risks

Risks	Description	Key actions we are taking
Consumer and marketplace	Unanticipated changes in consumer preferences and demand, or competitive pressures that significantly alter the landscape (for example, online channel growth, acquisitions, aggressive price wars) can have adverse effects on the businesses ability to capture growth opportunities or effectively manage inventory and supply.	• Our strategy is focused on growth categories, markets and channels, investing in strong and multifaceted customer relationships via joint business planning processes. Customer demand and demand shifts (particularly during the COVID-19 pandemic) are closely monitored, including the use of digital applications used by our in-market product advisors in our Asian markets. • Our integrated business planning (IBP) processes include portfolio reviews and global volume alignment processes, to best manage inventory and safety stock in line with demand. As part of our response to COVID-19 driven changes in demand and supply chain disruption that resulted in increased "out of stocks", we increased our safety stock in all markets and rapidly adapted production to meet demand shifts. • Our brand portfolio and product strategy include consistent pricing guidelines, product prioritisation via portfolio rationalisation and targeted investment in consumer marketing. • Our online channel development and capability uplift initiatives, joint business partner planning, and direct to consumer marketing programs are building our digital channel in line with shifting consumer trends. • Our 'Blackmores Institute' research and education centre of excellence, is dedicated to finding new evidence-based solutions that support the quality use of natural medicine to improve public health. • Our consumer insights and innovation teams track consumer trends, conduct product research, and manage our innovation pipeline to ensure we are focused on current consumer health and wellness needs.
Significant business interruption	Blackmores' current scope of operations could expose it to a range of business disruption risks, such as environmental catastrophes, pandemics (such as Covid-19), natural and man-made hazards and incidents, or politically motivated violence or actions. Significant business disruption could impact Blackmores' sites, employees, key infrastructure, supply chain, financial outcomes, or reputation.	• Blackmores maintains current and cyclically updated Crisis, Business Continuity and Disaster Recovery plans, supported by training and simulations for relevant team members. • The business uses primarily cloud-based, resilient and failover safe IT systems that also support remote working capabilities. • We continuously monitor and respond to threats to continuity of operations via embedded 'business as usual' processes including site audit, repair and maintenance, our health and safety framework, compliance, risk and assurance programs, multi-regional sourcing and production strategy, IBP process and safety stock maintenance, market, political and media monitoring insights. • Blackmores maintains comprehensive insurance coverage to minimise the financial impact of unforeseen events and enable timely recovery to business-as-usual operations.
Climate and nature related	Blackmores strict quality and sustainability standards together with limited availability of natural ingredients, puts pressure on the continuous supply of some key products. Blackmores ability to effectively respond to and manage the impacts of climate related change and changing markets is key to the Company's values, commitments, and growth initiatives.	• Blackmores has defined a strong Sustainability Charter and science-based approach to understanding the resilience of key ingredients. • Our sustainability program includes defined and tracked commitments for sustainable sourcing, packaging, waste management and process efficiencies, clean energy, and net zero carbon emissions (by 2030). • We undertake regular climate-related scenario assessments to progress ongoing adaptive measures. • Specialised and experienced internal sourcing and procurement teams oversee the Supplier Quality Assurance (SQA) and selection program as part of our ethical and sustainable supply chain program. • Blackmores have worked to strengthen supplier relationships and contracts and continues its aim to broaden our raw material supplier base and substitute raw materials. • We aim to have flexible manufacturing options via a combination of Blackmores' owned facilities and outsourcing arrangements.
Business transformation	The business continues to focus on transformation initiatives that support effective and efficient end-to-end processes. Delivery of these initiatives will be critical to Blackmores' ability to optimise our existing asset base and drive efficiencies while sustaining growth.	• Blackmores has defined multi-year business transformation initiatives including key process optimisation and supporting information technology and digital system upgrades aligned to the business strategic growth ambitions. • Our business transformation program is supported by an approved capital investment plan, and Executive-led Enterprise Program Management Office (EPMO) overseeing resource allocation and governance of key projects and initiatives, with further oversight by the Board Risk and Technology Committee on behalf of the Board. • Our people and culture strategy and initiatives, including workforce planning, the leadership framework, talent management and training program is aligned to our business transformation initiatives.

Risks	Description	Key actions we are taking
Financial and treasury	Major events in financial markets (for example, fluctuations to currency, interest rates, cost of capital, banking/commercial credit), economic, political, social and/or major business events (product recalls, pandemics like COVID-19) can significantly impact the business' profitability, cash flow and results. Our ability to hold sufficient liquidity to ensure the fulfilment of all payment obligations, and the management of capital and availability of funding, are important requirements to support business operations and growth.	• Board and management have introduced a defined capital management plan that provides a governance structure as it relates to decisions on capital and operating expenditure, cashflow monitoring and dividends to ensure the ability to deliver the strategic plan. • We have a defined and established Treasury Policy and supporting processes to effectively manage treasury risks including liquidity, funding, interest rates, foreign currency, and funding risks. These risks are managed within the day-to-day operations of the Treasury function and overseen by the Board Audit Committee. • Financial targets are set and regularly reviewed to measure progress. This includes monthly updates to our 12-month rolling analysis and projections of financial results including scenario analysis across key factors (for example, leverage ratios, and FX movements). This enables the business to proactively manage risks and pursue opportunities. • The business' diversified supply base, customer base and routes to market also act as natural hedges to many financial risks, and are risk assessed by the business during selection and onboarding. • Blackmores has established processes and controls embedded within financial operations to support the production of financial statements. These processes are also subject to reviews and independent audits, the results of which are reported to the Board Audit Committee.

Michelle Fernandez, RISE Program Manager and Tom Bailey, Group Capability Manager, People and Culture

Health and Safety

Overview

The health and safety of communities and employees is our highest priority. Our risk management framework seeks to identify and mitigate risks in areas like Work Health and Safety (WHS) and product safety. This approach best protects our consumers, people, brands and business. This work also boosts our strategy to future-proof our supply chain and provide a market-leading customer and practitioner experience.

Work Health and Safety

We gained a deeper understanding of our WHS system through audits and inspections across our sites, with the aim of implementing a new WHS system in the coming year aligned to the ISO 45001 standard.

Our reporting culture has been supported by targeted training on incident reporting, investigation and risk assessment. As a result, we have significantly decreased the severity of Lost Time Injuries (LTI) across Blackmores sites. When injuries have occurred, the root causes of the incident are analysed to prevent reoccurrence.

A new injury triage system was introduced to ensure employees have access to fast, trusted medical treatment for injuries sustained at work. Our employees can access qualified medical staff via a free telephone number, and through referrals to accredited medical clinics for appropriate care.

We have committed to improving safety and emergency management for operational facilities across all Blackmores sites. Measures include installing new sprinkler systems and updating water pumps for fire safety, and flood mitigation plans in Victoria, Australia.

RISE is a unique initiative developed by Blackmores using our deep naturopathic knowledge. The suite of online courses and tools support both the physical and mental health of our employees.

Read more about RISE on page 58.

Employee Wellbeing and Safety Service

As part of our commitment to employee health and wellness, Blackmores has partnered with a new wellbeing and safety support service provider. All employees can access free and confidential 24/7 safety, medical and mental health support.

Alongside care from clinical professionals such as mental health first aiders, emergency doctors and clinical psychologists, Sonder includes real-time, location-based safety features to ensure the safety of our employees when travelling.

Product Safety and Pharmacovigilance

Blackmores is committed to best-in-class clinical practice and excellence in consumer healthcare. Product safety through a pharmacovigilance program is integral to our position as a trusted vitamin and dietary supplement brand. In 2021-2022 our safety team reviewed over 340 ingredients and 448 products across our Blackmores, BioCeuticals and PAW portfolios.

Our safety processes include monitoring reported adverse reactions on a global scale, with robust response plans in place. We have also collaborated closely with our China platform business partners to bolster adverse reaction monitoring.

We continue to prioritise excellence in clinical assessments of evidence-based medicine to deliver a superior consumer and practitioner experience.

COVID-19 Health and Safety

In FY22, our Business Continuity Management Team (BCMT) continued to steer our business response to the COVID-19 pandemic. Comprised of senior functional leaders operating within the Australian Inter-Service Incident Management System framework, the BCMT act to prioritise the safety and wellbeing of all our employees, particularly in markets impacted by the COVID-19 pandemic.

Blackmores implemented a Group-wide COVID-19 Safe Policy aligned with government policy, which cascaded from senior functional leaders to inform development of localised work plans and procedures at all Blackmores sites. Implementation included daily Rapid Antigen Testing, split shifts, mask-wearing, increased sanitary cleaning, hygiene stations, daily assessments and COVID-19 pandemic reporting. This strong focus on employee health and wellbeing – and business continuity – ensured Blackmores provided the safest possible workplace through the year.

Hoang-Ahn Tran,
Distribution Operator,
Blackmores Bungarribee
Distribution Centre

05

Citizenship & Sustainability

Building HEALTHIER, SUSTAINABLE COMMUNITIES

Our People

In a year that demanded agile responses to external challenges our key priorities were: supporting our people through the ongoing COVID-19 pandemic; enabling connection; maintaining performance; and ensuring we prioritised growth, development and connecting to our purpose.

Blackmores Group proudly employs 1200+ permanent full-time, part-time, and fixed-term employees in 13 markets across Asia-Pacific

RISE

RISE is our employee wellbeing program which was launched in FY22. Open to all employees across the globe, RISE is anchored in holistic wellbeing – that is physically and mentally thriving, emotionally balanced, socially connected, and growing personally and professionally.

Underpinned by naturopathic principles, the program offers information, education and activities across a range of wellbeing pillars. The program incorporates personal, professional and community initiatives, including a purpose-built employee program from the Blackmores Institute. RISE has generated a 12% improvement in employee wellbeing. Activities include:

- partnerships with Ripen and Healthy Minds for mental wellbeing training and resources, and an online Wellness Hub for naturopathic insights
- launch of 'Move in March' to encourage employee activity and raise funds for UNICEF
- offering universal access to in-house naturopathic experts.

Diversity, equity, inclusion and belonging (DEIB)

Blackmores takes pride in our diverse workforce that increasingly reflects the consumers we serve and communities we operate in. Over the past year we advanced our commitment to DEIB by:

- forming a DEIB Steering Committee to support Group initiatives
- introducing B!Longing as a pillar under RISE, to engage with International Women's Day, Mardi Gras, R U OK? Day and Pride Month
- using International Men's Day to share men's health education resources
- cultural celebrations in all locations
- offering multi-language options in key communications and employee surveys
- creating learning opportunities around the importance of DEIB to people and performance.

Building culture in a hybrid world

At Blackmores we conduct quarterly and annual engagement surveys which provide ongoing feedback on everyday experiences and workplace culture. The key drivers of employee engagement remain priority focus areas for us. We know our commitment to purpose is vital, and so too is our investment in building capabilities and ensuring the right people are in the right roles.

Growth and development

Blackmores continues to invest in core capabilities that build resilience and future proof our business while ensuring Blackmores remains an employer of choice.

We are investing in our Sales teams with the Blackmores Commercial Academy and have seen a significant increase in leadership effectiveness through our Senior Leadership Coaching program. We also offer an internal leadership program 'Blackmores Way of Leading' covering topics such as coaching and feedback.

Our Finance Masterclass focused on building capability across our global Finance team and aims to equip all roles with future focused competencies.

Over 982 employees participated in our resilience and wellbeing programs with several markets including ANZ and China conducting internal lunch and learn sessions to continuously upskill their teams with future facing skills.

2022 AFR Boss Best Places To Work

Blackmores was named as one of the best places to work in the Manufacturing and Consumer Goods industry. The award recognises Blackmores' commitment to creating a working environment that prioritises wellbeing through our RISE program.

Gender equity

Blackmores was proud to be recognised this year by the Workplace Gender Equality Agency (WGEA) in Australia with an Employer of Choice for Gender Equality (EOCGE) citation. This reflects our commitment to equality for all genders, and WGEA insights have informed our global gender equality ambition.

We pleasingly remain ahead of our gender representation targets, exceeding our 2025 gender equity targets. We shifted our target to 40% female, 40% male with 20% capacity for flexibility inclusive of male, female and non-binary employees, reflective of WGEA targets and general industry shifts.

Category	Actual Numbers			Ratios	
	Female	Male	Grand total	Female	Male
Board (non-executive)	4	2	6	67%	33%
Executive Team	6	6	12	50%	50%
Senior Management	31	35	66	47%	53%

Zachary Gallagher, Advisory
Naturopath, ANZ Practitioner team

RISE Pillars

- HOLISTIC WELLBEING
- POSITIVE CHANGE
- NATURAL HEALTH
- INCLUSION & DIVERSITY
- GROWTH & DEVELOPMENT

We have accelerated flexible and digital working to balance efficiency, collaboration and productivity with workplace connection and social engagement.

Sustainability

Towards a world where people and nature thrive together

Blackmores continues to accelerate our sustainable transformation by addressing the material impacts of our business, and on our operations.

This considers our guiding principles to:

1. Tread lightly
2. Respond to our changing world
3. Source responsibly
4. Create a fair, safe, inclusive and sustainable workplace
5. Support community health

...and addresses them through ambitions and goals aligned to three focus areas.

Healthy people

Wellbeing: Advance evidence-based complementary medicines and ensure a healthy workforce.

Equality: Foster a diverse and inclusive culture.

Health Education: Deliver better health outcomes by empowering people with knowledge.

Healthy planet

Climate: Reach Net Zero Emissions by 2030 and ensure a resilient supply chain and operational footprint.

Biodiversity: Understand Nature-based dependencies and support Nature-positive solutions.

Circularity: Optimise packaging recyclability and waste reduction.

Healthy communities

Giving: Support healthy and vibrant communities everywhere we operate.

Source Responsibly: Understand our extended supply chain to protect people and the environment.

Partner for Change: Collaborate for greater impact across our industry and value chain.

Healthy people PROGRESS

Safety
- Enhanced Work Health and Safety (WHS) systemisation and training.
- Strong COVID-19-Safe response focused on employee safety and operational continuity.
- New Employee Assistance Program for Australia and New Zealand employees.

Education and Research
- 12,811 accredited health education touchpoints.
- Natural health training delivered to 393 employees with 13,500 education modules completed.
- Invested in research with leading academic and research institutions.

Diversity and Inclusion
- Recognised by the Workplace Gender Equality Agency (WGEA) as a Best Place to Work – affirming Group commitments to equity and diversity.
- Introduced a commitment to honour First Nations culture and approaches to health and nature as our sustainability program evolves.
- Formed a Diversity, Equity, Inclusion and Belonging (DEIB) Steering Committee to drive our DEIB initiatives.

Healthy planet PROGRESS

Net Zero Emissions by 2030
- Total Group carbon emissions down by 4.1% even as reporting boundaries expanded to capture international offices for the first time.
- Commenced a 'hydrogen ready' feasibility study at the Braeside manufacturing facility.
- Progressed Braeside energy efficiency projects including upgrades to existing air handling units.
- Installed low emission LED lighting at the Warriewood Campus.
- Continued fleet transition to cleaner fuel sources, with 100% hybrid vehicles and are trialling two electric vehicles (EV).
- First EV charging stations installed at the Warriewood Campus.

Climate Action
- Blackmores CEO Alastair Symington joined the Australian Climate Leaders Coalition, a cohort of 40+ cross-sectoral Australian CEOs committed to influence climate action.
- The Blackmores Partnering for Adaptation program continued to quantify the impact of climate change on ingredients, and to support disclosures in line with the recommendations of the Task-force for Climate-related Financial Disclosures (TCFD).

Biodiversity
- Explored Nature-related impacts of Australian facility operations and supply chains – including evaluating a key ingredient against the Task-force for Nature-related Financial Disclosures (TNFD) beta framework.

Waste diversion
- 64% of waste now diverted from landfill through improved management (up from 48% in prior corresponding period) and initiatives to support further improvements underway.

Value Chain Emissions
- Preliminary measurement and materiality assessment of Scope 3 (Value Chain) greenhouse gas emissions, with a commitment to deepen understanding and data collection to support future reduction targets.

Sustainable Packaging
- Life Cycle Assessments of major packaging formats delivered insights to inform a more sustainable packaging footprint.

Healthy communities PROGRESS

Ethical Sourcing
- Progressed onsite ethical and sustainable trading audits with four key suppliers.
- Partnering for People program continued to build with 13 of the 17 due corrective actions raised from audits closed during the reporting period.

Sustainable Sourcing
- Adopted a Sustainable Palm Oil Standard and progressed formulation improvements aligned to sourcing that protects human rights, species loss and the environment.

Corporate Citizenship
- Supported people in need by contributing over $400,000 in financial and product donations.

Sustainability

Bolstering sustainability governance through finance

Last year Blackmores aligned 50% of its loan facilities to sustainability targets via market Sustainability Linked Loan Principles.

Under the loan agreement[1], Blackmores is rewarded for achieving ambitious emissions reduction targets as well as meeting ethical supply chain milestones to address the risk of exploitation.

Biodiversity – Partnering for Nature

There are growing requirements for business to understand and disclose their impacts and dependencies on nature, and to take action to protect and restore nature and biodiversity.

Assessing an organisation's impacts, dependencies and associated physical and transition risks, is fast emerging as an imperative for:

- managing business continuity and supply chain risk
- aligning with imminent disclosure recommendations including the Task-force for Nature-related Financial Disclosures.

Increasing accountability for our sustainability goals across the business will support our achievement of them.

Our dependency on nature
All businesses depend on nature, particularly a company like Blackmores as we source many raw materials from agricultural land, forests and oceans.

Understanding nature-related risks and opportunities
Blackmores has partnered with Pollination – a leading climate and nature advisory firm – to conduct a proof of concept. The strategic Nature-based Risk Assessment focused on a high value natural ingredient; validating the risk assessment methodology and supplier engagement approach before rollout to other key ingredients.

Key milestones to address nature impacts in the year include:

- development of a Nature Risk Assessment Framework
- pilot Framework to assess a material herbal ingredient
- nature risk assessments undertaken at Blackmores' major facilities.

Learn more about sustainability at Blackmores in our 2022 Sustainability Report to be released in September at blackmoressustainability.com.au

1. Sustainability Linked Loans – 50% of Blackmores loan facilities and relate to Tranche A $75m maturing March 2025. The second Tranche B maturing March 2027.

Renee Boyd, Ethical Sourcing Manager, Group Operations

Our dedicated employees participated in numerous environmental initiatives in their local communities, with a 66% increase in participation in employee volunteering initiatives and wellness days.

Caring for our communities

As a values-led organisation, we are dedicated to the ongoing promotion of wellbeing in the communities where we operate.

Eastern Australia flood support

Blackmores offered support as Eastern Australian floods impacted communities across NSW and Queensland including donating A$20,000 to flood-affected families via the Rotary Club of Manly.

Pharmacy and allied health customers affected by the floods were offered a 40% discount on the entire Blackmores and BioCeuticals range to ensure fast restocks and support community health.

Those impacted by the northern NSW floods in March 2022 had access to free naturopathic clinics. Naturopath Sally Mathrick of Sparkle Well played an integral role in coordinating a holistic recovery program supported by fundraising, volunteer practitioners, and donations of Blackmores products.

As part of our longstanding support of the Quest for Life Foundation, founded by Petrea King, we funded a series of free trauma-recovery and wellbeing workshops in NSW and Victoria.

Flood relief in Malaysia

In 2021, floods devastated eight states across Malaysia. As part of Blackmores Malaysia's Project Kindness, we partnered with the Malaysian Red Crescent Society and donated MYR20,000 to boost flood relief efforts.

A team of Blackmores volunteers packed and distributed 500 boxes of essentials to flood-affected communities across Klang Valley.

Better health for Thailand

In August and September 2021, Blackmores supported the Australian-Thai Chamber of Commerce (AustCham) to provide packages to six CARE Hubs. The packages included medical supplies, masks, sanitisers, Blackmores Bio C 1000 mg, and daily essentials. We contributed THB100,000 to fund care package delivery to 2,709 families.

Our donation of THB135,000 to the Ramathibodi Foundation supports the medical school hospital to offer treatment regardless of social status. Marking Ramadan in April, Blackmores supplied products including Koala Multivitamin + Mineral to promote the good health of children across two orphanages. Blackmores donated THB100,000 in May 2022 to BaanGerda, a non-profit organisation caring for over 70 children born with HIV or orphaned by AIDS.

Partnering to support disadvantaged communities in Indonesia

Blackmores Indonesia donated over 20,000 bottles of vitamins to mums and children as part of a program to boost both nutrition and environmental efforts in underprivileged Indonesian communities. Partnerships are critical to our charitable endeavours: we worked with FoodCycle Indonesia to donate grocery packs to disadvantaged people impacted by the COVID-19 pandemic, and with E-Recycle Indonesia and Guardian chemist to reduce plastic waste in landfill. A joint campaign encouraged Guardian customers to trade their empty vitamin bottles for a Blackmores discount voucher.

Partner Member status for Blackmores

Blackmores was inducted as a Partner Member of the Rotary Club of Manly in June 2022. This reflects our significant contribution to community health and wellbeing. From a Christmas hamper drive that started over 40 years ago, to ongoing support through flood events, we're proud to be recognised by Rotary.

Better outcomes at women's health centres

Blackmores donated a range of products via respected naturopath Dr Ses Salmond to support Women's Health Centres in Western Sydney and the Wirringar First Nations Women's Centre in Brewarrina. This partnership reflects our commitment to community health and wellbeing, and to supporting First Nations health outcomes by reconnecting to the healing power of nature.

China volunteers through lockdown

Our China team were impacted by lengthy lockdowns to curb surging COVID-19 cases. The team continued to support community wellbeing by volunteering in their respective compounds, delivering food and assisting healthcare professionals to organise compulsory testing.

Raising funds for bowel cancer awareness

Four Australian and New Zealand offices took part in the Big Blackmores Bake-Off which raised over A$4000 for the Jodi Lee Foundation (Australia) and Bowel Cancer New Zealand.

Men's health support

In support of men's health issues, Blackmores raised over A$10,000 for Australian-based charity, Movember, through educational health seminars.

Creating community

Blackmores continued to prioritise the wellbeing of all Group employees and foster a sense of community. During COVID-19 pandemic lockdowns in Australia, we built a Virtual Connection Space for employee communication and support.

Edgar Cabal,
Senior Procurement Category Manager,
Group Operations

GOOD HEALTH CHANGES EVERYTHING

06

Financial Report

5 Year History	67
Directors' Report	68
Remuneration Report	72
Auditor's Independence Declaration	92
Independent Auditor's Report	93
Directors' Declaration	97
Financial Statements	98
Notes to the Financial Statements	104
Company Information	145

5 Year History

$'000	2022	2021	2020	2019	2018
Statutory results:					
Revenue[1]	**649,521**	575,916	568,353	588,914	579,535
Earnings before interest, tax, depreciation and amortisation (EBITDA)[1]	**82,299**	71,643	44,485	87,322	106,556
Depreciation and amortisation[1]	**26,341**	25,853	19,396	10,768	8,848
Earnings before interest and tax (EBIT)[1]	**55,958**	45,790	25,089	76,554	97,708
Net interest expense	**2,653**	3,528	5,913	4,995	3,931
Profit before tax	**53,305**	42,262	19,176	71,559	93,778
Income tax expense	**14,750**	13,398	6,123	20,947	27,281
Discontinued operations	**-**	4,650	2,962	2,818	2,726
Gain/(loss) attributable to non-controlling interests	**7,933**	4,895	907	(39)	(782)
Profit after tax attributable to shareholders of Blackmores Limited (NPAT)	**30,622**	28,619	15,108	53,469	70,005
Underlying results:					
Underlying Revenue[2]	**649,521**	575,916	568,353	588,914	579,535
Underlying EBIT[2,3]	**56,602**	47,614	31,400	76,554	101,612
Underlying NPAT[2,4]	**31,075**	25,384	15,702	52,120	70,005
Net (cash)/debt	**(82,193)**	(70,054)	37,345	94,484	49,532
Shareholders' equity	**396,527**	373,156	299,499	207,292	192,875
Total assets	**590,825**	549,181	550,831	493,624	464,850
Current assets	**374,449**	321,629	303,357	308,222	302,507
Current liabilities	**159,912**	144,172	130,501	153,205	174,467
Net tangible assets (NTA)	**305,740**	265,534	182,458	122,508	123,860
Cash generated from operations	**55,040**	80,390	69,629	51,806	90,131
Number of shares on issue ('000s)[5]	**19,430**	19,366	18,678	17,362	17,227
Earnings per share (EPS) – basic (cents)	**157.9**	148.1	86.4	309.2	406.4
Ordinary dividends per share (DPS) (cents)	**95**	71	-	220	305
Share price at 30 June	**$70.40**	$73.47	$77.95	$89.91	$142.50
NTA per share	**$15.74**	$13.71	$9.77	$7.06	$7.19
Cash conversion ratio[6]	**66.9%**	112.2%	156.5%	59.3%	81.5%
Return on shareholders' equity[7]	**7.7%**	7.7%	5.0%	25.8%	36.3%
Return on assets[8]	**9.8%**	8.3%	4.8%	16.0%	22.3%
Dividend payout ratio	**60.0%**	47.9%	-	71.2%	75.0%
Gearing ratio[9]	**(26.1%)**	(23.1%)	11.1%	31.3%	20.4%
EBIT to revenue ratio	**8.6%**	8.0%	4.4%	13.0%	16.9%
Effective tax rate	**27.7%**	31.7%	31.9%	29.3%	29.1%
Current assets to current liabilities (times)	**2.34**	2.30	2.32	2.01	1.73
Net interest cover (times)	**21.1**	13.0	4.2	15.3	24.9
Gross interest cover (times)	**19.7**	12.5	4.1	14.6	23.4
% change on prior year (Statutory basis)					
Revenue	**12.8%**	1.3%	(3.5%)	1.6%	9.2%
EBITDA	**14.9%**	61.1%	(49.1%)	(18.1%)	17.4%
EBIT	**22.2%**	82.5%	(67.2%)	(21.6%)	18.4%
NPAT	**7.0%**	89.4%	(71.7%)	(23.6%)	18.6%
EPS	**6.6%**	71.5%	(70.5%)	(27.9%)	18.6%
DPS	**33.8%**	NMF	(100.0%)	27.9%	13.0%

1. Excluding Discontinued operations.
2. Attributed to shareholders of Blackmores Limited, excluding minority interest. Presented on a continuing basis.
3. Underlying EBIT from 2019 to 2022 is a non-Statutory measure of financial performance derived from Statutory EBIT, after adjustment for material one-off items that are non-recurring in nature, which the Board has determined do not reflect the on-going operations of the Group. A reconciliation between Underlying EBIT to Statutory EBIT is presented in note 2.2 to the Financial Statements. 2018 statutory and underlying financial results were consistent.
4. Underlying NPAT from 2019 to 2022 is the after tax impact of Underlying EBIT. 2018 statutory and underlying NPAT results were consistent.
5. Number of shares on issue at year end.
6. Calculated as cash generated from operations divided by EBITDA.
7. Calculated as net profit after tax divided by closing shareholders' equity.
8. Calculated as EBIT divided by average total assets.
9. Gearing ratio is calculated as net debt divided by the sum of net debt and shareholders' equity.

GOOD HEALTH CHANGES EVERYTHING

2022

Directors' Report

Directors' Report

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

DIRECTORS' SHAREHOLDINGS

The following table sets out each Director's relevant interest in all financial instruments issued by Blackmores as at 30 June 2022.

DIRECTORS	FULLY PAID ORDINARY SHARES	SHARE RIGHTS
David Ansell (retired 30 June 2022)	2,000	-
Christine Holman (resigned 28 July 2021)	2,913	-
Erica Mann	1,488	-
Stephen Roche	-	-
Wendy Stops	2,500	-
Alastair Symington	18,536	96,924
Anne Templeman-Jones	902	-
Sharon Warburton	897	-
Total	**29,236**	**96,924**

SHARE RIGHTS GRANTED TO DIRECTORS AND SENIOR EXECUTIVES

Selected Senior Executives are invited annually by the Board to participate in the Executive Share Plan (ESP). Under this plan, eligible Senior Executives are granted rights to acquire shares in Blackmores.

Refer to the Remuneration Report on page 90 for more details.

The following table sets out all rights granted to Directors and Senior Executives during the year ended 30 June 2022.

	2022[1] NUMBER
Executive Director	
Alastair Symington	22,938
Senior Executive	
Gunther Burghardt	7,421
Patrick Gibson	9,538
Total	**39,897**

1. Includes rights granted under the 2022 financial year (FY22) Long-Term Incentive Plan (LTI) and Short-Term Incentive Plan (STI). Provided specific performance objectives and hurdles are met rights vest over the three-year period commencing 1 July 2021 to the year ending 30 June 2024.

SHARE OPTIONS

During and since the end of the financial year, no share options were in existence and no new share options were granted to Directors or Senior Executives of Blackmores.

REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

Information about remuneration of Directors and Key Management Personnel is set out in the Remuneration Report of this Directors' Report, on pages 72 to 91.

COMMITTEE MEMBERSHIPS

As at the date of this report, the Company had an Audit Committee, a Nominations Committee, People and Remuneration Committee and a Risk and Technology Committee. Members of the Board acting on the Committees during the year were:

Audit	Nominations	People and Remuneration	Risk and Technology
Sharon Warburton, Chair	Anne Templeman-Jones, Chair	Stephen Roche, Chair[1]	Wendy Stops, Chair
Stephen Roche[1]	Wendy Stops	David Ansell	Erica Mann[1]
Anne Templeman-Jones	Sharon Warburton	Anne Templeman-Jones	Anne Templeman-Jones
Christine Holman[3]	Stephen Roche[1]	Wendy Stops	Sharon Warburton
Wendy Stops[4]	Christine Holman[3]	Christine Holman[3]	David Ansell[2]
	David Ansell[4]	Sharon Warburton[4]	Christine Holman[3]

1. From 12 April 2022.
2. To 27 May 2022.
3. Christine Holman resigned as a Non-Executive Director effective 28 July 2021.
4. To 12 April 2022.

Details of current Board Committee memberships are set out on pages 36 and 37.

Directors' Report

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

COMPANY SECRETARIES

Helen Mediati, B.Ed. (Primary) (Hons), LLB, FGIA

Ms Mediati joined Blackmores as Group General Counsel effective 11 April 2022 and was appointed as the Company Secretary effective 11 August 2022.

William Hundy, LLB, B. Comm, B.Sc., FAICD, FGIA, Diploma of Corporate Management

Mr. Hundy joined Blackmores as Company Secretary on 4 April 2022. Mr. Hundy resigned as Company Secretary effective 11 August 2022.

Richard Conway, LLB (Hons) and BA, Certificate in Governance Practice.

Mr Conway joined Blackmores in July 2021 as its Group General Counsel and Company Secretary. Mr Conway resigned as Company Secretary on 7 April 2022.

Cecile Cooper, BBus, Dip Inv Rel (AIRA), CPA, GAICD. Ms Cooper joined Blackmores in 1991. Ms Cooper resigned as Company Secretary 26 July 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Blackmores Group in the course of the financial year was the development, sales and marketing of natural health products for humans and animals including vitamins, and herbal and mineral nutritional supplements. The Blackmores Group has operations in Australia, New Zealand South East Asia, China and India.

RESULTS

The Financial Report for the years ended 30 June 2022 and 30 June 2021 and the results herein have been prepared in accordance with Australian Accounting Standards.

The statutory net profit after tax (NPAT) (in thousands) of the Blackmores Group for the financial year was $38,555 (2021: $33,514).

A review of the operations of the Blackmores Group during the financial year and the results of those operations is set out in the Operating and Financial Review on pages 40 to 45 inclusive.

DIVIDENDS

The amounts paid or declared by way of dividend since the start of the financial year are:

- A final dividend of 32 cents per share in respect of the year ended 30 June 2022.
- An interim dividend of 63 cents per share fully franked in respect of the year ended 30 June 2022 was paid on 12 April 2022.
- On 18 August 2022, Directors declared a final dividend for the ended 30 June 2022 of 32 cents per share fully franked, payable on 19 September 2022 to shareholders registered on 1 September 2022. This will bring total ordinary dividends to 95 cents per share fully franked (2021: 71 cents per share) for the full year.

GROUP STRATEGY

An updated strategy was approved during the 2022 financial year. The three-year FY24 growth strategy is to deliver sustainable, profitable growth. The strategy is set out in the Annual Report on pages 20 to 25.

Further information on likely developments in the operations of the Group and the expected results of operations have been referred to in the Annual Report on pages 20 to 25.

CHANGES IN STATE OF AFFAIRS

During the financial year, there was no significant change in the state of affairs of the Blackmores Group other than that referred to in the Consolidated Financial Statements or notes thereto and elsewhere in the Annual Report of the Blackmores Group for the year ended 30 June 2022.

EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

Final dividend

A final dividend was declared as described in note 4.5.2.

There have not been any other matters or circumstances, other than that referred to in the Consolidated Financial Statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of Blackmores Limited, the results of those operations, or the state of affairs of the Blackmores Group in future financial years.

CORPORATE GOVERNANCE AND RISK

In recognising the need for the highest standards of corporate behaviour and accountability, the Board of Blackmores endorses the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. Blackmores' Corporate Governance Statement is available on its website at blackmores.com.au (go to 'Investor Centre', then click 'Governance & Board of Directors').

The material risks that could affect Blackmores' future financial performance and their potential impacts are set out in the Operating and Financial Review on page 40 to 45.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, Blackmores paid a premium in respect of a contract insuring the Directors, the Company Secretary and all Executive Officers of the Blackmores Group against any liability incurred in their role as Director, Company Secretary or Executive Officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. Blackmores has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an Officer or auditor of the Blackmores Group against a liability incurred as such an Officer or auditor.

Directors' Report

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

DIRECTORS' MEETINGS

The number of Directors' meetings held (including meetings of Committees of Directors) during the financial year is as follows:

	Board meetings		Committee meetings							
			Audit		Nominations		People and Remuneration		Risk and Technology	
DIRECTORS	H	A	H	A	H	A	H	A	H	A
David Ansell	18	18	-	-	1	1	9	9	5	5
Christine Holman	1	1	-	-	-	-	1	1	-	-
Erica Mann	10	10	-	-	-	-	-	-	1	1
Stephen Roche	10	10	1	1	-	-	1	1	-	-
Wendy Stops	18	18	4	4	1	1	8	8	6	6
Alastair Symington	18	17	-	-	-	-	-	-	-	-
Anne Templeman-Jones	18	18	5	5	1	1	9	9	6	6
Sharon Warburton	18	18	5	5	1	1	7	7	6	6

H: Number of scheduled meetings held during the time that the Director held office or was a member of the committee during the year.
A: Number of meetings attended.

All Non-Executive Directors who are not members of the standing Board Committees are invited to, and generally attend, the standing Board Committee meetings. The independent Non-Executive Directors met separately during the financial year.

STATEMENT OF NON-AUDIT SERVICES

The Directors are satisfied that the provision of non-audit services during the year by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 7.2 to the Consolidated Financial Statements.

Directors have accepted a statement from the auditor that it is satisfied that the provision of these services did not breach the independence standards included in the Corporations Act 2001. Based on this statement from the auditor and having regard to the nature and fees involved in the provision of these non-audit services, the Directors are satisfied that the provision of non-audit services during the year by the auditor (or other person or firm on the auditor's behalf) did not compromise the audit independence requirements of the Corporations Act 2001.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration is set out on page 92 of this Annual Report.

ROUNDING OFF AMOUNTS

In accordance with the Australian Securities and Investments Commission (ASIC) Corporations Instrument 2016/191, the amounts in the Directors' Report and the Financial Report are rounded off to (and expressed in) the nearest thousand dollars, unless otherwise indicated.

Amounts in the Remuneration Report are actual dollars.

GOOD HEALTH CHANGES EVERYTHING

07

2022 Audited Remuneration Report

1. Introduction
2. Senior Executive Remuneration Framework
3. Performance and Remuneration Outcomes
4. Senior Executive Remuneration Tables
5. Remuneration Governance
6. Non-Executive Director Remuneration
7. Additional Statutory Disclosures

2022 Audited Remuneration Report

Dear Shareholder,

On behalf of the Board, I am pleased to present to you our 2022 Remuneration Report. The report outlines performance and remuneration outcomes for Blackmores' Key Management Personnel (KMP), encompassing the Chief Executive Officer (CEO) , the Chief Financial Officer (CFO), and Executive and Non-Executive Directors.

1
INTRODUCTION

KEY POINTS

Blackmores' remuneration framework aligns Senior Executive remuneration to both Group performance and individual performance and behaviour.

Under Blackmores' FY22 Short-term Incentive (STI) plan, the gateway threshold of 95% of Group Budgeted EBIT was met and the Board approved an STI pool of $5.5m based on the outcomes of the Group financial measures under the plan. STI payments awarded to the Executive Director and Senior Executives are provided on pages 81 and 84-85 and are delivered as 50% cash and 50% deferred equity.

Long-term Incentives (LTI) were not awarded in the year as the achievement of the three-year EPS and ROIC targets for the FY20 plan, granted in December 2019, were not met.

No LTI vested in relation to FY21 or FY22 LTI plans as any vesting under these plans is not applicable until after the end of the three-year performance period (FY23 and FY24 respectively) .

Blackmores' long-standing profit share scheme which recognises and rewards the collective contribution employees make to the Blackmores Group paid out at $2.8 million, equivalent to 7.5 days.

The Executive Director and Senior Executives received no increase to their Total Fixed Remuneration (TFR) during the year.

Non-Executive Director fees were not increased in FY22.

For the Executive Team and Non-Executive Directors, increases to the Superannuation Guarantee rate from 9.5% to 10% as of 1 July 2021 and from 10% to 10.5% as of 1 July 2022 are absorbed within their TFR and Director fees, respectively, with base salary and cash fee, respectively, reducing and superannuation contributions increasing by the commensurate 0.5%.

The Board regularly reviews Blackmores' remuneration framework and the appropriateness of executive fixed and variable elements of the framework and applicable financial and non-financial performance metrics. The current executive remuneration framework will remain unchanged for FY23.

The Blackmores Working Together Agreement was successfully negotiated with 89% of employees voting in favour of the renewed agreement.

Continued support to employees through our COVID-19 safe practices continued as outlined on page 54.

Commencing in November 2021, Blackmores introduced a new Employee and Director Share Rights Plan. Details of the plan are provided on page 80.

2022 Audited Remuneration Report

The report has been prepared in accordance with the requirements of section 300A of the Corporations Act 2001. In this report the following terms and phrases have the meanings that are references for FY22 and the comparative year where applicable, as indicated below:

Role definitions

Directors	Executive Directors and Non-Executive Directors
Executive Directors	Former Executive Director Marcus Blackmore and the Chief Executive Officer
Senior Executives	Executive Directors and the other executives defined as Key Management Personnel (KMP) who have authority and responsibility for planning, directing and controlling the activities of the Blackmores Group, directly or indirectly
Key Management Personnel (KMP)	Chief Executive Officer, Chief Financial Officer, Executive Directors and Non-Executive Directors
Executive Team	Chief Executive Officer and the direct reports to the Chief Executive Officer

Other definitions

Exercised	Owned
Granted	Assigned to, but not yet vested
Vested	Met performance and service criteria and available to be exercised, but not yet owned

Key Management Personnel

The following table lists the KMP during FY22.

Non-Executive Directors	
Anne Templeman-Jones	Non-Executive Director, Chair of the Board, Chair of the Nominations Committee, member of the Audit Committee, Risk and Technology Committee and People and Remuneration Committee.
David Ansell	Non-Executive Director and member of the People and Remuneration Committee and Risk & Technology Committee (ceased as Chair of the People and Remuneration Committee, and member of the Nominations Committee on 12 April 2022 and member of the Risk & Technology Committee on 27 May 2022).
Erica Mann	Non-Executive Director (appointed on 20 September 2021), member of the Risk and Technology Committee.
Stephen Roche	Non-Executive Director (appointed on 20 September 2021), Chair of the People and Remuneration Committee (appointed on 12 April 2022) and member of the Audit Committee and Nominations Committee.
Wendy Stops	Non-Executive Director, Chair of the Risk and Technology Committee, and member of the People and Remuneration Committee, Nominations Committee and Audit Committee (ceased as member of the Audit Committee on 12 April 2022).
Sharon Warburton	Non-Executive Director, Chair of the Audit Committee, member of the Risk and Technology Committee, Nominations Committee, and People and Remuneration Committee (ceased as member of the People and Remuneration Committee on 12 April 2022).
Former Non-Executive Director	
Christine Holman	Non-Executive Director, Chair of the People and Remuneration Committee, member of the Audit Committee, and Nominations Committee, and Risk and Technology Committee (resigned as Non-Executive Director effective 28 July 2021).
Executive Director	
Alastair Symington	Chief Executive Officer and Managing Director.
Senior Executive	
Patrick Gibson	Chief Financial Officer (joined on 21 February 2022 and commenced as KMP on 1 March 2022).
Former Senior Executive	
Gunther Burghardt	Chief Financial Officer (ceased as KMP on 28 February 2022).

2

SENIOR EXECUTIVE REMUNERATION FRAMEWORK

The remuneration framework links remuneration outcomes to both the Group's performance and behaviour. It also provides the opportunity to share in the success and profitability of Blackmores in alignment with increased shareholder wealth. The key elements of the FY22 framework are illustrated below.

BLACKMORES' REMUNERATION FRAMEWORK

Rewards the achievement of strategic goals, financial targets, operational performance and behaviour gateway

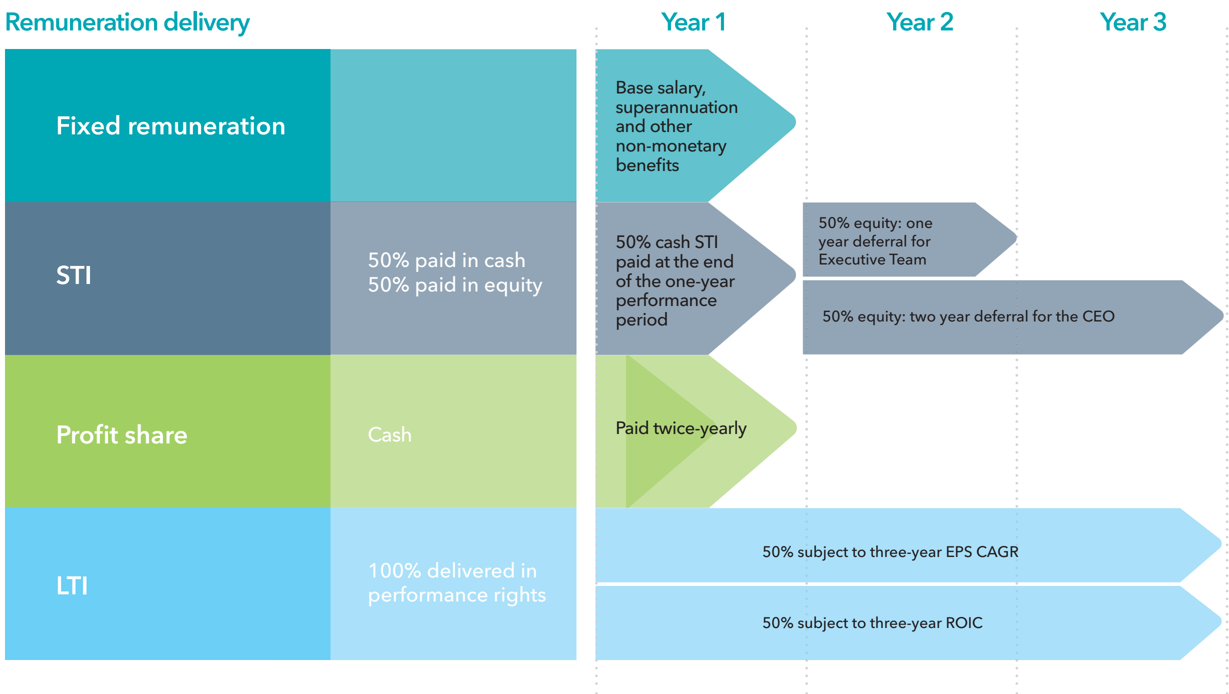
Attracts and retains talented Senior Executives

Aligns Senior Executives to the enhancement of Blackmores' earnings and shareholder wealth

BLACKMORES' REMUNERATION STRUCTURE

	Fixed Remuneration	Short-term Incentive (STI)	Profit Share	Long-term Incentive (LTI)
Purpose	To attract and retain key talent by providing reasonable and fair remuneration.	To reward high performance aligned to improving company performance in the short to mid-term.	Whole of organisation plan for eligible permanent employees, which recognises and rewards the collective contribution employees make to the Blackmores Group.	To motivate and align Executives with the long-term interests of Blackmores' shareholders.
Link to performance	Targeted to be reasonable and fair, taking into account Senior Executives' responsibilities, experience and individual and Company performance.	Linked to clearly-specified annual Group targets and individual objectives and behaviours.	Award is dependent on first half and full year Group NPAT, paid in December and June, aligned to Blackmores' business strategy and objectives.	Aligned to long-term earnings and returns targets.
Performance measures	Benchmarked every two years through independent review against companies with relative size and scale of Blackmores' operations. Market data of three comparator peer groups is considered: 1. comparative market capitalisation; 2. bespoke company selection; 3. Australia and New Zealand consumer staples companies.	The STI scheme is designed around appropriate Group level performance benchmarks based on quantitative and qualitative gateway measures. A Group STI pool is determined based on three key performance measures: Group EBIT, Group Net Sales, and Group Net Working Capital.	A pool of up to 10% of Group NPAT is available to be shared among eligible employees, including Executives.	Three-year Earnings Per Share (EPS) Compound Annual Growth Rate (CAGR) (weighting: 50%) and three-year Return on Average Invested Capital average of a three-year performance period (ROIC) (weighting: 50%).
Delivery	Base salary, superannuation, and any non-monetary benefits (including fringe benefits tax).	Comprises cash payments and as applicable to the CEO, CFO and other members of the Executive Team, there is a deferral of a portion of the award into equity.	Cash paid twice a year.	Performance rights.

Remuneration delivery



Minimum shareholding requirement (MSR)

In order to assist in aligning the interests of KMP and the Executive Team with the interests of the Company's shareholders, Directors and the Executive Team are required to build a minimum shareholding in the Company and maintain it during their tenure.

Under Blackmores' MSR Policy, the CEO and the Executive Team are required to build minimum shareholdings equal to 100% and 50% respectively of their total fixed remuneration within 5 years of their appointment.

Non-Executive Directors are required to build minimum shareholding equal to 100% of their annual Non-Executive Director base fees including superannuation but not including Committee fees, within 3 years of their appointment.

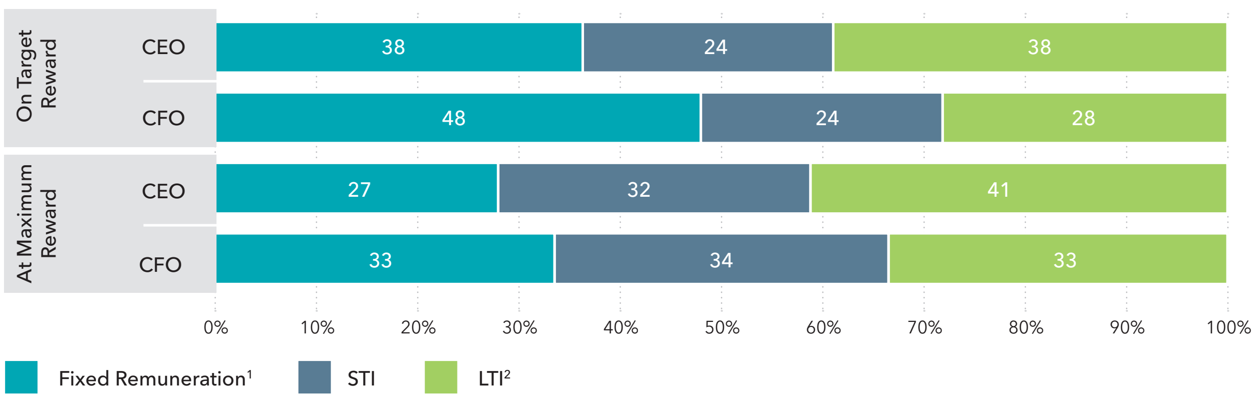
For determining whether the minimum shareholding has been met, the calculation is based on the share price at the time of purchase. Shares are only permitted to be purchased during an approved open trading window.

Senior Executive Remuneration Mix

In determining the mix of Senior Executive remuneration, the Board aims to find a balance between:

- Fixed (not at risk) and performance (at risk) remuneration;
- Short and long-term remuneration;
- Remuneration paid in cash and equity.

Blackmores' target and maximum Senior Executives' remuneration mix, as a percentage of total remuneration[3], is outlined below.



1. Fixed remuneration includes cash, superannuation and non-monetary benefits (including fringe benefits tax).
2. LTI value is expressed as the % of Fixed Annual Remuneration as at the start of the three-year performance period.
3. Total is the aggregate reward (Fixed Annual Remuneration plus STI plus LTI). Note, profit share is excluded from the graph and is separately disclosed on page 84.

Short-term Incentive (STI) – Details

The following outlines the details of the STI plan. Specific information relating to the actual award outcomes are set out in the tables on pages 81 and 84-85.

What is the STI and who is eligible to participate?	The STI plan provides eligible employees with an STI Award for annual performance against measured targets set at the beginning of the performance period. STI Awards are delivered to the Executive Team as 50% cash and 50% deferred equity. For all other eligible employees, STI Awards are delivered as 100% cash.

What is the amount Senior Executives can earn?

STI Opportunity (% of TFR)	Chief Executive Officer	Chief Financial Officer
Target	60	50
Maximum	120	100

What were the performance conditions for FY22?	**Gateway measures:** In order for any STI to be paid, certain minimum threshold levels of performance (gateways) at the Group level must be met for: 1. Quantitative: Group Budgeted EBIT; and 2. Qualitative: A discretionary gateway determined by the Board to decide whether Blackmores has performed satisfactorily in the areas of brand reputation, safety, and quality. **Group STI pool:** The total Group STI pool is determined based on the STI target at a % of fixed remuneration, and the business must also meet three key performance measures: • Group Underlying EBIT (weighting: 50% of the overall pool) • Group Net Sales (weighting: 25% of the overall pool) • Group Net Working Capital as a percentage of Net Sales (weighting: 25% of the overall pool) Each of the above three measures has its own corresponding threshold, target and stretch performance level and corresponding payout level. **Region/Functional pool:** Each region (ANZ, China, International) / function is then allocated a proportion of the Group STI pool relative to other markets/functions. **Individual assessment:** Individual performance is rated against personal KPIs to determine an individual's STI outcome. Senior Executives are not awarded any STI in the instance of not meeting minimum individual performance expectations.
Why were these performance measures chosen?	EBIT performance is a well-recognised measure of financial performance and a key driver of shareholder returns. Group EBIT measures align employees with the overall Group objectives and performance. The pool funding mechanism is based on overall Group performance against three key business metrics. Individual performance drives performance at local market/function level which contributes to Group level performance. The plan aims to drive a performance culture and allows for greater differentiation at both the local market/function and individual levels and recognises contributions that have led to success of the broader Blackmores Group.
When are performance conditions tested?	Performance conditions are tested and calculated by Blackmores at the end of the financial year, verified by Blackmores' auditors and published in the Group's Financial Statements before any payment is made. This method was chosen to ensure transparency and consistency with disclosed information. Individual KPIs are set at the start of each financial year and the Board reviews performance assessments for Senior Executives and the direct reports to the CEO.
Does the Board have an Executive Remuneration Malus and Clawback Policy?	The Board adopted an enhanced Executive Remuneration Malus and Clawback Policy (Clawback Policy) on 22 July 2022. The prior Clawback Policy provided for Board discretion on circumstances related to Malus and Clawback and the application and scope of the enhanced policy has been broadened and increases the Board's discretion to cancel or withhold incentive awards. For the CEO, Managing Director and the Executive Team members, the Clawback Policy applies to all forms of incentive awards granted, both cash and equity. For non-Executive Team members, the Clawback Policy only applies to any grants of equity incentive awards. Under the Clawback Policy, the Board is entitled to withhold payments, forfeit unvested rights or require the repayment of proceeds of the sale of any shares granted, if the Board determines that the relevant team member is in breach of the Blackmores Code of Conduct, has acted fraudulently, is in breach of their material obligations or any other of the circumstances as set out in the Clawback Policy.

2022 Audited Remuneration Report

Profit Share – Details

The following outlines the details of the Profit Share plan. Specific information relating to the actual award outcome is set out in the table on pages 84 and 85.

What is the Profit Share plan and who is eligible to participate?	All eligible permanent employees[1] in the Group, including Senior Executives, participate in a profit share plan, whereby up to 10% of Group NPAT is allocated to all eligible permanent employees on a pro-rata basis by reference to their Fixed Annual Remuneration. The profit share plan is in addition to the STI award and is covered under the Company's Collective Agreement.
What is the amount the Senior Executive can earn?	The amount distributed is a percentage of Group NPAT. As the amount is distributed on a pro-rata basis, the amount earned in any year depends on both the Group NPAT achievement based on November and May forecasts, and the total number of employees and salaries in the calculation.
What were the performance conditions for FY22?	Under the Company's Collective Agreement, up to 10% of Group NPAT is allocated to eligible employees.
Why were these performance measures chosen?	NPAT is a well-recognised measure of financial performance and a key driver of shareholder returns. Using NPAT as an incentive performance measure ensures that incentive payments are aligned with Blackmores' business strategy and objectives.
When are performance conditions tested?	Profit share is paid twice a year, in December and June, based on Blackmores' NPAT calculation based on management forecasts for November and May in the reporting year.

1. Minimum conditions in profit share period: permanent fulltime and parttime employees of the Blackmores Group who: 1) commenced employment prior to 1 December or 1 June in the relevant profit share period; and 2) are employed at the time profit share payments are made. Payments are made on a pro-rata basis where employment is under 12 months in the relevant profit share period.

Long-term Incentive (LTI) – Details

The following outlines the details of the LTI plan. Specific information relating to the actual award outcome is set out in the table on pages 84 and 85.

What is the LTI and who is eligible to participate?	Eligible employees are invited annually by the Board to participate in the LTI Executive Share Plan. Under this plan, eligible employees are granted rights to acquire shares in Blackmores. Eligible employees include Executive Directors, Senior Executives and other nominated employees.
What were the performance conditions for FY22?	• Three-year Earnings Per Share (EPS) Compound Annual Growth Rate (CAGR). Weighting: 50% • Three-year Return on Average Invested Capital three-year average over the performance period (ROIC). Weighting: 50% The three-year performance period for the EPS and ROIC measures is FY22 – FY24.

Annual EPS Compound Annual Growth Rate	Vesting (% of Total Fixed Remuneration)	
	CEO	CFO
Less than 10%	0%	0%
10%	25%	25%
More than 10% but less than 20%	Pro rata between 25% - 50%	Pro rata between 25% - 30%
20%	50%	30%
More than 20% but less than 30%	Pro rata between 50% - 75%	Pro between 30% - 50%
30% or more	75%	50%

ROIC %	Vesting (% of Total Fixed Remuneration)	
	CEO	CFO
Less than 12%	0%	0%
12%	25%	25%
More than 12% but less than 13%	Pro rata between 25% - 50%	Pro rata between 25% - 30%
13%	50%	30%
More than 13% but less than 16%	Pro rata between 50% - 75%	Pro between 30% - 50%
16% or more	75%	50%

Long-term Incentive (LTI) – Details (Cont.)

Why were these performance measures chosen?	EPS performance measure: • In determining the EPS performance measure for Blackmores' LTI plan, the Board has recognised EPS growth to be a key driver of shareholder value, influencing both share price and the capacity to pay increased dividends. Basing the vesting of rights on EPS growth encourages Senior Executives to improve Blackmores' financial performance. As Senior Executives increase their shareholding in Blackmores through awards received under the LTI plan their interests become more directly aligned with those of Blackmores' other shareholders. ROIC performance measure: • The ROIC performance measure allows Blackmores to assess its efficiency at allocating the capital under its control to profitable investments, giving a sense of how well Blackmores is using its money to generate returns. ROIC focuses on managing both the financial returns and the invested capital base used to generate those returns. ROIC, alongside a traditional profitability measure such as EPS, provides a means to consider the level of profitability generated, once capital has been taken into account. It ensures alignment with the long-term focus on return and ensures improvement of execution standards.
What is the allocation methodology?	The value of rights granted to eligible employees is equivalent to a percentage of their base remuneration at the time of grant. The number of rights granted equals the value of rights divided by: • The volume weighted average price of Blackmores' shares for the 14 trading days prior to and 14 trading days after Blackmores' results in respect of the prior financial year results announced to the ASX, less • The amount of any final dividend per share declared as payable in respect of the prior financial year. The rights will automatically exercise following vesting, audit clearance of the 2024 Financial Statements, Board approval and the first trading window. These Blackmores shares are issued to participants at zero cost. The number of shares issued is identical to the number of rights exercised.
When are performance conditions tested?	Compounded annual growth in EPS and and the average three-year ROIC is calculated at the end of the three-year performance period and verified with reference to Blackmores' audited Financial Statements prior to determining the number of rights that will vest.
What happens if the eligible employee ceases employment during the performance period?	If an executive ceases employment during the three-year performance period, the rights lapse. In certain circumstances the Board has discretion to allow a portion of rights to vest either at the end of the three-year performance period or on the termination of employment for a 'good leaver'.
Does the Board have an Executive Remuneration Malus and Clawback Policy?	The Board adopted an enhanced Executive Remuneration Malus and Clawback Policy (Clawback Policy) on 22 July 2022. The prior Clawback Policy provided for Board discretion on circumstances related to Malus and Clawback and the application and scope of the enhanced policy has been broadened and increases the Board's discretion to cancel or withhold incentive awards. For the CEO, Managing Director and the Executive Team members, the Clawback Policy applies to all forms of incentive awards granted, both cash and equity. For non-Executive Team members, the Clawback Policy only applies to any grants of equity incentive awards. Under the Clawback Policy, the Board is entitled to withhold payments, forfeit unvested rights or require the repayment of proceeds of the sale of any shares granted, if the Board determines that the relevant team member is in breach of the Blackmores Code of Conduct, has acted fraudulently, is in breach of their material obligations or any other of the circumstances as set out in the Clawback Policy.

2022 Audited Remuneration Report

Employee and Director Share Rights Plan – Details

Previous Staff Share Plans (the Staff Share Plan and the Staff Share Acquisition Plan) have been decommissioned and no further offerings were made under those plans post FY21.

Commencing in November 2021, Blackmores introduced a new Employee and Director Share Rights Plan designed to provide the opportunity for eligible employees, including Senior Executives and Directors, to acquire rights to receive shares through sacrificing a portion of their remuneration.

The following outlines the details of the Employee and Director Share Rights Plan.

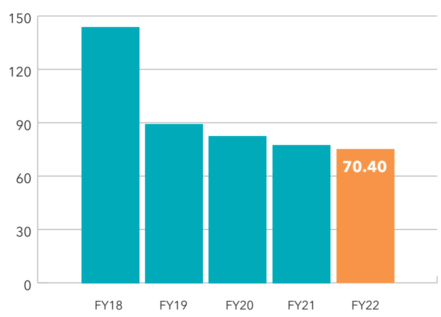
What is the Employee and Director Share Rights Plan and who is eligible to participate?	All eligible permanent employees in Australia, including Senior Executives and Directors can join the plan to acquire rights to receive shares through sacrificing a nominated portion of their remuneration during the relevant participation period. The number of rights granted to a participant is equivalent to the remuneration sacrificed, divided by the five-day volume weighted average closing price of Blackmores shares on the ASX over the period immediately prior to the grant date, which is on or around the sixth business day immediately following release of Blackmores' annual financial report for the relevant financial year.
When are shares allocated to participants?	Rights will automatically vest in two equal tranches: • Tranche 1 will vest on the business day immediately following the release of Blackmores' half-yearly financial report for the relevant financial year, provided that a participant remains in employment with Blackmores up until the vesting date. • Tranche 2 will vest on the business day immediately following the release of Blackmores' annual financial report, provided that a participant remains in employment with Blackmores up until the vesting date. If a participant leaves employment with Blackmores prior to the vesting date, their unvested rights will automatically lapse and instead of receiving shares they will be paid in cash an amount equal to the remuneration that has already been sacrificed. Subject to any applicable laws and to any applicable share trading blackout periods under Blackmores' Share Trading Policy, if rights vest the corresponding shares will be allocated to participants on the third business day (or as soon as practicable) after the vesting date. Restrictions on dealing apply to the shares and at the end of a participant's nominated restriction period, of three to fifteen years, the dealing restriction is lifted and the participant is able to access their shares. As the plan is a salary sacrifice plan, no performance conditions apply to the rights. The shares are purchased on-market.
What is the purpose of the plan?	The plan: • provides an opportunity for participants to build their shareholding in Blackmores; • allows participants to share in the long-term growth of Blackmores, further aligning their interests with the interests of shareholders; • provides participants with a simple and authorised way of acquiring rights to receive shares in Blackmores in a tax-effective manner; and • assists participants with the acquisition of shares in compliance with Australian insider trading laws and the Blackmores' Share Trading Policy.
Does Blackmores offer matching shares to participants?	There is no matching share component attached to the plan.

3
PERFORMANCE AND REMUNERATION OUTCOMES

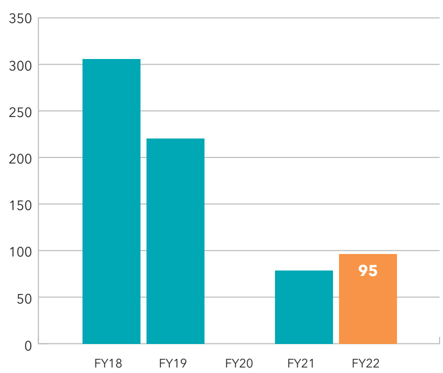
Performance Incentives – Actual Performance 2022 Financial Year

Actual performance over the past five years is shown in the following graphs:

SHARE PRICE ($) AS AT 30 JUNE 2022



DIVIDEND PER SHARE (CENTS)



2022 Audited Remuneration Report

Short-term Incentive (STI)

Under the current remuneration framework, EBIT is the key Group performance measure, with a gateway threshold of 95% of Group Budgeted EBIT to be met before any STI award becomes payable. The STI plan also includes three Group financial measures by which the Executive Team and key leaders' KPIs are measured, once the gateway has been achieved:

- Group Underlying EBIT (weighting: 50% of the overall pool)
- Group Net Sales (weighting: 25% of the overall pool)
- Group Net Working Capital as a percentage of Net Sales (weighting: 25% of the overall pool)

Performance measures for both financial and non-financial for the Senior Executives and Executive Team are weighted as follows:

Measure	CEO and CFO	Executive Team
Financial	70%	60%
Non-financial	30%	40%
Total	**100%**	**100%**

FY22 STI outcomes

The business delivered an EBIT outcome that met the EBIT gateway threshold for STI awards to become payable.

In contemplating variable reward decisions, the Board took a number of factors into consideration with respect to:

- the outcome of the three Group financial measures by which the Executive Team and key leaders' KPIs are measured;
- the outcome of individual performance against non-financial measures;
- the current reward framework;
- broader information on corporate performance and impact on stakeholders (customers, investors and employees) and applying an independent assessment by the independent Directors;
- a set of principles that were designed to provide fairness and clarity aligned in allocating any performance recognition;
- proportionality for leadership accountability for overall business results, strategic execution and personal performance; and
- timely signals to executives and employees on performance and conduct that is in the long-term interests of the company.

The Board considers the manner in which the STI pool and individual award allocations as being fair and equitable, and in line with STI plan rules for assessing performance and differentiation based on financial and non-financial performance.

Details of FY22 STI opportunity and the actual payments awarded to the CEO and CFO are shown in the following table.

	STI Opportunity (% of Total Fixed Remuneration)		STI Awarded		
Senior Executive	Target	Maximum	% of Total Fixed Remuneration	% of Target STI Opportunity	$
Alastair Symington (CEO)	60%	120%	39%	65%	507,000[2]
Patrick Gibson (CFO)[1]	50%	100%	45%	90%	120,205[2]
Gunther Burghardt (Former CFO)[3]	50%	100%	0%	0%	0

1. Joined on 21 February 2022 and commenced as KMP on 1 March 2022.
2. Delivered as 50% cash and 50% deferred equity (2-year deferral for the CEO and 1-year deferral for the CFO). Award amount of $120,205 for the CFO is pro-rata amount from 21 February 2022.
3. Ceased employment on 28 February 2022.

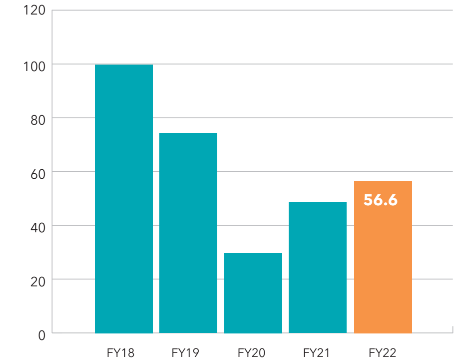
Performance against the following three strategic objectives was assessed by the Board in respect to non-financial measures for the CEO and CFO:

- Growth in targeted segments and markets
- Simplify operations and reduce costs
- People and Planet

2022 Audited Remuneration Report

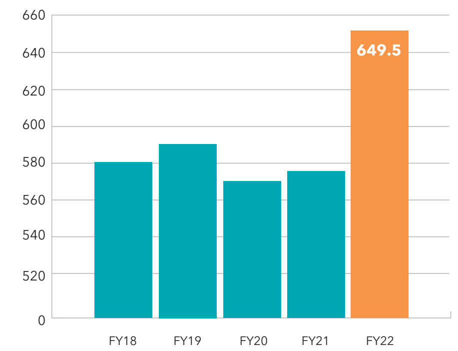
The three Group performance financial measures, Blackmores' EBIT, Net Sales and Net Working Capital as a percentage of Net Sales for FY22 and over the past five years are shown in the following graphs.

UNDERLYING EBIT ($M)[1]

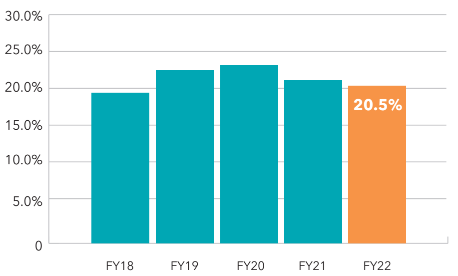


1. Underlying EBIT is non-Statutory measure of financial performance derived from Statutory EBIT, after adjustment for material one-off items that are non-recurring in nature, which the Board has determined do not reflect the on-going operations of the Group. A reconciliation between Underlying EBIT to Statutory EBIT is presented in note 2.2 to the Financial Statements . 2018 statutory and underlying financial results were consistent.

NET SALES ($M)



NET WORKING CAPITAL AS A % OF NET SALES



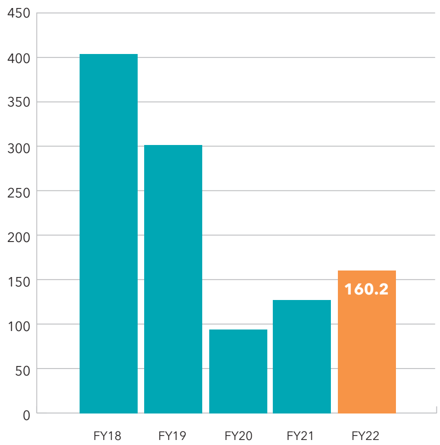
Long-term Incentive (LTI)

The two LTI measures (EPS and ROIC) are equally weighted (50% EPS weighting and 50% ROIC weighting) and the LTI plan has a three-year performance period.

Due to not meeting the minimum performance hurdle requirements under the FY20 LTI plan (i.e. performance period beginning 1 July 2019 and ending 30 June 2022), there were no FY20 LTI awards eligible to vest in FY22. The FY21 and FY22 plans were not eligible to vest in the current year as any vesting under these plans is not applicable until after the end of the three-year performance period (FY23 and FY24 respectively).

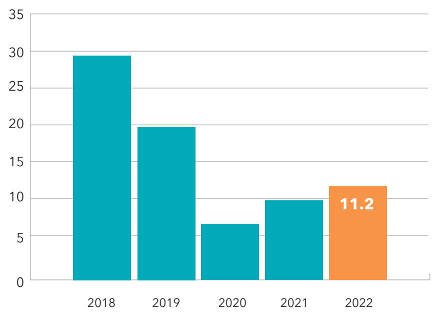
The total remuneration for the financial year, the details of which are shown on page 84 includes an accounting expense of $1.5 million (2021: $582,121) for these performance rights. This amount has been calculated based on an assessment of the likelihood of achievement of the performance hurdles over the three-year performance period and represents a pro rata amount of the total value of the unvested rights, from grant date to expected exercise date.

UNDERLYING EPS (CENTS)[1]



1. Underlying EPS is non-Statutory measure of financial performance derived from Statutory EPS from Continuing operations, after adjusting Earnings for material one-off items that are non-recurring in nature, which the Board has determined do not reflect the on-going operations of the Group. 2018 statutory and underlying EPS were consistent.

UNDERLYING ROIC (%)[1]



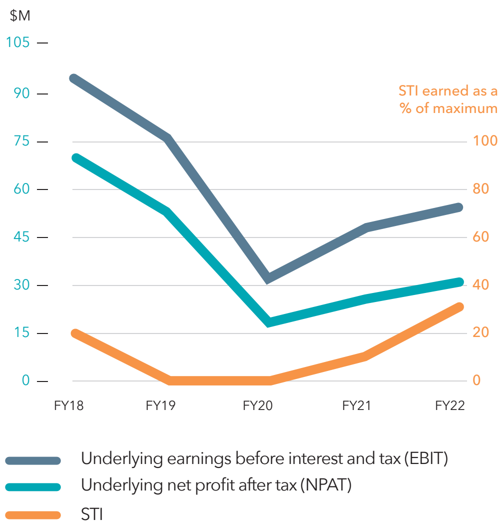
1. Underlying ROIC is non-Statutory measure of financial performance derived from Statutory ROIC from Continuing Operations, after adjusting Net operating profit after tax (NOPAT) for material one-off items that are non-recurring in nature, which the Board has determined do not reflect the on-going operations of the Group. 2018 statutory and underlying ROIC were consistent.

2022 Audited Remuneration Report

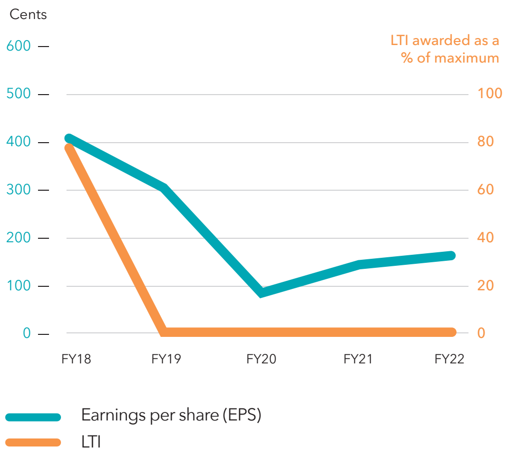
CEO Remuneration Outcomes – Five-Year History

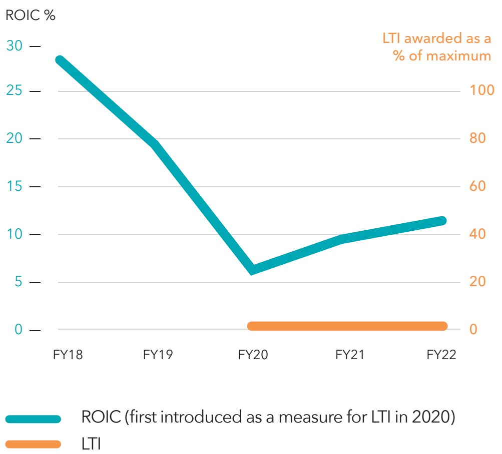
The Group's remuneration framework is designed to reward participants based on the achievement of the Group's performance goals and to share in the success and profitability of Blackmores in alignment with increased shareholder wealth. CEO performance-related remuneration over the past five years illustrates this linkage to business performance. Alastair Symington was appointed CEO during FY20. The performance-related remuneration in the prior years relate to prior CEO's, Prior to FY21, the STI plan was based on NPAT gateway performance measure and from FY21 it is based on EBIT gateway performance measure.

STI EARNED AS A % OF MAXIMUM



LTI AWARDED AS A % OF MAXIMUM





2022 Audited Remuneration Report

4

SENIOR EXECUTIVE REMUNERATION TABLES

Statutory Remuneration Table

The following table discloses the remuneration outcomes of the Senior Executives for the financial year ended 30 June 2022. The table has been prepared in accordance with Section 300A of the Corporations Act 2001.

The statutory remuneration table includes the accounting value for LTI and STI grants for the FY21 and FY22 years, including sign-on grants in FY22, which have not yet vested.

	SHORT-TERM EMPLOYMENT BENEFITS				TERMINATION BENEFITS	POST-EMPLOYMENT BENEFITS	OTHER LONG-TERM EMPLOYMENT BENEFITS[5]	SHARE-BASED PAYMENT	
	SALARY AND FEES	STI AND PROFIT SHARE[1]	NON-MONETARY[2]	OTHER[3]	TERMINATION PAYMENTS[4]	SUPERANNUATION	OTHER	PERFORMANCE RIGHTS[6]	TOTAL
	$	$	$	$	$	$	$	$	$
Executive Director									
Alastair Symington									
2022	**1,276,434**	**290,429**	**5,036**	**55,347**	**-**	**23,568**	**410,336**	**1,762,035**	**3,823,185**
2021	1,278,316	78,000	1,854	12,958	-	21,694	410,336	628,588	2,431,746
Senior Executive									
Patrick Gibson[7]									
2022	**248,664**	**63,116**	**2,358**	**113,651**	**-**	**11,784**	**-**	**191,614**	**631,187**
Former Executive Director									
Marcus Blackmore[8]									
2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2021	121,080	-	10,601	-	90,810	10,697	-	-	233,188
Former Senior Executive									
Gunther Burghardt[9]									
2022	**409,499**	**13,476**	**-**	**15,369**	**-**	**17,676**	**-**	**(40,304)**	**415,716**
2021	603,315	38,188	1,536	24,629	-	21,694	-	75,170	764,532
Total									
2022	**1,934,597**	**367,021**	**7,394**	**184,367**	**-**	**53,028**	**410,336**	**1,913,345**	**4,870,088**
2021	2,002,711	116,188	13,991	37,587	90,810	54,085	410,336	703,758	3,429,466

1. 'STI and profit share' includes amounts paid by way of cash STI and profit share. $290,429 for Alastair Symington comprises $36,929 for FY22 Profit Share payment and $253,500 for the cash portion of FY22 STI which is 50% of his total FY22 STI award outcome. The remaining 50% is deferred for two years into equity in the form of performance rights and is shown in the performance rights column. $63,116 for Patrick Gibson comprises $3,013 for FY22 Profit Share payment and $60,103 for the cash portion of FY22 STI which is 50% of his total FY22 STI award outcome. The remaining 50% is deferred for one year into equity in the form of performance rights and is shown in the performance rights column. $13,476 for Gunther Burghardt is for 1H22 Profit Share payment.
2. 'Non-monetary' includes benefits and any applicable fringe benefits tax.
3. 'Other' shown in short-term employment benefits relates to provisions for annual leave. For Patrick Gibson, 'Other' comprises $19,901 of employment benefits related to provisions for annual leave and $93,750 which relates to a contractual sign-on cash payment made to Patrick Gibson following commencement of employment.
4. Termination payments for Marcus Blackmore in FY21 is payment in lieu-of notice paid as an employment termination payment (ETP).
5. 'Other' shown in long-term employment benefits relates to provisions for long service leave (if applicable), with the exception of the $410,336 (2021: $410,336) forAlastair Symington which relates to Sign-On Shares under the Executive Share Plan as part of Mr Symington's employment contract. These Shares are subject to a service condition being continuous employment with Blackmores Limited from 16 September 2019 to 16 September 2022.
6. The FY22 share-based payments include the LTI plan and represent the FY22 portion of the fair value of rights granted in FY20, FY21 and FY22, being $1,508,535 for Alastair Symington, $131,511 for Patrick Gibson, which comprises $53,232 related to LTI and $78,279 related to contractual sign-on share rights, and ($40,304) for Gunther Burghardt. The negative amount for Gunther Burghardt represents unwinding of cumulative LTI expenses from prior years. The FY20 rights have not vested and there is nil value included in FY21 and FY22 as the performance conditions were not met. Vesting of the FY21 and FY22 rights remains subject to performance and service conditions as outlined on pages 78 and 79. The FY22 share based payments includes FY22 deferred STI in the form of performance rights for Alastair Symington and Patrick Gibson is $253,500 and $60,103 respectively. The deferral period is 2 years and 1 year, respectively, and represents 50% of their total FY22 STI award outcome. The remaining 50% is paid as cash and is shown in the STI and profit share column.
7. Patrick Gibson joined on 21 February 2022 and commenced as KMP on 1 March 2022.
8. Marcus Blackmore ceased as an Executive Director on 23 October 2020.
9. Gunther Burghardt ceased employment as Chief Financial Officer on 28 February 2022.

Performance-related remuneration

Statutory performance-related remuneration table

The following table shows an analysis of the fixed remuneration and performance-related (STI, Profit Share and LTI) components of the FY22 remuneration mix detailed in the Statutory Remuneration table.

	NON-PERFORMANCE-RELATED REMUNERATION[1]	STI AND PROFIT SHARE	PERFORMANCE RIGHTS[2,3]	TOTAL PERFORMANCE-RELATED REMUNERATION
Executive Director				
Alastair Symington				
2022	**46.3%**	**7.6%**	**46.1%**	**53.7%**
2021	70.9%	3.2%	25.9%	29.1%
Senior Executive				
Patrick Gibson[4]				
2022	**59.6%**	**10.0%**	**30.4%**	**40.4%**
2021	-	-	-	-
Former Executive Director				
Marcus Blackmore[5]				
2022	**-**	**-**	**-**	**-**
2021	100%	0.0%	0.0%	0.00%
Former Senior Executive				
Gunther Burghardt[6]				
2022	**106.5%**	**3.2%**	**(9.7%)**	**(6.5%)**
2021	85.2%	5.0%	9.8%	14.8%
Total				
2022	**53.2%**	**7.5%**	**39.3%**	**46.8%**
2021	76.1%	3.4%	20.5%	23.9%

1. Non-performance-related remuneration includes the accounting expense from all of the columns in the 'Statutory Remuneration Table' other than 'STI and Profit Share' and the 'Performance Rights' column..
2. Performance Rights includes the LTI plan and deferred STI and represents the FY22 accounting expense of the FY22 portion of the rights granted in FY21 and FY22.
3. Performance Rights represents the FY21 accounting expense of the FY21 portion of the rights granted in FY21.
4. Patrick Gibson joined on 21 February 2022 and commenced as KMP on 1 March 2022.
5. Marcus Blackmore ceased as an Executive Director on 23 October 2020.
6. Gunther Burghardt ceased employment as Chief Financial Officer on 28 February 2022.

Short-term Incentive

The following table shows the details of the STI awarded as remuneration to Executive Directors and Senior Executives for the financial year ended 30 June 2022.

	STI		
	INCLUDED IN REMUNERATION[1,3]	% OF STI AWARD AS A MAXIMUM STI AWARD	% OF MAXIMUM STI AWARD FORFEITED[2]
Executive Director			
Alastair Symington	507,000	33	67
Senior Executive			
Patrick Gibson[4]	120,205	45	55
Former Senior Executive			
Gunther Burghardt[5]	-	-	100

1. Amounts included in remuneration for the financial year represent the amounts related to the financial year based on achievement of personal goals and satisfaction of performance criteria.
2. Amounts forfeited are due to the performance or service criteria not being met in relation to the current financial year.
3. The awards are paid according to the table on page 77.
4. Patrick Gibson joined on 21 February 2022 and commenced as KMP on 1 March 2022.
5. Gunther Burghardt ceased employment as Chief Financial Officer on 28 February 2022.

5
REMUNERATION GOVERNANCE

Remuneration Governance Overview

The diagram below outlines the role of the Board, People and Remuneration Committee (PRC) and other parties in overseeing remuneration governance at Blackmores.

Board

Provides oversight of Blackmores' remuneration strategy and policies for KMP and other executives. Approves recommendations made by the People and Remuneration Committee on Non-Executive Director (NED) fees and Executive remuneration.

People and Remuneration Committee

Makes recommendations to the Board on remuneration strategy and policy for KMP and other executives that are in the best interests of Blackmores and its shareholders.

Advises the Board on remuneration policies and practices for the Company. Detailed responsibilities are set out in the Committee's charter which can be found on the Company's website at blackmores.com.au (go to 'Investor Centre', then click on Governance and Board of Directors'). The charter is reviewed annually by the Committee and the Board.

The People and Remuneration Committee currently comprises three independent Non-Executive Directors who have experience in both remuneration governance and the Blackmores business. The members during FY22 were Anne Templeman-Jones (Chair of the Board), Stephen Roche (appointed Chair of the Committee on 12 April 2022), David Ansell (appointed Chair of the Committee on 28 July; ceased as Chair of the Committee and appointed a member of the Committee on 12 April 2022), Wendy Stops and Sharon Warburton (appointed members of the Committee on 5 August 2021; Sharon Warburton ceased as member on 12 April 2022), Christine Holman (Committee Chair until resignation on 28 July 2021).

Management

Reviews and proposes changes to remuneration policies and structures and provides information and recommendations on NED and Executive remuneration to the PRC for review and approval.

Audit Committee

Provides oversight on the integrity of financial information provided to the PRC for the purposes of decision making on remuneration outcomes.

Risk and Technology Committee

Provides oversight of business risks and behavioural issues provided to the PRC for the purposes of decision making on remuneration outcomes.

Advisors to the Committee

The PRC has established protocols for engaging and dealing with external advisors and these are included in the Committee's charter.

The Committee obtains specialist external advice about remuneration structure and levels. The advice is used to support its assessment of the market to ensure that the CEO, Executive Team members and NEDs are being rewarded appropriately.

During FY22, the Committee engaged an independent external remuneration consultant, Ernst & Young, to provide advice on remuneration framework and performance-based remuneration. The Board was satisfied that the advice received was free from any undue influence by KMP or other executives to whom the advice may relate, as the established protocols were observed and complied with and all remuneration advice was provided to the Committee. The fee paid for the service in FY22 was $121,325 (excluding GST).

No remuneration recommendations as defined by the Corporations Act were provided.

2022 Audited Remuneration Report

SENIOR EXECUTIVE EMPLOYMENT CONTRACTS

The remuneration and other terms of employment are covered in employment contracts. No contract is for a fixed term.

Senior Executives' contracts can be terminated by Blackmores or by the Senior Executive providing notice periods as shown in the following table.

<table>
<tr><th>Name</th><th colspan="2">Notice periods/termination payments</th></tr>
<tr><td rowspan="6">Alastair Symington (CEO)
Patrick Gibson (CFO)
Gunther Burghardt (Former CFO)</td><td colspan="2">Six months' notice (or payment in lieu).
May be terminated immediately for serious misconduct.</td></tr>
<tr><td colspan="2">Redundancy Payments</td></tr>
<tr><td>Years of continuous service</td><td>Termination payments</td></tr>
<tr><td>Up to one year</td><td>Two weeks' pay.</td></tr>
<tr><td>Between one and 10 years</td><td>Two weeks' pay plus an additional three weeks of pay for each completed year of service.</td></tr>
<tr><td>10 years or more</td><td>29 weeks' pay plus an additional three weeks of pay for each completed year of service following 10 years capped at a maximum of 52 weeks of pay.</td></tr>
</table>

6

NON-EXECUTIVE DIRECTOR REMUNERATION

Non-Executive Directors receive fixed annual fees comprising a Board fee, Committee fee and Committee Chair fee as applicable. No incentive-based payments are awarded to Non-Executive Directors.

Blackmores makes superannuation contributions on behalf of Non-Executive Directors in accordance with statutory obligations and each Non-Executive Director may sacrifice their fees in return for additional superannuation contributions paid by Blackmores.

At a meeting held on 25 October 2018, shareholders determined the maximum total Non-Executive Director fees payable, including Committee fees, to be $1,300,000 per year, to be distributed as the Board determines. The pool value remains unchanged.

Compensation arrangements for Non-Executive Directors are determined by Blackmores after reviewing published remuneration surveys and market information. There were no changes to the Non-Executive Director fees in FY22.

Non-Executive Director fees (inclusive of superannuation) for FY22 were:

	2022		2021	
FEES	CHAIR $	MEMBER $	CHAIR $	MEMBER $
Board	**305,000**	**142,350**	305,000	142,350
Audit	**21,900**	**10,950**	21,900	10,950
People and Remuneration	**21,900**	**10,950**	21,900	10,950
Risk and Technology	**21,900**	**10,950**	21,900	10,950
Nominations	**-**	**-**	-	-

2022 Audited Remuneration Report

The total annual Non-Executive Director remuneration for the Board of six (five in 2021) for FY22 was $1,086,774 (2021: $736,120).

The following table discloses the remuneration of the Non-Executive Directors for the financial year ended 30 June 2022.

		SHORT-TERM EMPLOYMENT BENEFITS	POST EMPLOYMENT BENEFITS	
	FEES AND ALLOWANCES $	NON-MONETARY[1] $	SUPERANNUATION $	TOTAL $
Non-Executive Directors				
Anne Templeman-Jones				
2022	**305,000**	**3,955**	**-**[11]	**308,955**
2021[2]	187,418	-	16,230	203,648
David Ansell[3]				
2022	**154,334**	**-**	**15,433**	**169,767**
2021	156,385	-	14,857	171,242
Erica Mann[4]				
2022	**101,077**	**-**	**10,108**	**111,185**
Stephen Roche[5]				
2022	**105,135**	**-**	**10,514**	**115,649**
Wendy Stops				
2022	**181,981**	**-**	**-**[11]	**181,981**
2021[6]	25,846	-	2,455	28,301
Sharon Warburton				
2022	**166,088**	**-**	**16,609**	**182,697**
2021[7]	25,846	-	2,455	28,301
Former Non-Executive Directors				
John Armstrong[8]				
2022	**-**	**-**	**-**	**-**
2021	30,577	2	2,905	33,484
Christine Holman[9]				
2022	**15,036**	**-**	**1,504**	**16,540**
2021	160,000	-	15,200	175,200
Brent Wallace[10]				
2022	**-**	**-**	**-**	**-**
2021	88,000	620	7,324	95,944
Total				
2022	**1,028,651**	**3,955**	**54,168**	**1,086,774**
2021	674,072	622	61,426	736,120

1. 'Non-monetary' includes benefits and any applicable fringe benefits tax.
2. Anne Templeman-Jones was appointed Chair of Blackmores on 28 October 2020.
3. David Ansell resigned as a Non-Executive Director effective 30 June 2022.
4. Erica Mann was appointed as a Non-Executive Director on 20 September 2021.
5. Stephen Roche was appointed as a Non-Executive Director on 20 September 2021.
6. Wendy Stops was appointed as a Non-Executive Director on 28 April 2021.
7. Sharon Warburton was appointed as a Non-Executive Director on 28 April 2021.
8. John Armstrong ceased as KMP on 8 September 2020.
9. Christine Holman resigned as a Non-Executive Director effective 28 July 2021.
10. Brent Wallace ceased as KMP on 27 October 2020.
11. SG exemption certificate applies, no SG contributions made, total fees are delivered in cash.

7

ADDITIONAL STATUTORY DISCLOSURES

Share-based Payments

The following table outlines the shares and rights over ordinary shares in the Company that were granted as compensation to Executive Directors and Senior Executives. The fair value of awards is calculated in accordance with AASB 2 Share-based Payments.

(a) LTI and STI plans

NAME	GRANT						VESTED	EXERCISED	LAPSED		END OF HOLDING LOCK	
	DATE	NUMBER OF RIGHTS	FAIR VALUE PER RIGHT $	TOTAL FAIR VALUE[1] $	SHARE PRICE $	MAXIMUM VALUE[2] $	NUMBER OF RIGHTS	NUMBER OF RIGHTS	NUMBER OF RIGHTS	VALUE $	DATE	RIGHTS NOT VESTED $
Executive Director												
Alastair Symington[3]	31/10/19	13,650	86.56	1,181,544	73.26	1,000,000	-	-	-	-	09/22	1,181,544
	19/12/19	35,622	81.47	2,902,124	84.74	3,018,608	-	-	35,622[6]	2,902,124	N/A	N/A
	18/12/20	38,364	71.78	2,753,768	74.19	2,846,225	-	-	-	-	08/23	2,753,768
	9/11/21	22,056	98.45	2,171,413	99.54	2,195,454	-	-	-	-	08/24	2,171,413
	18/10/21	882	98.38	86,771	99.16	87,459	-	-	-	-	10/23	86,771
Senior Executive												
Patrick Gibson[4]	22/3/22	6,664	73.02	486,605	74.00	493,136	-	-	-	-	08/24	486,605
	22/3/22	985	73.82	72,713	74.00	72,890	-	-	-	-	08/22	72,713
	22/3/22	1,232	73.59	90,663	74.00	91,168	-	-	-	-	03/23	90,663
	22/3/22	657	73.42	48,237	74.00	48,618	-	-	-	-	08/23	48,237
Former Senior Executive												
Gunther Burghardt[5]	26/6/20	6,098	75.29	459,118	77.23	470,949	-	-	6,098[7]	459,118	N/A	N/A
	18/12/20	7,386	71.78	530,167	74.19	547,967	-	-	7,386[7]	530,167	N/A	N/A
	9/11/21	7,068	98.45	695,845	99.54	703,549	-	-	7,068[7]	695,845	N/A	N/A
	18/10/21	353	98.77	34,866	99.16	35,003	-	-	-	-	10/22	34,866

1. The total fair value of rights granted in the year is the fair value of the rights calculated at the time of grant. This amount is allocated to remuneration over the vesting period (i.e. FY22 grant over 1 July 2021 to 30 June 2022).
2. Disclosure of maximum value is required under Section 300A of the Corporations Act 2001. The value disclosed represents the underlying value of shares at the time of grant multiplied by the number of rights granted to each individual. The minimum value of rights awarded is zero if performance conditions are not achieved.
3. The 13,650 number of rights granted on 31/10/19 relates to grant of contractual sign-on shares. The 882 number of rights granted on 18 October 2021 relates to grant of deferred equity portion of Mr. Symington's FY21 STI award.
4. Patrick Gibson joined on 21 February 2022 and commenced as KMP on 1 March 2022. The 985, 1,232 and 657 number of rights granted on 22 March 2022 relates to grants of contractual sign-on share rights which are subject to vesting conditions being continuous employment with Blackmores Limited from 21 February 2022 to 31 August 2022, 31 March 2023, and 31 August 2023, respectively.
5. Gunther Burghardt ceased employment as Chief Financial Officer on 28 February 2022. The 353 number of rights granted on 18 October 2021 relates to grant of deferred equity portion of Mr Burghardt FY21 STI award.
6. Rights that will lapse.
7. Rights that have lapsed.

(b) Staff Share Plan

Under the Staff Share Plan, vesting of 44 rights granted to Senior Executives for the year ended 30 June 2021, occurred on 31 July 2021 and shares were issued in September 2021. The Staff Share Plan was decommissioned with no further participation offerings made under the plan post FY21.

2022 Audited Remuneration Report

Options

During FY22 and FY21 there were no share options in existence. There have been no share options issued since the end of the financial year.

Shares

The following table outlines the fully paid ordinary shares of Blackmores Limited held by KMP.

Fully paid ordinary shares of Blackmores Limited

	BALANCE AT 1/7/21	RECEIVED ON SETTLEMENT OF RIGHTS	NET CHANGE OTHER[1]	BALANCE AT 30/6/22
	NUMBER	NUMBER	NUMBER	NUMBER
Non-Executive Directors				
Anne Templeman-Jones	652	-	250	902
David Ansell[2]	1,413	-	587	2,000
Erica Mann[3]	-	-	1,488	1,488
Stephen Roche[4]	-	-	-	-
Wendy Stops	2,500	-	-	2,500
Sharon Warburton	-	-	897	897
Executive Director				
Alastair Symington	18,536	-	-	18,536
Senior Executive				
Patrick Gibson[5]	-	-	-	-
Former Non-Executive Director				
Christine Holman[6]	2,913	-	-	2,913
Former Senior Executive				
Gunther Burghardt[7]	634	-	44	678
Total	**26,648**	**-**	**3,266**	**29,914**

1. Includes shares issued to Gunther Burghardt under the Company's Staff Share Plan.
2. David Ansell resigned as a Non-Executive Director effective 30 June 2022 and his closing balance is as at this date.
3. Erica Mann was appointed as a Non-Executive Director on 20 September 2021.
4. Stephen Roche was appointed as a Non-Executive Director on 20 September 2021.
5. Patrick Gibson joined on 21 February 2022 and commenced as KMP on 1 March 2022.
6. Christine Holman resigned as a Non-Executive Director effective 28 July 2021 and her closing balance is as at this date.
7. Gunther Burghardt ceased employment as Chief Financial Officer on 28 February 2022 and his closing balance is as at this date.

Rights to shares

The following table outlines the rights to fully paid ordinary shares of Blackmores Limited held by KMP.

	BALANCE AS AT 1/7/21	GRANTED AS COMPEN-SATION	EXERCISED	NET OTHER CHANGE	BALANCE AS AT 30/6/22	BALANCE VESTED AT 30/6/22	VESTED BUT NOT EXERCISABLE	VESTED AND EXERCISABLE	RIGHTS VESTED DURING YEAR
	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER
Executive Director									
Alastair Symington	73,986	22,938	-	(35,622)[1]	61,302	-	-	-	-
Senior Executive									
Patrick Gibson[2]	-	9,538	-	-	9,538	-	-	-	-
Former Senior Executive									
Gunther Burghardt[3]	13,484	7,421	-	(20,552)	353	-	-	-	-
Total	**87,470**	**39,897**	**-**	**(56,174)**	**71,193**	**-**	**-**	**-**	**-**

1. Rights that will lapse.
2. Patrick Gibson joined on 21 February 2022 and commenced as KMP on 1 March 2022.
3. Gunther Burghardt ceased employment as Chief Financial Officer on 28 February 2022. 20,552 rights relate to LTI rights that have lapsed. 353 rights relate to deferred equity rights not lapsed as at 30 June 2022.

2022 Audited Remuneration Report

Loan disclosures

There were no loans due from KMP or any employee during or at the end of the financial year (2021: $nil).

Other transactions with Key Management Personnel

Transactions entered into during the year with KMP of Blackmores Limited and the Group are on the same terms and conditions as employees or customers dealing on an arms-length basis which includes:

- the receipt of dividends on their shareholdings, whether held privately or through related entities or through the employee share plans in the same manner as all ordinary shareholders;
- terms and conditions of employment;
- purchases of goods and services;
- expense reimbursement.

No interest was paid to or received from KMP.

Signed in accordance with a Resolution of the Directors made pursuant to s298(2) of the Corporations Act 2001.

On behalf of the Directors

Stephen Roche
Chair, People and Remuneration Committee

Dated in Sydney, 18 August 2022

Auditor's Independence Declaration

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

The Board of Directors
Blackmores Limited
20 Jubilee Avenue
Warriewood NSW 2102

18 August 2022

Dear Board members,

Auditor's Independence Declaration to Blackmores Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Blackmores Limited.

As lead audit partner for the audit of the financial report of Blackmores Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

John M Clinton
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

Independent Auditor's Report to the Members of Blackmores Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Blackmores Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

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. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

Promotional and other rebates provided to customers
 	
As disclosed in Note 2.1 revenue is recognised at an amount that reflects the consideration expected to be received from customers which includes, as a reduction to revenue, amounts relating to promotional and other rebates provided to customers.
 	
For the year ended 30 June 2022 the Group provided promotional and other rebates of $125.0m which have been charged against sales revenue as disclosed in Note 2.1. Accruals for promotional and other rebates as at 30 June 2022 are included within 'Other creditors and accruals' in Note 2.5.5.
 	
Recognition of rebate accruals at balance date requires management to exercise significant judgement in respect to the amount of the required accruals which are based on a combination of actual and forecast customer sales volumes for the period as well as growth and/or contributions by customers towards promotional activities (known as case deals).
	Our audit procedures included, but were not limited to:
	
	• Understanding key controls over the recording of promotional and other rebate accruals;
	• Challenging management's assumptions and judgements for recording the amount of the promotional and other rebate accruals at balance date through:
	  o Assessing the historical forecasting accuracy of Blackmores case deal accruals by obtaining a list of all promotions run for the year ended 30 June 2022 and, on a sample basis, comparing the amount originally accrued to the amount subsequently claimed by the customer;
	  o Reviewing rebate claims received from customers subsequent to year end in order to assess the accuracy of the promotional and other rebate accruals compared to actual rebates issued;
	• Testing on a sample basis, the promotional and other rebate accruals to contractual evidence with customers, focusing on the period in which the expense was recorded and the appropriateness of the value of the accrual at balance date by reference to sales volumes, growth and/or contributions by customers towards promotional activities; and
	• Recalculating the promotional and other rebate accruals to test the accuracy of the calculation.
	
	We also assessed the appropriateness of the disclosures in Notes 2.1 and 2.5.5 to the financial statements.

Inventory provisioning
 	
As at 30 June 2022 the Group has a provision of $12.5m included in total inventories of $155.4m as disclosed in Note 2.5.4.
 	
Significant judgement is required in estimating the value of slow moving and potentially obsolete items, some of which have a limited shelf life.
 	
Furthermore, there is uncertainty over changes in consumer preferences and spending patterns, which are being driven by wider trends in the health and wellness sector which may impact inventory provisioning requirements.
 	
There is a recoverability risk associated with inventory on hand and significant judgement is required in forecasting demand, including the possible change in demand between the time the inventory is produced by the Group or an order is placed with a supplier and the ultimate date of sale.
	Our audit procedures included, but were not limited to:
	
	• Understanding and testing key controls over the inventory provision;
	• Testing, on a sample basis, the accuracy of the expiry dates;
	• Challenging management's assumptions and judgements regarding the slow moving inventory provision through:
	  o Assessing historical accuracy of inventory provisioning with reference to inventory write-offs during the year;
	  o Using data analytical techniques to assess the inventory provision by comparing inventory turnover for each stock keeping unit (SKU) based on historical sales data against its remaining shelf life;
	  o Consideration of forecasted sales for inventory SKUs across different geographies to assess management's plans of where to direct certain finished goods; and
	• Based on forecasted sales, assessing the months covered for 'at risk' inventory items to evaluate if appropriate provisioning is recognised.
	
	We also assessed the appropriateness of the disclosures in Note 2.5.4 to the financial statements.

Deloitte.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report

Deloitte.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 72 to 91 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Blackmores Limited, for the year ended 30 June 2022, 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

J. M. Clinton

John M Clinton
Partner
Chartered Accountants
Sydney, 18 August 2022

Directors' Declaration

The Directors declare that:

(a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) In the Directors' opinion, the attached Financial Statements are in compliance with International Financial Reporting Standards, as stated in note 1.2 to the Financial Statements;

(c) In the Directors' opinion, the attached Financial Statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group; and

(d) The Directors have been given the declarations required by s.295A of the Corporations Act 2001.

At the date of this declaration, the Company is within the class of companies affected by ASIC Corporations Legislative Instrument 2016/785. The nature of the deed of cross guarantee is such that each company that is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in note 6.2 to the Financial Statements will, as a Group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

Anne Templeman-Jones
Chair

Dated in Sydney, 18 August 2022

GOOD HEALTH CHANGES EVERYTHING

Financial Report

Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income	100
Consolidated Statement of Financial Position	101
Consolidated Statement of Cash Flows	102
Consolidated Statement of Changes in Equity	103

1 General Information 104
- 1.1 Reporting entity
- 1.2 Statement of compliance
- 1.3 Basis of preparation
- 1.4 Critical accounting judgements and key sources of estimation uncertainty
- 1.5 Basis of consolidation
- 1.6 Application of new and revised Australian Accounting Standards

2 Our Operations 110
- 2.1 Revenue and other income
- 2.2 Segment information
- 2.3 Profit for the year
- 2.4 Other financial information
- 2.5 Working capital
- 2.6 Income taxes
- 2.7 Provisions
- 2.8 Remuneration structure

3 Our Investments 120
- 3.1 Property, plant and equipment
- 3.2 Goodwill and intangible assets
- 3.3 Commitments for expenditure
- 3.4 Discontinued operations and assets held for sale
- 3.5 Leases

4 Our Financing 128
- 4.1 Capital management
- 4.2 Financing facilities
- 4.3 Financing liabilities
- 4.4 Issued capital
- 4.5 Shareholder returns

5 Our Financial Risk Management 132
- 5.1 Categories of financial instruments
- 5.2 Financial risk management objectives
- 5.3 Foreign currency risk management
- 5.4 Interest rate risk management
- 5.5 Credit risk management
- 5.6 Liquidity risk management
- 5.7 Fair value measurements

6 Our Group Structure 138
- 6.1 Parent entity information
- 6.2 Subsidiaries
- 6.3 Consolidated entities with minority interest

7 Other 142
- 7.1 Related party and Key Management Personnel disclosures
- 7.2 Remuneration of auditor
- 7.3 Contingent liabilities
- 7.4 Events after the reporting period
- 7.5 Approval of financial statements

Consolidated Statement of Profit or Loss and other Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	NOTES	2022 $'000	2021 $'000
Revenue	2.1	**649,521**	575,916
Other income	2.1	**1,680**	9,969
Gain on sale of assets	2.1	**-**	4,102
Revenue and other income		**651,201**	589,987
Raw materials and consumables used		**239,854**	214,734
Employee benefits expenses	2.3	**180,617**	166,461
Selling and marketing expenses		**66,358**	63,466
Depreciation and amortisation expenses		**26,341**	25,853
Facility and maintenance expenses		**15,956**	17,319
Professional and consulting expenses		**15,874**	10,050
Freight expenses		**18,504**	13,090
Licences and registrations		**7,853**	7,519
Cloud IT expenses		**9,277**	808
Impairment of financial assets		**(38)**	(268)
Impairment of non-financial assets	3.1, 3.2	**-**	9,767
Other expenses		**14,647**	15,398
Total expenses		**595,243**	544,197
Earnings before interest and tax		**55,958**	45,790
Interest revenue		**183**	144
Interest expense		**(2,836)**	(3,672)
Net interest expense		**(2,653)**	(3,528)
Profit before tax		**53,305**	42,262
Income tax expense	2.6.1	**(14,750)**	(13,398)
Profit after tax from continuing operations		**38,555**	28,864
Profit after tax from discontinued operation	3.4	**-**	4,650
Profit for the year		**38,555**	33,514
Profit attributable to:			
Owners of the parent		**30,622**	28,619
Non-controlling interests		**7,933**	4,895
		38,555	33,514
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign controlled entities		**4,523**	(3,282)
Net (loss)/gain on hedging instruments entered into for cash flow hedges (net of tax)		**1,450**	1,429
Asset revaluation reserve movement		**(20)**	-
Other comprehensive expense		**-**	(11)
Other comprehensive expense for the period (net of tax)		**5,953**	(1,864)
Total comprehensive income for the period		**44,508**	31,650
Total comprehensive income / (expense) attributable to:			
Owners of the parent		**35,813**	27,196
Non-controlling interests		**8,695**	4,454
		44,508	31,650
EARNINGS PER SHARE			
From continuing operations			
– Basic earnings per share (cents)	4.5.1	**157.9**	124.0
– Diluted earnings per share (cents)	4.5.1	**156.7**	123.6
From continuing and discontinued operations			
– Basic earnings per share (cents)	4.5.1	**157.9**	148.1
– Diluted earnings per share (cents)	4.5.1	**156.7**	147.5

Notes to the Consolidated Financial Statements are included on pages 104-143.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2022

	NOTES	2022 $'000	2021 $'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2.5.1	**82,193**	70,054
Receivables	2.5.3	**121,075**	108,492
Inventories	2.5.4	**155,357**	115,690
Tax assets		**404**	12,255
Other assets		**12,290**	14,633
Derivative assets		**3,130**	505
Total current assets		**374,449**	321,629
NON-CURRENT ASSETS			
Property, plant and equipment	3.1	**110,234**	112,462
Right-of-use assets	3.5	**24,506**	30,945
Goodwill and intangible assets	3.2	**67,456**	72,684
Deferred tax assets[1]	2.6.2	**10,980**	9,790
Other financial assets		**1,606**	1,542
Other non-current assets		**1,594**	129
Total non-current assets		**216,376**	227,552
Total assets		**590,825**	549,181
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	2.5.5	**127,125**	112,650
Tax liabilities		**7,652**	7,466
Lease liabilities	3.5	**7,901**	7,855
Provisions	2.7	**15,966**	15,152
Other liabilities		**687**	872
Derivative liabilities		**581**	177
Total current liabilities		**159,912**	144,172
NON-CURRENT LIABILITIES			
Lease liabilities	3.5	**17,343**	21,893
Provisions	2.7	**4,888**	4,162
Total non-current liabilities		**22,231**	26,055
Total liabilities		**182,143**	170,227
Net assets		**408,682**	378,954
EQUITY			
CAPITAL AND RESERVES			
Issued capital	4.4	**201,133**	196,126
Reserves		**12,824**	4,002
Retained earnings		**182,570**	173,028
Equity attributable to shareholders of Blackmores Ltd		**396,527**	373,156
Equity attributable to non-controlling interests		**12,155**	5,798
Total equity		**408,682**	378,954

Notes to the Consolidated Financial Statements are included on pages 104-143.

1. 30 June 2021 deferred tax balances have been reclassified, refer to note 2.6.2 .

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	NOTES	2022 $'000	2021[1] $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (net of promotional and other rebates)		**702,161**	628,320
Payments to suppliers and employees		**(647,121)**	(547,930)
Cash generated from operations		**55,040**	80,390
Interest and other costs of finance paid		**(1,880)**	(3,674)
Income taxes paid		**(4,917)**	(18,262)
Net cash flows from operating activities		**48,243**	58,454
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**183**	156
Proceeds from disposal of property, plant and equipment		**-**	65
Proceeds from disposal of assets		**-**	34,632
Payments for property, plant and equipment	3.1	**(8,538)**	(11,018)
Payments for intangible assets	3.2	**(2,158)**	(7,421)
Dividends received		**90**	89
Net cash flows from/(used in) investing activities		**(10,423)**	16,503
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank borrowings		**-**	70,000
Repayments of bank borrowings		**-**	(155,000)
Repayments from other borrowings		**-**	(1,335)
Repayments of lease liabilities		**(9,039)**	(9,424)
Dividends paid - external BKL shareholders		**(15,390)**	(4,171)
Dividends paid - Kalbe JV		**(2,338)**	-
Payments for vested share rights		**(915)**	-
Proceeds from the issue of share capital (net of transaction costs)		**-**	48,313
Net cash flows from/(used in) financing activities		**(27,682)**	(51,617)
Net increase / (decrease) in cash and cash equivalents		**10,138**	23,340
Cash and cash equivalents at the beginning of the year		**70,054**	47,659
Effects of exchange rate changes on the balance of cash held in foreign currencies		**2,001**	(945)
Cash and cash equivalents at the end of the year	2.5.1	**82,193**	70,054

	NOTES	2022 $'000	2021 $'000
Cash held by continuing operations		**82,193**	70,054
Cash held by discontinued operations	3.4	-	-
		82,193	70,054

Notes to the Consolidated Financial Statements are included on pages 104-143.

1. The Consolidated Statement of Cash Flows includes both continuing and discontinued operations. Amounts relating to discontinued operations are disclosed in note 3.4.

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	ISSUED CAPITAL	EQUITY-SETTLED EMPLOYEE BENEFITS RESERVE	CASH FLOW HEDGING RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	CAPITAL RESERVE	ASSET REVALUATION RESERVE	RETAINED EARNINGS	ATTRIBUTABLE TO OWNERS OF BLACKMORES LTD	NON-CONTROLLING INTEREST	TOTAL EQUITY
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 July 2020 (restated)[1]	146,388	234	(1,226)	4,104	-	-	149,999	299,499	1,344	300,843
Profit for the year	-	-	-	-	-	-	28,619	28,619	4,895	33,514
Other comprehensive income/ (expense) for the year (net of tax)	-	-	1,429	(2,841)	-	-	(11)	(1,423)	(441)	(1,864)
Total comprehensive income/ (expense) for the period	-	-	1,429	(2,841)	-	-	28,608	27,196	4,454	31,650
Dividends declared	-	-	-	-	-	-	(5,579)	(5,579)	-	(5,579)
Share-based payments expense	-	2,319	-	-	-	-	-	2,319	-	2,319
Issue of shares under Dividend Reinvestment Plan (DRP)	1,408	-	-	-	-	-	-	1,408	-	1,408
Issue of shares under employee incentive plans (net of tax)	17	(17)	-	-	-	-	-	-	-	-
Issue of shares under Capital Raise (net of transaction costs)	48,313	-	-	-	-	-	-	48,313	-	48,313
Balance as at 30 June 2021	196,126	2,536	203	1,263	-	-	173,028	373,156	5,798	378,954
Balance at 1 July 2021	**196,126**	**2,536**	**203**	**1,263**	**-**	**-**	**173,028**	**373,156**	**5,798**	**378,954**
Profit for the year	**-**	**-**	**-**	**-**			**30,622**	**30,622**	**7,933**	**38,555**
Other comprehensive income/ (expense) for the year (net of tax)	**-**	**-**	**1,450**	**3,761**	**429**	**(20)**	**(429)**	**5,191**	**762**	**5,953**
Total comprehensive income/ (expense) for the year	**-**	**-**	**1,450**	**3,761**	**429**	**(20)**	**30,193**	**35,813**	**8,695**	**44,508**
Dividends declared	**-**	**-**	**-**	**-**	**-**	**-**	**(20,383)**	**(20,383)**	**(2,338)**	**(22,721)**
Share-based payments expense	**-**	**3,863**	**-**	**-**	**-**	**-**	**-**	**3,863**	**-**	**3,863**
Vested share rights, settled on market	**-**	**(915)**	**-**	**-**	**-**	**-**	**-**	**(915)**	**-**	**(915)**
Transfer to retained earnings	**-**	**268**	**-**	**-**	**-**	**-**	**(268)**	**-**	**-**	**-**
Issue of shares under Dividend Reinvestment Plan (DRP)	**4,993**	**-**	**-**	**-**	**-**	**-**	**-**	**4,993**	**-**	**4,993**
Issue of shares under employee incentive plans (net of tax)	**14**	**(14)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 30 June 2022	**201,133**	**5,738**	**1,653**	**5,024**	**429**	**(20)**	**182,570**	**396,527**	**12,155**	**408,682**

Notes to the Consolidated Financial Statements are included on pages 104-143.

1. The year ended 30 June 2020 has been restated as a result of change in accounting policy in June 2021 due to the impact of International Financial Reporting Interpretation Committee ("IFRIC") guidance on upfront configuration and customisation costs incurred in implementing SaaS arrangements.

1 General Information

Blackmores Limited (the Company) is a public company listed on the Australian Securities Exchange (trading under the symbol 'BKL'), incorporated in Australia and operating across Australia, New Zealand and Asia.

Blackmores Limited's registered office and its principal place of business is as follows:

20 Jubilee Avenue
Warriewood
NSW 2102
Telephone +61 2 9910 5000

The Group's principal activity is the development, manufacture, sales and marketing of health products for humans and animals, including vitamins, and herbal and mineral nutritional supplements.

1.1 REPORTING ENTITY

Blackmores Limited (the Company) is a company domiciled in Australia. The Consolidated Financial Report (Financial Report) of Blackmores as at and for the twelve months ended 30 June 2022 comprises Blackmores and its subsidiaries (the Group).

The Consolidated Annual Financial Report of the Group as at and for the year ended 30 June 2022 is available upon request from the registered office of Blackmores at 20 Jubilee Avenue, Warriewood, NSW 2102 or online at blackmores.com.au.

1.2 STATEMENT OF COMPLIANCE

These Financial Statements are General Purpose Financial Statements which have been prepared in accordance with the Corporations Act 2001 and Accounting Standards and Interpretations and comply with other requirements of the law.

The Financial Statements comprise the Consolidated Financial Statements of the Group. For the purposes of preparing the Consolidated Financial Statements, the Company is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the Financial Statements and notes of the Company and the Group comply with International Financial Reporting Standards (IFRS).

The Financial Statements were authorised for issue by the Directors on 18 August 2022.

1.3 BASIS OF PREPARATION

The Consolidated Financial Statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the following accounting policies. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation in the preparation of the Consolidated Financial Statements are consistent with those adopted and disclosed in the Consolidated Financial Statements for the year ended 30 June 2021, unless otherwise stated.

The Company is a company of the kind referred to in ASIC Corporations Instrument 2016/191, and in accordance with that Instrument amounts in the Financial Statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Accounting policies

Goods and services tax

Revenues, expenses, and assets are recognised excluding goods and services tax (GST), or jurisdictional equivalents. The net amount of GST recoverable from, or payable to, the taxation authorities is included within receivables or payables. Operating cash flows are included in the Consolidated Statement of Cash Flows inclusive of GST. GST in relation to investing or financing activities which is recoverable from, or payable to, the taxation authorities is classified within operating cash flows.

Foreign currencies

Individual controlled entities

The individual Financial Statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the Consolidated Financial Statements, the financial results and financial position of each Group entity are expressed in Australian Dollars ($), which is the functional currency of the Company, and the presentation currency for the Consolidated Financial Statements.

1.3 BASIS OF PREPARATION (CONT.)

Accounting policies (cont.)

Foreign currency transactions

In preparing the Financial Statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign operations

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

1.4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's accounting policies, which are described in notes 1 to 7, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1.4.1 Ongoing impact of COVID-19

The full impact of COVID-19 continues to evolve globally. In the current financial year the China region was particularly impacted by on-going restrictions and lockdowns. Management is actively monitoring the global situation and its impact on the Group's financial position, liquidity, operations, suppliers and industry. Given the evolution of the COVID-19 outbreak and the global responses to curb its spread, the Group is not able to estimate the effects of the COVID-19 outbreak on its financial performance and liquidity for future financial periods.

Although the Group cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic returns to the extent previously experienced, it may have a material adverse effect on the Group's future financial performance and liquidity.

1.4.2 Climate related risks

The Group is closely monitoring the impacts of climate and climate related risks and has outlined sustainability targets to mitigate the potential impacts of these risks. The Group is monitoring the activities of the Australian Accounting Standards Board (AASB) and International Sustainability Standards Board (ISSB) and other relevant bodies with regards to reporting requirements, which will be addressed as part of the sustainability goals and reporting of the Group.

1.4.3 Geopolitical risks

The Group continues to monitor the impact to our business of global geopolitical risks. The Group does not have any direct customers or suppliers impacted by the Ukraine/Russia conflict. Further, the Group is not directly impacted by sanctions relating to this conflict. Despite this, global supply chain disruptions have impacted the Group's performance in the current year.

1.5 BASIS OF CONSOLIDATION

The Consolidated Financial Statements incorporate the Financial Statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

1 General Information

1.6 APPLICATION OF NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2021.

For the current financial period the adoption of the new and amended Standards and Interpretations had no material impact on the financial statements of the Group.

1.6.1 Standards and Interpretations adopted

Impact of the initial application of COVID-19-Related Rent Concessions beyond 30 June 2021 – Amendment to AASB 16 Leases (AASB16)

In the prior year, the Group early-adopted COVID-19-Related Rent Concessions (Amendment to AASB 16) that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to AASB 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. In March 2021, the International Accounting Standard Board issued COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to AASB 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022.

In the current financial year, the Group has applied the amendment to AASB 16 (as issued by AASB Board in April 2021). The practical expedient permits a lessee to elect not to assess whether a COVID-19 Related Rent Concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-Related Rent Concession applying AASB 16 as if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022);
- There is no substantive change to other terms and conditions of the lease.

1.6.2 Standards and Interpretations in issue, not yet adopted

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 30 June 2022. These amendments are not expected to have a significant impact on the Financial Statements of the Group on application.

	EFFECTIVE FOR ANNUAL REPORTING PERIOD BEGINNING ON OR AFTER
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts – Cost of Fulfilling a Contract	1 January 2023
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies	1 January 2023
AASB 2021-20 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB 2020-1 Amendments to Australian Accounting Standards - Classificaiton of Liabilities as Current or Non-current	1 January 2023

THIS PAGE LEFT INTENTIONALLY BLANK

2 Our Operations

Blackmores is a leading natural healthcare company across the Asia-Pacific region. Blackmores operations include product innovation and formulation, sourcing of the highest quality ingredients, programs to ensure compliance with standards of goods manufacturing and the marketing, sales and distribution of products to customers and consumers.

2.1 REVENUE AND OTHER INCOME

	2022 $'000	2021 $'000
Sales (net of discounts)	**774,513**	701,852
Promotional and other rebates	**(124,992)**	(125,936)
Revenue	**649,521**	575,916
Gain arising from disposal of assets	-	4,102
COVID-19 relief payments including JobKeeper and JSS (Singapore)	**140**	8,151
Other	**1,540**	1,818
Other income	**1,680**	14,071
Revenue and other income	**651,201**	589,987

Key estimates and judgements

Promotional and other rebates

Recognition of rebate accruals at balance date requires management to exercise significant judgement with respect to the amount of required accruals based on a combination of actual and forecast customer sales volumes for the period as well as growth and/or contributions by customers towards promotional activities.

For the year ended 30 June 2022, the continuing operations within the Group recognised promotional and other rebates of $125.0m (2021: $125.9m) which have been charged against sales revenue as disclosed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Accruals for promotional and other rebates as at 30 June 2022 are included within Other creditors and accruals in note 2.5.5.

Other income

Other income included COVID-19 government relief payments and income assistance for Singapore and Thailand of $0.1m. (2021: $8.2m for Australia and Singapore).

Accounting policies

Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for discounts, estimated customer returns, and promotional and other rebates which are considered variable consideration.

Sale of goods

Revenue from the sale of goods is recognised when the performance obligation of the sale has been fulfilled and control of the goods has been transferred to the customer. Specifically, revenue from the sale of goods is recognised when goods are delivered and legal title is passed. In certain markets, where contractually obliged to, Blackmores accepts returned goods from customers and provides a refund. A claims provision has been recognised as a reduction against revenue to reflect expected returns incurred, but not adjusted at year end.

Sale of goods on consignment

Revenue from the sale of goods on consignment is recognised upon the sale of the goods by the consignee. Control of the goods remains with Blackmores until such time as the goods are sold by the consignee.

Discounts, promotional and other rebates

The amount of revenue recognised for a transaction is net of any discounts, promotional and other rebates, which includes growth rebates and/or contributions to customers towards promotional activities.

Government grants and assistance income

Government grants and assistance income, including JobKeeper, are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. If conditions are attached to the grant which must be satisfied before the Group is eligible to receive the contribution, the recognition of the grant as other income will be deferred until those conditions are satisfied.

2.2 SEGMENT INFORMATION

Information reported to the Group's Chief Operating Decision Maker for the purpose of resource allocation and assessment of segment reporting is based on three key regions, Australia and New Zealand (ANZ), International and China and a fourth Corporate Segment. The ANZ segment includes the operations of the BioCeuticals business and excludes the discontinued operations of Global Therapeutics.

ANZ

Comprising the Blackmores, PAW by Blackmores, Impromy and BioCeuticals practioner brands sold across Australia and New Zealand, including the benefit of sales made to customers which are ultimately intended for Asian markets, and manufacturing on behalf of third parties within our Braeside facility.

CHINA

Comprising Blackmores brand in China (in country) and China Export Division.

INTERNATIONAL

Comprising the Blackmores and PAW by Blackmores brands in Thailand, Malaysia, Singapore, Hong Kong (China), Taiwan (China), South Korea, Indonesia, India, Philippines, Vietnam and Pakistan.

CORPORATE COSTS

Those costs which cannot be reliably allocated to a specific segment, or which have been incurred for long-term growth opportunities.

This is presented on an Underlying basis below. Underlying is a non-Statutory measure of financial performance derived from Statutory financial information, after adjustment for material one-off items that are non-recurring in nature, which the Group's Chief Operating Decision Maker has determined do not reflect the on-going operations of the Group. A reconciliation between Underlying and Statutory results is presented below.

2.2.1 Revenue by segment[1]

	2022 $'000	2021 $'000
ANZ[2]	**288,245**	280,643
International	**215,684**	163,691
China	**145,592**	131,582
	649,521	575,916

1. Statutory revenue is aligned to Underlying revenue in 2022 and 2021.
2. The ANZ segment includes the operations of the BioCeuticals business and excludes the discontinued operations of Global Therapeutics.

The Group had one customer who contributed more than 10% of the Group's revenue in the year (2021: one). Revenue earned from this customer amounts to $100.0m (2021: $96.7m). This customer is reported in the ANZ segment.

2.2.2 EBIT by segment

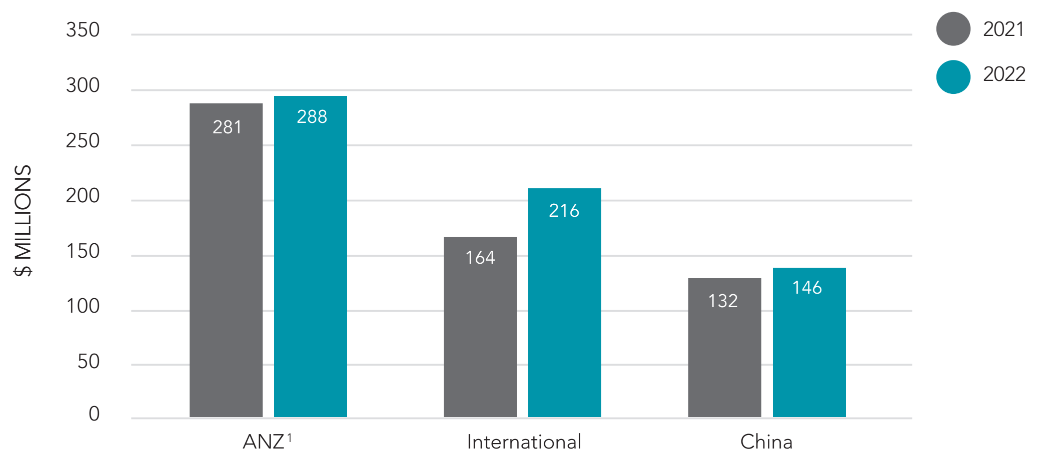
	Year ended 30 June 2022 $'000				
	ANZ	International	China	Corporate	Total
Underlying EBIT[1]	**43,136**	**29,754**	**15,951**	**(32,239)**	**56,602**
COVID-19 support payments	**-**	**140**	**-**	**-**	**140**
Business transformation	**-**	**(33)**	**-**	**(700)**	**(733)**
Other non-recurring income (costs)	**-**	**-**	**-**	**(51)**	**(51)**
Statutory EBIT	**43,136**	**29,861**	**15,951**	**(32,990)**	**55,958**

	Year ended 30 June 2021 $'000				
	ANZ	International	China	Corporate	Total
Underlying EBIT[1]	40,305	20,681	14,348	(27,720)	47,614
COVID-19 support payments	7,684	465	-	-	8,149
Business transformation	(6,361)	-	-	-	(6,361)
Impairment	(9,767)	-	-	-	(9,767)
Net gain on sale of non-core assets	-	-	-	3,994	3,994
Other non-recurring income	-	-	-	501	501
Cloud IT development adjustment	-	-	-	1,660	1,660
Statutory EBIT	31,861	21,146	14,348	(21,565)	45,790

1. Underlying EBIT is a non-Statutory measures of financial performance derived from Statutory EBIT, after adjustment for material one-off items that are non-recurring in nature, which the Board have determined do not reflect the on-going operations of the Group.

2 Our Operations

2.2.3 Revenue history by segment



1. In 2021 ANZ has been adjusted to exclude Global Therapeutics, which is a discontinued operation.

2.3 PROFIT FOR THE YEAR

PROFIT FOR THE YEAR HAS BEEN ARRIVED AT AFTER CHARGING:	2022 $'000	2021 $'000
Employee benefits expense		
Defined contribution plans	**9,816**	9,051
Redundancy payments	**779**	6,477
Other employee expenses	**166,159**	148,614
Share-based payments:		
Equity-settled share-based payments	**3,863**	2,319
	180,617	166,461
Other:		
Provision for stock obsolescence	**8,360**	6,386
Hedge ineffectiveness	**-**	252

2.4 OTHER FINANCIAL INFORMATION

	2022 $'000	2021 $'000
Cost of goods sold	**302,912**	274,886

The Group's internal measurement for the cost of goods sold (COGS) in the period differs from 'Raw materials and consumables used', in that it includes the allocation of direct labour, inbound freight and overheads relating to production at the Braeside facility and packing at the Warriewood facility. In the statutory presentation in the Consolidated Statement of Profit or Loss, which is presented by nature, these costs appear within employee benefits, depreciation and amortisation, and other expense line items. Since the acquisition of Braeside and the Group's move into manufacturing, COGS provides additional useful information for the users of our Financial Statements to understand the costs associated with our operations and how they compare to prior periods.

2.5 WORKING CAPITAL

2.5.1 Cash and cash equivalents

	2022 $'000	2021 $'000
Cash and cash equivalents (as presented in the Consolidated Statement of Financial Position)[1]	**82,193**	70,054

1. Included in Cash and cash equivalents is cash held in offshore locations, which support working capital requirements in the markets we operate in.

Accounting policy

Cash and cash equivalents comprise cash-on-hand and cash-at-bank and call deposits with an original maturity of three months or less.

2.5.2 Reconciliation of profit after tax to net cash flows from operating activities

	2022 $'000	2021 $'000
Profit after tax	**38,555**	33,514
Non-cash expenses		
Depreciation and amortisation	**26,341**	25,935
Net loss/(profit) on disposal/write off of property plant and equipment	**2,017**	272
Impairment of non-financial assets	**-**	9,767
Gain on disposal	**-**	(8,898)
Non-cash income		
Revaluation of investments through Other Comprehensive Income	**-**	(235)
Investing cash flow items		
Interest income	**(183)**	(156)
Dividend income	**(90)**	(89)
Decrease/(increase) in assets		
Receivables	**(12,583)**	(15,138)
Inventories	**(39,667)**	5,026
Other assets	**815**	(3,592)
Tax assets	**10,661**	(11,175)
(Decrease)/increase in liabilities		
Trade and other payables	**16,973**	13,417
Tax liabilities	**186**	6,293
Provisions	**1,540**	3,068
Other liabilities	**(185)**	(1,857)
Increase/(decrease) in equity		
Equity-settled share-based payments expense	**3,863**	2,319
Payment for on market share purchase	**-**	(17)
Net cash inflows from operations	**48,243**	58,454

2 Our Operations

2.5 WORKING CAPITAL (CONT.)

2.5.3 Receivables

	2022 $'000	2021 $'000
Trade receivables	**125,430**	113,641
Allowance for expected credit loss	**(438)**	(3,436)
Allowance for claims	**(4,533)**	(4,473)
Other debtors	**628**	1,315
Goods and services tax recoverable	**(12)**	1,445
	121,075	108,492
Allowance for expected credit loss		
Balance at the beginning of the financial year	**3,436**	4,127
Assets obtained through business combinations	**-**	-
Assets held for sale	**-**	-
(Decrease)/increase to allowance	**(38)**	(959)
Amounts recovered/(expensed as uncollectable)	**(2,960)**	268
Balance at the end of the financial year	**438**	3,436

The allowance for expected credit loss associated with the ageing of trade receivables at reporting date is detailed below.

	2022 Total $'000	2022 Allowance $'000	2021 Total $'000	2021 Allowance $'000
Not past due	**113,277**	**(47)**	97,501	(49)
Past due 0 - 30 days	**11,510**	**(9)**	10,945	(20)
Past due 31 - 60 days	**157**	**(9)**	1,322	(19)
Past due 61 - 90 days	**52**	**(8)**	174	(28)
Past due > 90 days	**434**	**(365)**	3,699	(3,320)
Allowance for claims	**(4,533)**	**-**	(4,473)	-
Total	**120,897**	**(438)**	109,168	(3,436)

As at 30 June 2022 the Group has one customer (2021: two customers) each comprising amounts greater than 10% (2021: 10%) of the total trade receivables balance. These customers owe the Group more than $25.2m (2021: $34.6m) and accounted for approximately 20.1% (2021: 30.4%) of all receivables owing.

Accounting policy

Trade and other receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. They generally have terms of up to 60 days.

An allowance for doubtful debts is recognised for expected credit losses for trade receivables. The expected credit losses are estimated using a matrix based on the Group's historical credit loss experience, shared risk characteristics and days past due adjusted for any material changes to the customers' future credit risk. The historical loss rate is then adjusted for current and forward-looking macroeconomic information affecting the Group.

Refer to note 5.5 for more detail on how the Group manages credit risk.

Customers who wish to trade on credit terms are subject to extensive credit verification procedures. Receivables balances are monitored closely and management takes appropriate steps if a receivable becomes overdue and/or impaired.

2.5 WORKING CAPITAL (CONT.)

2.5.4 Inventories

	2022 $'000	2021 $'000
Ingredients	**23,755**	24,100
Raw materials	**30,110**	26,819
Finished goods	**101,492**	64,771
	155,357	115,690

The provision at balance date to cover inventory write downs is $12.5m (2021: $14.9m) and is included in the balance above.

Key estimates and judgements

Management must exercise judgement regarding the provision for inventory write-downs. Management assesses slow moving or obsolete inventory on a regular basis and a provision is raised to write-down inventory to its net realisable value. Significant judgement is required in estimating the value of slow moving and potentially obsolete inventory as many items have a limited shelf life. Furthermore, there is uncertainty over changes in consumer preferences and spending patterns, which are primarily driven by wider trends in the wellness sector. This could have an impact on the level of inventory provision required. In addition, there is a recoverability risk associated with new product launches regarding forecasting of demand, including the possible change in demand between the time the inventory order is placed with the supplier and the ultimate date of sale of the inventory to the customer.

Management have considered abrupt changes in market conditions including COVID-19 implications and extended holding periods of inventory which could impact the value of slow moving and potentially obsolete inventory, as well as resulting in additional holding costs.

Accounting policy

Inventories are stated at the lower of cost and net realisable value. Costs, including an appropriate proportion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each class of inventory, with the majority being valued on a first-in-first-out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

2.5.5 Trade and other payables

	2022 $'000	2021 $'000
Trade payables[1]	**71,496**	63,609
Other creditors and accruals	**55,629**	49,041
	127,125	112,650

1. The standard credit period on purchases ranges from 0 to 90 days from the end of the month the invoice is received. The Group has financial risk management policies in place to ensure all payables are paid within the credit time frame. The majority of small suppliers are paid between 0 and 30 days.

Accounting policy

Refer to note 5 Our Financial Risk Management.

2 Our Operations

2.6 INCOME TAXES

2.6.1 Income tax recognised in profit or loss

	2022 $'000	2021 $'000
Current tax		
Current tax expense	**16,782**	12,195
Adjustments recognised in the current year in relation to the current tax of prior years	**(47)**	393
Deferred tax		
Deferred tax expense relating to the origination and reversal of temporary differences	**(1,122)**	1,406
Adjustments recognised in the current year in relation to the deferred tax of prior years	**(863)**	(26)
Total income tax expense recognised in the current year relating to continuing operations	**14,750**	13,968
Income tax expense is attributable to:		
Profit from continuing operations (as reported in the Consolidated Statement of Profit or Loss)	**14,750**	13,398
Profit from discontinued operations (refer note 3.4)	**-**	570
Total income tax expense	**14,750**	13,968
Reconciliation between tax expense and profit before income tax		
Profit before income tax expense - continuing operations	**53,305**	42,262
Profit before income tax expense - discontinued operations (refer note 3.4)	**-**	5,220
Profit before income tax expense	**53,305**	47,482
Income tax expense using the Australian corporate tax rate of 30%	**15,991**	14,245
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
Non deductible expenses	**682**	4,507
Tax concessions	**(173)**	(136)
Impairment	**-**	1,652
Tax losses recognised	**-**	(974)
Capital losses recognised	**-**	(2,050)
Tax losses not recognised	**246**	97
Impact of differences in offshore tax rates	**(2,656)**	(3,267)
Other	**1,319**	(473)
	15,409	13,601
Adjustments relating to prior years	**(659)**	367
Income tax expense	**14,750**	13,968

The tax rate used for the 2022 and 2021 reconciliations is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

Accounting policy

Income tax payable represents the amount expected to be paid to taxation authorities on taxable income for the year, using tax rates enacted, or substantively enacted, at the reporting date and any adjustment to tax payable in respect of previous years.

2.6 INCOME TAXES (CONT.)

2.6.2 Deferred tax balances

Deferred tax balances arise from the following:

	OPENING BALANCE $'000	MOVEMENT $'000	FILING DIFFERENCES $'000	CLOSING BALANCE $'000
Temporary differences 2022				
Property, plant and equipment	**(307)**	**(462)**	**1,224**	**455**
Prepayments and other	**(57)**	**20**	**-**	**(37)**
Provisions	**11,063**	**(2,100)**	**62**	**9,025**
Accruals	**3,325**	**(335)**	**(568)**	**2,422**
Cash flow hedges[1]	**(125)**	**(771)**	**-**	**(896)**
Foreign currency monetary items	**428**	**546**	**-**	**974**
Capitalised expenses	**1,388**	**(277)**	**-**	**1,111**
Indefinite life intangible assets	**(8,214)**	**-**	**-**	**(8,214)**
Carried forward tax losses[2]	**379**	**127**	**(39)**	**467**
Other	**1,910**	**3,709**	**54**	**5,673**
	9,790	**457**	**733**	**10,980**

1. Cash flow hedges movement was recognised in Other Comprehensive Income.
2. The carry-forward tax losses have been recognised to the extent that it is probable that future taxable amounts will be available to utilise those losses in the foreseeable future.

	OPENING BALANCE $'000	MOVEMENT $'000	FILING DIFFERENCES $'000	CLOSING BALANCE $'000
Temporary differences 2021				
Property, plant and equipment	704	(1,271)	260	(307)
Prepayments and other	45	12	(114)	(57)
Provisions	10,904	248	(89)	11,063
Accruals	4,132	(820)	13	3,325
Cash flow hedges[1]	916	(1,041)	-	(125)
Foreign currency monetary items	(347)	868	(93)	428
Capitalised expenses	780	609	(1)	1,388
Indefinite life intangible assets	(8,177)	(37)	-	(8,214)
Carried forward tax losses[2]	3,184	(2,731)	(74)	379
Other	(589)	2,369	130	1,910
	11,552	(1,794)	32	9,790

1. Cash flow hedges movement was recognised in Other Comprehensive Income.
2. The carry-forward tax losses have been recognised to the extent that it is probable that future taxable amounts will be available to utilise those losses in the foreseeable future.

Presented in the Consolidated Statement of Financial Position as follows:

	2022 $'000	2021 $'000
Deferred tax asset[1]	**10,980**	9,790
	10,980	9,790

1. At 30 June 2022 in the Consolidated Statement of Financial Position deferred tax assets and liabilities related to income taxes levied by the same taxation authority have been offset. The comparative period has been reclassified to present a net deferred tax asset of $9.8m, represented by deferred tax assets of $21.0m offset against deferred tax liabilities of $11.2m which are levied by the same taxation authorities.

2 Our Operations

2.6 INCOME TAXES (CONT.)

2.6.3 Unrecognised deferred tax assets

	2022 $'000	2021 $'000
The following tax losses have not been brought to account as deferred tax assets:		
Capital (no expiry date)	**282**	110
Revenue (expiry FY22: 2023-2030)	**702**	480
	984	590

Accounting policy

Deferred tax arises when there are temporary differences between the carrying amount of assets and liabilities and the corresponding tax base of those items. Deferred taxes are not recognised for temporary differences relating to:

- the initial recognition of assets and liabilities that is not a business combination affecting neither taxable income nor accounting profit;
- the initial recognition of goodwill; and
- investments in subsidiaries where the Group is able to control the timing of the reversal of the temporary difference, and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable amounts will be available against which the assets can be utilised. During the year ended 30 June 2022 deferred tax assets totalling $0.2m was recognised in relation to tax losses. (2021: Nil deferred tax assets were recognised). Deferred tax assets and liabilities are measured at the tax rates expected to apply to the periods when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted, or substantively enacted, by the reporting date.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.7 PROVISIONS

	2022 $'000	2021 $'000
Current		
Employee benefits	**15,571**	14,694
Other	**395**	458
	15,966	15,152
Non-current		
Employee benefits	**2,441**	1,935
Other	**2,447**	2,227
	4,888	4,162

2.7 PROVISIONS (CONT.)

Accounting policy

Provisions are recognised when the Group has:

- a present obligation (legal or constructive) as a result of a past event, and
- it is probable that the Group will be required to settle the obligation, and
- when a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cashflows (where the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group.

2.8 REMUNERATION STRUCTURE

2.8.1 Key Management Personnel compensation

The aggregate compensation made to Key Management Personnel of the Group and Company is set out below:

	2022 $	2021 $
Short-term employee benefits	**3,525,985**	2,845,171
Post employment benefits	**107,196**	115,511
Other long term benefits	**410,336**	410,336
Termination benefits	**-**	90,810
Share-based payment	**1,913,345**	703,758
	5,956,862	4,165,586

The compensation of each member of the Key Management Personnel of the Group and a discussion of the compensation policies of the Company are detailed in the Directors' Report and Remuneration Report which accompany these Consolidated Financial Statements.

2.8.2 Share-based payments

Accounting policy

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting and holding lock periods, based on the Group's estimate of equity instruments that will eventually vest with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with corresponding adjustment to the equity-settled employee benefits reserve. For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

2 Our Operations

2.8 REMUNERATION STRUCTURE (CONT.)

Executive Share Plan

The Executive Share Plan was approved at the Blackmores Annual General Meeting in October 2018. Participation is open to Executives as determined eligible by the Board. Under this plan, rights to acquire shares in the Company are granted annually to eligible Executives at no cost and vest provided specific performance hurdles are met.

The fair value of rights granted is calculated in accordance with AASB 2 'Share-based Payments'. Under the Executive Share Plan, during the year the Company granted Long Term Incentive entitlements to an allocation of ordinary shares, provided specific performance objectives and hurdles are met over the three-year period commencing 1 July 2021 to the year ending 30 June 2024. If the performance and employment vesting conditions are met, the minimum number of rights that could be vested under the entitlement is 32,148 (2021: 32,646) and the maximum number of rights that could be vested is 82,472 (2021: 92,228). Several grant dates apply to these rights; as a result, the following fair values applied to the number of rights listed below.

Under the Executive Share Plan, during the year the Company also granted Short Term Incentive and Sign-On entitlements to an allocation of ordinary shares provided specific employment vesting conditions are met.

The following rights, outstanding at the end of the year, were issued in the periods specified:

	NUMBER OF RIGHTS	GRANT DATE	EXPIRY DATE	EXERCISE PRICE	FAIR VALUE AT GRANT DATE
Share rights series					
Grants in the 2022 year					
Granted - Short Term Incentives	882	18-Oct-21	18-Oct-23	N/A	$98.38
Granted - Short Term Incentives	4,367	18-Oct-21	18-Oct-22	N/A	$98.77
Granted - Long Term Incentives	74,594	9-Nov-21	31-Aug-24	N/A	$98.45
Granted - Long Term Incentives	7,878	22-Mar-22	31-Aug-24	N/A	$73.02
Granted - Long Term Incentives (Sign-on plan)	985	22-Mar-22	31-Aug-22	N/A	$73.82
Granted - Long Term Incentives (Sign-on plan)	1,232	22-Mar-22	31-Mar-23	N/A	$73.59
Granted - Long Term Incentives (Sign-on plan)	657	22-Mar-22	31-Aug-23	N/A	$73.42
Grants in the 2021 year					
Granted - Short Term Incentives	9,445	14-Aug-20	14-Aug-21	N/A	$72.61
Granted - Long Term Incentives	112,024	18-Dec-20	31-Aug-23	N/A	$71.78

The following reconciles the share-based arrangements outstanding at the beginning and end of the year:

	2022 NUMBER OF RIGHTS	2022 WEIGHTED AVERAGE EXERCISE PRICE	2021 NUMBER OF RIGHTS	2021 WEIGHTED AVERAGE EXERCISE PRICE
Balance at the beginning of the year	**227,759**		145,180	
Granted during the year	**105,271**		121,469	
Forfeited during the year	**(34,472)**		(38,890)	
Exercised during the year	**(9,445)**	NA	-	N/A
Expired during the year	**(92,640)**		-	
Balance at the end of the year	**196,473**	-	227,759	-
Exercisable at the end of the year	**196,473**	-	227,759	-

Share rights under the Long Term Incentive Plan will vest at the end of the three-year period ending 30 June 2024 and shares will be subsequently issued in September of that year, following audit clearance of the Group's results and Board approval. Share rights under the Short Term Incentive plan vest one or two years after the grant date and shares will be subsequently issued in October 2022 and October 2023 respectively. Share rights under the Sign-on plan vest in three tranches and shares are subsequently issued in August 2022, March 2023 and August 2023, respectively.

2.8 REMUNERATION STRUCTURE (CONT.)

The allocation under the Long Term Incentive Plan is based on a percentage of the Executive's base remuneration and the allocation varies depending on the actual EPS growth delivered and ROIC for the relevant year as follows:

Percentage of participant's base remuneration

2022 rate of EPS growth		CHIEF EXECUTIVE OFFICER[2]	CHIEF FINANCIAL OFFICER	OTHER EXECUTIVE TEAM	OTHER SENIOR MANAGERS
Less than 10%		0%	0%	0%	0%
10%		25%	25%	5%	2.5%
10%-20%	Pro-rata between Threshold and Target	25% to 50%	25% to 30%	5% to 10%	2.5% to 5%
20%		50%	30%	10%	5%
20%-30%	Pro-rata between Target and Stretch	50% to 75%	30% to 50%	10% to 40%	5% to 20%
30%		75% (capped)	50% (capped)	40% (capped)	20% (capped)

2022 ROIC[1]		CHIEF EXECUTIVE OFFICER2[2]	CHIEF FINANCIAL OFFICER	OTHER EXECUTIVE TEAM	OTHER SENIOR MANAGERS
Less than 12%		0%	0%	0%	0%
12%		25%	25%	5%	2.5%
12%-13%	Pro-rata between Threshold and Target	25% to 50%	25% to 30%	5% to 10%	2.5% to 5%
13%		50%	30%	10%	5%
13%-16%	Pro-rata between Target and Stretch	50% to 75%	30% to 50%	10% to 40%	5% to 20%
16%		75% (capped)	50% (capped)	40% (capped)	20% (capped)

Percentage of participant's base remuneration

2021 rate of EPS growth		CHIEF EXECUTIVE OFFICER[2]	SENIOR EXECUTIVES	OTHER SENIOR COMPANY MANAGEMENT
Less than 10%		0%	0%	0%
10%		25%	5%	2.50%
10%-15%	Pro rata between Threshold and Target	25% to 50%	5% to 10%	2.5% to 5%
15%		50% (capped)	10% (capped)	5% (capped)
25%		100% (capped)	40% (capped)	20% (capped)

2021 ROIC[1]		CHIEF EXECUTIVE OFFICER[2]	SENIOR EXECUTIVES	OTHER SENIOR COMPANY MANAGEMENT
Less than 7%		0%	0%	0%
7%		25%	5%	2.50%
7%-9%	Pro rata between Threshold and Target	25% to 50%	5% to 10%	2.5% to 5%
9%		50% (capped)	10% (capped)	5% (capped)
11%		100% (capped)	40% (capped)	20% (capped)

1. ROIC measure was introduced to the plan in FY20. Refer Remuneration Report for details regarding ROIC measures on pages 78 and 79.
2. Chief Executive Officer refers to Alastair Symington.

Share-based conditions

The number of shares to be issued to an Executive under the Long Term Incentive Plan is determined by dividing the percentage amount of base remuneration calculated in accordance with the above by:

- the volume weighted average price of Blackmores' shares for the fourteen trading days prior to and fourteen trading days after Blackmores' results in respect of the prior financial year results announcement on the Australian Stock Exchange (ASX), less
- the amount of any final dividend per share declared as payable for the prior financial year.

Staff share plans

During 2021, the People and Remuneration Committee (PRC) on behalf of the Board undertook a review of Blackmores' two staff share acquisition plans . As a result, both plans were decommissioned with no further participation offerings made under these plans post FY21. Under the first plan, 193 shares were issued to employees in July 2021 for profit share entitlement that would otherwise have been paid in cash during the year ended 30 June 2021. Under the second plan, 3,816 shares were issued to employees, including Senior Executives, in September 2021 for the company matching shares component of the plan for the year ended 30 June 2021. Under this plan, for every three purchased shares acquired using employees' after-tax contributions, subject to employment vesting conditions and capping applied under the plan, the Company provided one extra share to eligible participants.

Commencing in November 2021, Blackmores introduced a new Employee and Director Share Rights Plan designed to provide the opportunity for eligible employees in Australia, including Senior Executives and Directors, to acquire rights to receive shares through sacrificing a portion of their remuneration. There is no company matching share component under this plan. More detail on the plan is provided in the Remuneration Report on page 80. No Directors or Senior Executives participated in the plan during the year ended 30 June 2022.

Options plan

At 1 July 2022 there were no share options outstanding. Nil were issued during the years ended 30 June 2022 (2021: NIL) and as at 30 June 2022 (2021: NIL) there were no unexercised share options. The compensation of each member of the Key Management Personnel of the Group and a discussion of the compensation policies of the Company are detailed in the Remuneration Report on pages 72-91.

3 Our Investments

The Blackmores Group carries investments in property, plant and equipment, goodwill, and intangible assets.

3.1 PROPERTY, PLANT AND EQUIPMENT

	FREEHOLD LAND AND BUILDINGS[1] $'000	PLANT AND EQUIPMENT $'000	LEASEHOLD IMPROVEMENTS $'000	TOTAL $'000
Year ended 30 June 2021				
Cost	78,070	93,760	8,442	180,272
Accumulated depreciation and impairment	(12,536)	(48,907)	(6,367)	(67,810)
Net carrying amount	65,534	44,853	2,075	112,462
Movement				
Net carrying amount at the beginning of the financial year	66,879	44,749	5,153	116,781
Additions	195	9,975	848	11,018
Disposals and write-offs	-	(1,931)	(2,856)	(4,787)
Depreciation	(1,540)	(7,902)	(1,044)	(10,486)
Other (including foreign exchange movements)	-	(38)	(26)	(64)
Net carrying amount at the end of the financial year	65,534	44,853	2,075	112,462
Assets under construction included above	-	2,666	-	2,666

	FREEHOLD LAND AND BUILDINGS[1] $'000	PLANT AND EQUIPMENT $'000	LEASEHOLD IMPROVEMENTS $'000	TOTAL $'000
Year ended 30 June 2022				
Cost	**79,227**	**99,556**	**6,394**	**185,177**
Accumulated depreciation and impairment	**(14,076)**	**(55,856)**	**(5,011)**	**(74,943)**
Net carrying amount	**65,151**	**43,700**	**1,383**	**110,234**
Movement				
Net carrying amount at the beginning of the financial year	**65,534**	**44,853**	**2,075**	**112,462**
Additions	**1,157**	**7,251**	**130**	**8,538**
Disposals and write-offs	**-**	**(351)**	**(3)**	**(354)**
Depreciation	**(1,540)**	**(8,104)**	**(843)**	**(10,487)**
Other (including foreign exchange movements)	**-**	**51**	**24**	**75**
Net carrying amount at the end of the financial year	**65,151**	**43,700**	**1,383**	**110,234**
Assets under construction included above	**-**	**1,017**	**-**	**1,017**

1. Freehold land and buildings includes $25,686 of non-depreciable land (2021: $25,686).

3.1 PROPERTY, PLANT AND EQUIPMENT (CONT.)

Critical judgements and estimates

Impairment

There was no impairment recognised in the FY22 financial year. In the first half of the FY21 financial year, an impairment of $2.8m (pre-tax) was recognised with respect to leasehold improvement assets at the Kippax Street office in Sydney. This impairment was booked as some of the space was deemed surplus, in part due to changing work practices during the COVID-19 pandemic, and also due to the fact that the transformation program and its impact on headcount by site resulted in some under-utilised space in this office. Management will continue to monitor utilisation of the site, and at the date of this report does not expect any further impairment.

Accounting policies

Carrying value

The Group's property, plant and equipment are measured at cost less accumulated depreciation/amortisation and accumulated impairment losses. The cost of property in the course of construction includes borrowings, holding and development costs until the asset is complete.

Depreciation

Assets are depreciated on a straight-line basis over their estimated useful lives. Leasehold improvements are amortised over the shorter of the remaining period of the individual leases or the estimated useful life of the improvement to the Group. Useful lives are reassessed each reporting period.

Freehold land and property in the course of construction are not depreciated. The expected useful lives are as follows:

Buildings	25-40 years
Plant and equipment	4-10 years
Leasehold improvements	3-10 years

Proceeds from sale of assets

The gross proceeds from asset sales are recognised at the date that control transfers to the purchaser. The net gain/(loss) is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Impairment

Property, plant and equipment are tested for impairment in accordance with the policy for impairment of non-financial assets disclosed in note 3.2.

3 Our Investments

3.2 GOODWILL AND INTANGIBLE ASSETS

	GOODWILL $'000	BRANDS $'000	OTHER INDEFINITE LIFE INTANGIBLE ASSETS[1] $'000	OTHER INTANGIBLE ASSETS[2] $'000	TOTAL $'000
Year ended 30 June 2021					
Cost	26,903	16,041	7,698	48,500	99,142
Accumulated amortisation and impairment	(5,039)	(503)	(876)	(20,040)	(26,458)
Net carrying amount	21,864	15,538	6,822	28,460	72,684
Movement					
Net carrying amount at the beginning of the financial year	26,903	16,041	6,925	28,069	77,938
Additions	-	-	773	6,648	7,421
Amortisation	-	(503)	(3)	(4,574)	(5,080)
Impairment and disposals	(5,039)	-	(873)	(1,671)	(7,583)
Other (including foreign exchange movements)	-	-	-	(12)	(12)
Net carrying amount at the end of the financial year	21,864	15,538	6,822	28,460	72,684
Allocated to cash generating unit					
ANZ	-	-	2,089	17,393	19,482
BioCeuticals	20,849	14,410	544	636	36,439
Braeside	-	-	-	7,202	7,202
Impromy	-	1,128	-	2,441	3,569
PAW	1,015	-	1,189	-	2,204
China	-	-	3,000	-	3,000
International	-	-	-	788	788
	21,864	15,538	6,822	28,460	72,684
Year ended 30 June 2022					
Cost	**26,903**	**16,041**	**6,822**	**48,490**	**98,256**
Accumulated amortisation and impairment	**(5,039)**	**(786)**	**-**	**(24,975)**	**(30,800)**
Net carrying amount	**21,864**	**15,255**	**6,822**	**23,515**	**67,456**
Movement					
Net carrying amount at the beginning of the financial year	**21,864**	**15,538**	**6,822**	**28,460**	**72,684**
Transfers from property plant and equipment					
Additions	**-**	**-**	**-**	**2,158**	**2,158**
Amortisation	**-**	**(283)**	**-**	**(5,497)**	**(5,780)**
Impairment, disposals and other write-offs	**-**	**-**	**-**	**(1,681)**	**(1,681)**
Other (including foreign exchange movements)	**-**	**-**	**-**	**75**	**75**
Net carrying amount at the end of the financial year	**21,864**	**15,255**	**6,822**	**23,515**	**67,456**
Allocated to cash generating unit					
ANZ	**-**	**-**	**2,089**	**12,339**	**14,428**
BioCeuticals	**20,849**	**14,410**	**544**	**636**	**36,439**
Braeside	**-**	**-**	**-**	**7,278**	**7,278**
Impromy	**-**	**845**	**-**	**2,146**	**2,991**
PAW	**1,015**	**-**	**1,189**	**-**	**2,204**
China	**-**	**-**	**3,000**	**-**	**3,000**
International	**-**	**-**	**-**	**1,116**	**1,116**
	21,864	**15,255**	**6,822**	**23,515**	**67,456**

1. Other indefinite life intangible assets relate to registrations, trademarks, and formulations.
2. Other intangible assets relate to software, patents, capitalised website costs, customer relationships, royalty streams and licenses.

3.2 GOODWILL AND INTANGIBLE ASSETS (CONT.)

Critical judgements and estimates

The ranges of rates used in determining recoverable amounts are set out below:

	2022 %	2021 %
Long-term growth rate	**2.0**	2.0
Post-tax discount rate (BioCeuticals, Impromy)	**9.0**	9.0
Post-tax discount rate (PAW)	**8.5**	8.5

The Group believes that any reasonably possible change in the key assumptions applied would neither cause the carrying value of assets to exceed their recoverable amount nor result in a material impairment based on current economic conditions and Cash Generating Unit (CGU) performance. The Group uses a range of post-tax discount rates for impairment assessments between 8.0% and 9.0%.

The recoverable amount of the CGU is determined on a value-in-use calculation. This calculation uses cash flow projections based on the plans approved by Management, and anticipated growth rates over a five year period, and also uses a terminal value calculation. Budgeted sales growth is expected to be in line with sales growth in the category. Budgeted margins reflect near term anticipated price changes, and beyond this remain consistent.

Evidence from both internal and external sources was considered to ensure no indicators of impairment existed.

The Braeside Manufacturing plant represents a separate CGU in accordance with AASB 136 Impairment of Assets. An impairment indicator assessment was completed noting there is no goodwill or indefinite life intangible assets held in the Braeside CGU, and there were no indicators of impairment at 30 June 2022. No impairment test was required to be performed at 30 June 2022 for the Braeside CGU.

Accounting policies

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the share of the net identifiable assets acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses (if any).

Where acquired in a business combination, cost represents the fair value at the date of acquisition. Intangible assets with finite lives are amortised on a straight-line basis over their estimated useful lives.

An internally-generated intangible asset arising from development is only recognised once the feasibility, intention, and ability to complete the intangible asset can be demonstrated. Any expenditure on research activities is recognised as an expense when incurred. Useful lives are reassessed each period. The useful lives of intangible assets have been assessed as follows:

Patents	20 years
Research partnerships	14 years
Customer relationships	10 years
Customer database and royalty streams	5 years
Software and capitalised website development	2-3 years

Accounting for cloud-based software-as-a-service (SaaS)

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

In applying the entity's accounting policy, the Directors made the following key judgements that may have the most significant effect on the amounts recognised in financial statements.

Capitalisation of configuration and customisation costs in SaaS arrangements

Part of the customisation and configuration activities undertaken in implementing SaaS arrangements may entail the development of software code that enhances or modifies, or creates additional capability to the existing on-premise software to enable it to connect with the cloud-based software applications (referred to as bridging modules or Application Programming Interface).

Judgement was applied in determining whether the additional code meets the definition of and recognition criteria for an intangible asset in AASB 138 Intangible Assets. During the year, the Group recognised intangible assets in respect of customisation and configuration costs incurred in implementing SaaS arrangements.

3 Our Investments

3.2 GOODWILL AND INTANGIBLE ASSETS (CONT.)

Accounting policies (cont.)

Accounting for cloud-based software-as-a-service (SaaS) (cont.)

Determination whether configuration and customisation services are distinct from the SaaS access

Costs incurred to configure or customise the cloud provider's application software are recognised as operating expenses, disclosed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income under Cloud IT expenses, when the services are received. In a contract where the cloud provider provides both the SaaS configuration and customisation, and the SaaS access over the contract term, Management applies judgement to determine whether these services are distinct from each other or not, and therefore, whether the configuration and customisation costs incurred are expensed as the software is configured or customised (i.e. upfront), or over the SaaS contract term.

Specifically, where the configuration and customisation activities significantly modify or customise the cloud software, these activities will not be distinct from the access to the cloud software over the contract term. Judgement has been applied in determining whether the degree of customisation and modification of the cloud-based software that would be deemed significant.

Impairment

Intangible assets are tested for impairment in accordance with the policy for impairment of non-financial assets disclosed in this note.

Impairment of non-financial assets

The carrying amounts of the Group's property, plant and equipment (refer to note 3.1), goodwill and intangible assets (refer to note 3.2) are reviewed for impairment as follows:

- Property, plant and equipment and finite life intangibles – when there is an indication that the asset may be impaired (assessed at least each reporting date) or when there is an indication that a previously recognised impairment may have changed.
- Goodwill and indefinite life intangibles – at least annually and when there is an indication that the asset may be impaired.

Calculation of recoverable amount

In assessing impairment, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to dispose (FVLCTD). For an asset that does not generate largely independent cash inflows, the recoverable amount is assessed at the cash generating unit (CGU) level, which is the smallest group of assets generating cash inflows independent of other CGUs that benefit from the use of the respective asset. Goodwill is allocated to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments and grouped at the lowest levels for which goodwill is monitored for internal management purposes.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Impairment losses recognised in respect of a CGU will be allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of other assets in the CGU on a pro-rata basis to their carrying amounts.

Reversal of an impairment

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.3 COMMITMENTS FOR EXPENDITURE

	2022 $'000	2021 $'000
IT infrastructure and software		
Not longer than 1 year	**4,418**	6,397
Longer than 1 year and not longer than 5 years	**3,095**	7,028
	7,513	13,425
Capital projects		
Not longer than 1 year	**12,293**	5,800
Longer than 1 year and not longer than 5 years	**400**	-
	12,693	5,800
Promotional services		
Not longer than 1 year	**540**	560
	540	560
Sponsorship		
Not longer than 1 year	**92**	-
Longer than 1 year and not longer than 5 years	**-**	27
	92	27
Research and development contracts		
Not longer than 1 year	**1,406**	1,447
Longer than 1 year and not longer than 5 years	**2,877**	1,554
Longer than 5 years	**300**	-
	4,583	3,001

3.4 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

The profit for the Global Therapeutics business for the reporting period is $NIL and for 2021 is set out below.

	30 JUNE 2021 $'000
Revenue	7,160
Other income	(13)
Revenue and other income	7,147
Total expenses	5,724
Earnings before interest and tax	1,423
Net interest income	10
Profit before tax	1,433
Income tax expense	(570)
Profit after tax before gain on sale of discontinued operations	863
Gain on sale of discontinued operations	3,787
Profit after tax from discontinued operations	4,650

Statement of Cash Flows	
Cashflow from operating activities	2,499
Cashflows from investing activities	(2,457)
Cashflows from financing activities	(46)
Net decrease in cash and cash equivalents	(4)
Cash and cash equivalents at the beginning of the year	4
Cash and cash equivalents at the end of the year	0

3.4.2 Asset sales

IsoWhey and Wheyless brands

On 14 August 2020, Blackmores Group entered into an asset sale agreement to sell the IsoWhey and Wheyless brands. The sale price of $1.1m covered the IsoWhey / Wheyless brands, product formulas, customer agreements and digital assets. Additional payments of $1.3m were received for the stock that transferred with the sale at cost. No people transferred with the sale which completed in September 2020.

Sale of investment property

On 25 November 2020, Blackmores entered into a contract for sale of land for the investment property at 15 Jubilee Avenue Warriewood NSW 2102. The land had a book value of $2.2m and the sale of $6.2m plus GST completed in May 2021.

3 Our Investments

3.5 LEASES

	PROPERTY $'000	PLANT AND EQUIPMENT $'000	FLEET $'000	TOTAL $'000
Right-of-use assets				
Year-ended 30 June 2022				
Cost	**39,948**	**4,581**	**1,648**	**46,177**
Accumulated depreciation	**(18,273)**	**(2,275)**	**(1,123)**	**(21,671)**
Net carrying amount	**21,675**	**2,306**	**525**	**24,506**
Movement				
Net carrying amount at the beginning of the financial year	**26,887**	**3,124**	**934**	**30,945**
Additions	**3,260**	**283**	**209**	**3,752**
Depreciation	**(8,347)**	**(1,102)**	**(558)**	**(10,007)**
Disposals	**(410)**	**-**	**(63)**	**(473)**
Other (including foreign exchange movements)	**285**	**1**	**3**	**289**
Net carrying amount at the end of the financial year	**21,675**	**2,306**	**525**	**24,506**
Year-ended 30 June 2021				
Cost	39,331	4,715	1,645	45,691
Accumulated depreciation	(12,444)	(1,591)	(711)	(14,746)
Net carrying amount	26,887	3,124	934	30,945
Movement				
Net carrying amount at the beginning of the financial year	25,882	2,170	842	28,894
Additions	10,454	2,071	1,111	13,636
Depreciation	(8,125)	(1,119)	(642)	(9,886)
Disposals	(1,044)	(23)	(353)	(1,420)
Other (including foreign exchange movements)	(280)	26	(25)	(279)
Net carrying amount at the end of the financial year	26,887	3,125	933	30,945
Lease liabilities				
Year-ended 30 June 2022				
Current	**6,551**	**951**	**399**	**7,901**
Non-current	**15,826**	**1,396**	**121**	**17,343**
Total Lease liabilities	**22,377**	**2,347**	**520**	**25,244**
Year-ended 30 June 2021				
Current	6,337	1,009	509	7,855
Non-current	19,323	2,148	422	21,893
Total Lease liabilities	25,660	3,157	931	29,748

	2022 $'000	2021 $'000 CONTINUED OPERATIONS	2021 $'000 DISCONTINUED OPERATIONS
Amounts recognised in profit or loss			
Depreciation expense on right-of-use assets	**10,007**	9,886	35
Interest expense on lease liabilities	**1,165**	1,130	1
Expense relating to short-term or low value assets	**59**	105	67

Cash flow

The cash outflow during the year for leases relating to continuing operations was $9.0m (2021: $9.4m). The cash outflow relating to discontinued operations was $NIL (2021: $32,000).

3.5 LEASES (CONT.)

	MATURITY ANALYSIS $'000						
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	ONWARDS	TOTAL
2022	**8,556**	**7,498**	**4,724**	**3,992**	**1,000**	**989**	**26,759**
2021	8,567	7,670	6,623	4,237	3,766	796	31,659

The Group has applied the practical expendient retrospectively to all rent concessions that meet the conditions in AASB 16: Leases (AASB 16). As noted in Note 1.6, the Group has chosen to apply AASB 2021-3 Amendments to Australian Accounting Standards – COVID-19 Related Rent Concessions beyond 30 June 2021 before its mandatory application date and accordingly, the practical expedient has been applied to additional rent concessions negotiated during the financial year which meet the conditions in AASB 16.48B.

The Group has benefitted from a concessional reduction of lease payments on some of the property leases across the Group. The waiver of lease payments of $NIL (2021: $25,000) has been accounted for as a negative variable lease payment in profit or loss. The Group has derecognised the part of the lease liability that has been extinguished by the forgiveness of lease payments, consistent with the requirements of paragraph 3.3.1 of AASB 9 Financial Instruments.

Accounting policies

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets including plant, equipment and motor vehicles. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The estimated useful life used in the calculation of depreciation on ROU assets is aligned to the term of the leases which is as follows:

Property	1-10 years
Plant and Equipment	1-5 years
Fleet	3-5 years

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value, valued at or below $10,000. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

4 Our Financing

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through optimisation of the debt and equity balance over the long term.

4.1 CAPITAL MANAGEMENT

The capital structure of the Group consists of equity as well as available loan facilities, with the latter remaining unutilised at 30 June 2022.

The Group operates globally, primarily through Blackmores Limited (the Company) and subsidiary companies established in the markets in which the Group trades. None of the entities within the Group are subject to externally imposed capital requirements with the exception of any regulatory requirements which are applicable in the countries where the Group operates.

Operating cash flows are used to maintain and expand the Group's production, distribution, and IT systems as well as make the routine outflows of tax, dividends, and repayment of maturing debt if drawn down. The Group's policy is to raise capital centrally, using a variety of capital market issues and borrowing facilities, to meet anticipated funding requirements.

The Group's Board reviews the capital structure of the Group on a semi-annual basis. Based upon this, the Group will balance its overall capital structure through the payment of dividends. The Board considers new share issues and share buy-backs, in conjunction with the issue of new debt or redemption of existing debt with third parties and, if appropriate, related parties.

Gearing ratio

The gearing ratio at the end of the financial year was as follows:

	2022 $'000	2021 $'000
Debt	-	-
Cash and cash equivalents	**(82,193)**	(70,054)
Net cash	**(82,193)**	(70,054)
Equity	**396,527**	373,156
Total capital	**314,334**	303,102
Gearing ratio	**(26.1%)**	(23.1%)

(Net cash as a % of total capital)

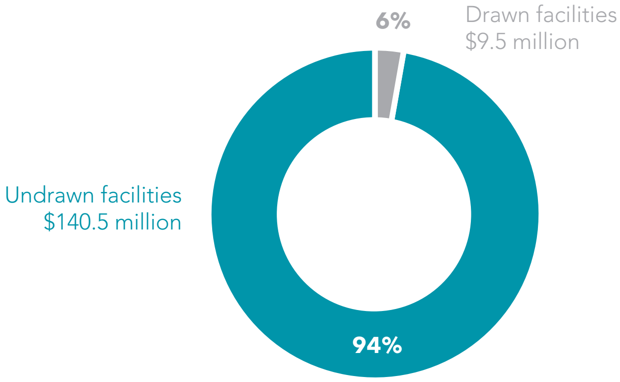
4.2 FINANCING FACILITIES

	2022 $'000	2021 $'000
Unsecured revolving Letter of credit facility under Common Terms Deed	**9,488**	9,579
	9,488	9,579
Unrestricted access was available to the Group at the reporting date to the following unused lines of credit:		
Bank loan facilities	**140,512**	290,421
Bank overdrafts	**5,000**	5,000
	145,512	295,421

4.2 FINANCING FACILITIES (CONT.)

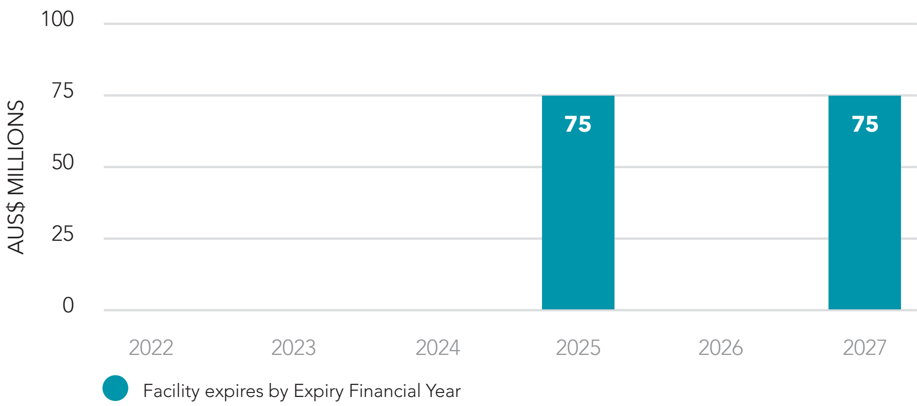
Debt facilities

Total debt facilities as at 30 June 2022 are as follows:



Maturity profile

The maturity profile of existing bank loan facilities by financial year is as follows:



Bank loan facilities may be drawn at any time, subject to the terms of the lending agreements. The above facilities are subject to certain financial covenants and undertakings. No covenants have been breached during the financial year (2021: Nil).

4.3 FINANCING LIABILITIES

	2022 $'000	2021 $'000
Current		
Lease liabilities	**7,901**	7,855
Non-current		
Lease liabilities	**17,343**	21,893
Interest-bearing liabilities	**-**	-

	2022 $'000	2021 $'000	2022 $'000	2021 $'000
	Interest-bearing liabilities		**Lease liabilities**	
Reconciliation				
Balance at the start of the year	**-**	85,000	**29,748**	27,818
Non-cash movements	**-**	-	**4,535**	11,354
Principal and interest repayments	**-**	(85,000)	**(9,039)**	(9,424)
Balance at the end of the year	**-**	-	**25,244**	29,748

4 Our Financing

4.3 FINANCING LIABILITIES (CONT.)

Accounting policies

All bank loans are initially recognised at the fair value of the consideration received, less directly attributable transaction costs.

After initial recognition, interest-bearing loans are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

4.4 ISSUED CAPITAL

	2022 NUMBER	2022 ISSUED CAPITAL $'000	2021 NUMBER	2021 ISSUED CAPITAL $'000
Fully paid ordinary shares				
Balance at beginning of financial year	**19,365,519**	**196,126**	18,677,903	146,388
Issue of shares under Executive and Employee Share Plans (note 2.8)	**193**	**14**	231	17
Issue of shares under Dividend Reinvestment Plan (DRP)	**64,730**	**4,993**	17,573	1,408
Issue of shares under Capital Raise	**-**	**-**	669,812	48,563
Transaction costs	**-**	**-**	-	(250)
Balance at end of financial year	**19,430,442**	**201,133**	19,365,519	196,126

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

Employee share plans

Further details of the Group's Executive and Employee Share Plans are contained in note 2.8 to the Consolidated Financial Statements.

4.5 SHAREHOLDER RETURNS

4.5.1 Earnings per share	2022 $'000	2021 $'000
From continuing operations		
Profit attributable to shareholders of Blackmores Limited	30,622	23,969
	Number	Number
WANOS[1] used in the calculation of basic EPS[2]	19,390,045	19,327,760
WANOS[1] used in the calculation of diluted EPS[2]	19,539,156	19,397,822
	Cents	Cents
Basic EPS	157.9	124.0
Diluted EPS	156.7	123.6
From continuing and discontinued operations		
Profit attributable to shareholders of Blackmores Limited	30,622	28,619
	Number	Number
WANOS[1] used in the calculation of basic EPS[2]	19,390,045	19,327,760
WANOS[1] used in the calculation of diluted EPS[2]	19,539,156	19,397,822
Basic EPS	157.9	148.1
Diluted EPS	156.7	147.5

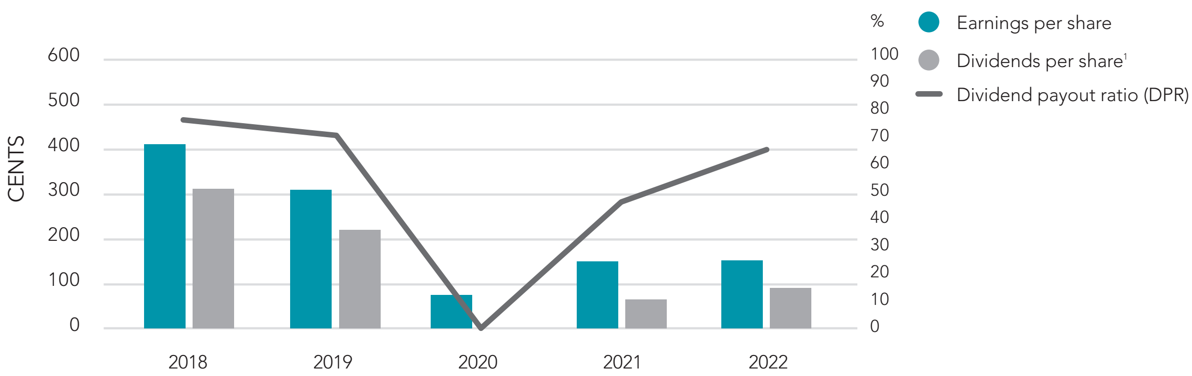
1. Weighted average number of ordinary shares.
2. The variance in the WANOS used in the calculation of the basic EPS and the diluted EPS is attributable to employee share plans.

4.5 SHAREHOLDER RETURNS (CONT.)

4.5.2 Dividends	2022 CENTS PER SHARE	TOTAL $'000	2021 CENTS PER SHARE	TOTAL $'000
Recognised amounts				
Fully paid ordinary shares				
Final dividend for year ended 30 June 2021 (2021: 30 June 2020)				
– fully franked at 30% corporate tax rate	42	8,162		
Interim dividend for year ended 30 June 2022 (2021: 30 June 2021)				
– fully franked at 30% corporate tax rate	63	12,221	29	5,579
	105	20,383	29	5,579
Unrecognised amounts				
Fully paid ordinary shares				
Final dividend for year ended 30 June 2022 (2021: 30 June 2021)				
– fully franked at 30% corporate tax rate	32	6,218		

4.5.3 Franking account balance	2022 $'000	2021 $'000
Adjusted franking account balance	31,628	32,500

4.5.4 Shareholder returns history



1. Includes final dividend for the year ended and interim dividend paid.

5 Our Financial Risk Management

5.1 CATEGORIES OF FINANCIAL INSTRUMENTS

	CLASSIFICATION	NOTE	2022 $'000	2021 $'000
Financial assets				
Cash and cash equivalents	Amortised cost	2.5.1	**82,193**	70,054
Receivables	Amortised cost	2.5.3	**121,075**	108,492
Unquoted equity investments	Fair value through OCI	5.7	**1,606**	1,542
Derivative financial assets	Fair value through OCI – cash flow hedge accounting	5.7	**3,130**	505
Financial liabilities				
Derivative financial liabilities	Fair value through OCI – cash flow hedge accounting	5.7	**581**	177
Borrowings	Amortised cost	4.3	**-**	-
Trade payables	Amortised cost	2.5.5	**127,125**	112,650
Lease liabilities	Amortised cost	3.5	**25,244**	29,748

Accounting policies

Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

5.1.1 Financial assets

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 profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing 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. For investments in debt instruments, this will depend on the business model in which the investment is held.

Loans and receivables

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

In relation to the impairment of financial assets, AASB 9 requires the use of an expected credit loss model. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date.

The Group measures the loss allowance for trade receivables using the simplified approach under AASB 9 at an amount equal to the lifetime expected credit losses. A lifetime expected credit loss allowance has been calculated for trade receivables through the use of an expected credit loss model. The model is based on the Group's historical credit loss experience, shared credit risk characteristics and days past due adjusted for any material expected changes to the customers' future credit risk.

The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectable, it is written off against the allowance account.

5.1 CATEGORIES OF FINANCIAL INSTRUMENTS (CONT.)

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

5.1.2 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Non-derivative financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including forward foreign exchange contracts and interest rate swaps. Further details of derivative financial instruments are disclosed in notes 5.3 and 5.4 to the Consolidated Financial Statements. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedge accounting

The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risks, as either fair value hedges, cash flow hedges or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. At the inception of the hedge relationship the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk. Notes 5.3 and 5.4 sets out details of the fair values of the derivative instruments used for hedging purposes. Movements in the hedge reserve in equity are also detailed in the Consolidated Statement of Changes in Equity.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the Consolidated Statement of Profit or Loss and Other Comprehensive Income as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

5.2 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group. The Group seeks to minimise the effects of currency risk and interest rate risks by using derivative financial instruments to partially or fully hedge these risk exposures. The use of financial derivatives is governed by the Group's Treasury policy. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

5 Our Financial Risk Management

5.3 FOREIGN CURRENCY RISK MANAGEMENT

Sources of risk	The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.
Risk management	Exchange rate exposures are managed within approved policy parameters utilising forward exchange contracts.

Blackmores undertakes transactions denominated in foreign currencies which exposes it to foreign exchange rate risk. The currencies which Blackmores has a material exposure to include the United States Dollar (USD), Malaysian Ringgit (MYR), Thai Baht (THB), Indonesian Rupiah (IDR), Chinese Remimbi (RMB) and Canadian Dollar (CAD). It also undertakes transactions in Swiss Franc (CHF), Korean Won (KRW), New Zealand Dollar (NZD), Euro (EUR), and Taiwan Dollars (TWD), amongst others. Blackmores enters into derivative financial instruments to manage this risk, including forward foreign exchange contracts in the majority of these markets.

CURRENCY	LIABILITIES 2022 $'000	LIABILITIES 2021 $'000	ASSETS 2022 $'000	ASSETS 2021 $'000
USD	**15,664**	2,669	**6,744**	778
EUR	**507**	135	**1**	65
NZD	**3,290**	3,469	**357**	54
CAD	**347**	167	**-**	-
Other	**316**	483	**13**	(11)

Fluctuations in the Australian dollar relative to the foreign currencies may impact on Blackmores' cash flows, financial performance and profitability. The following table details the Group's sensitivity to a 10% increase and decrease against a number of relevant foreign currencies. The sensitivity analysis includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number in the table below indicates an increase in profit or equity where the Australian dollar strengthens 10% against the relevant currency, and a negative number indicates the opposite. The Group also has exposure in terms of Net Sales in International Asia markets. In countries like Malaysia, Thailand and Indonesia the Group sells in the local currency of each country, whereas in China invoicing to key customers is undertaken in Australian dollars. The tables below exclude the impact of derivatives.

	PROFIT / (LOSS)			
	10% INCREASE		10% DECREASE	
CURRENCY	2022 $'000	2021 $'000	2022 $'000	2021 $'000
USD impact	**811**	172	**(991)**	(210)
EUR impact	**46**	18	**(56)**	6
NZD impact	**267**	310	**(326)**	(379)
CAD impact	**32**	15	**(39)**	(19)
Other impact	**28**	61	**(34)**	(35)

In markets like Thailand and Malaysia, while the sales to third parties are in local currency these markets have an indirect transaction foreign exchange rate exposure to Cost of Goods sold which are sold into Blackmores International (in Singapore) in Australian dollars. MYR Impact and THB impact in the table below represent the transaction foreign exchange impact which would occur if the Australian dollar strengthens 10% or weakens 10% to those two markets. For Indonesia and China, Blackmores International invoices these markets in AUD and therefore it does not have an indirect foreign exchange exposure to Cost of Goods sold.

	PROFIT / (LOSS)			
	10% INCREASE		10% DECREASE	
CURRENCY	2022 $'000	2021 $'000	2022 $'000	2021 $'000
MYR impact	**(2,299)**	(1,330)	**2,810**	1,330
THB impact	**(3,968)**	(1,360)	**4,850**	1,360

5.3 FOREIGN CURRENCY RISK MANAGEMENT (CONT.)

The following forward foreign exchange contracts were still open at the reporting date, in local currency:

	NOTIONAL PRINCIPAL AMOUNT		FAIR VALUE	
CURRENCY	2022 $'000	2021 $'000	2022 $'000	2021 $'000
USD	**31,950**	10,700	**2,989**	415
MYR	**60,500**	32,500	**(338)**	(120)
THB	**410,000**	248,000	**(33)**	72
NZD	**9,600**	1,100	**(31)**	3
CHF	**250**	-	**24**	-
KRW	**2,650,000**	1,295,000	**(9)**	(24)
HKD	**11,700**	5,225	**(50)**	(23)
TWD	**55,100**	25,300	**(18)**	5
EUR	**985**	-	**16**	-

There were no material ineffectiveness of hedging relationships at June 2022. (2021: NIL).

The table below details the movements in the cash flow hedge reserve during the period:

	2022 $'000	2021 $'000
Balance at start of period	**203**	(1,226)
Gain/(loss) arising on changes in fair value of hedging instruments during the period:		
Forward exchange contracts	**(2,550)**	328
Income tax related to gains/(losses) recognised in other comprehensive income	**897**	(125)
	(1,653)	203
(Gain)/loss reclassified to profit or loss – hedged item has affected profit or loss:		
Forward exchange contracts	**(328)**	1,360
Interest rate swaps	**-**	392
Income tax related to amounts reclassified to profit or loss	**125**	(526)
	(203)	1,226
Balance at end of period	**(1,653)**	203

5.4 INTEREST RATE RISK MANAGEMENT

Sources of risk	The Group is exposed to interest rate risk as it borrows funds on a floating interest rate basis.
Risk management	The risk is managed by the Group by the use of interest rate swap contracts.

The Group did not have corporate debt in current and prior year. All other financial assets and liabilities (in the current and prior financial years) are non-interest-bearing.

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to Key Management Personnel and represents Management's assessment of the possible change in interest rates.

For the year ended 30 June 2022, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's net profit would decrease by $NIL (2021: $0.2m) or increase by $NIL (2021: $0.2m) respectively as a result of changes in the interest rates applicable to commercial bank bills.

There has been no change to the manner in which the Group manages and measures the risk from the previous year.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract and is disclosed below.

The average interest rate is based on the outstanding balances at the end of the financial year.

The Group entered into $NIL of new interest rate swaps during the 2022 financial year (2021: $NIL), $NIL matured during the year (2021: $NIL) and $NIL were terminated during the 2022 financial year (2021: $30m).

5 Our Financial Risk Management

5.5 CREDIT RISK MANAGEMENT

Sources of risk	The Group is exposed to counterparty credit risk from trade and other receivables.
Risk management	The information used to determine creditworthiness is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information, trade references and their own trading record to rate their major customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with sound credit ratings assigned by international credit-rating agencies. The carrying amount of financial assets recorded in the Consolidated Statement of Financial Position, net of any allowances for losses, represents the Group's maximum exposure to credit risk. The Group's increased exposure to credit risk is commensurate with the impact of COVID-19 on a global basis. The Group continues to manage and measure risk with respect to the collectability of all receivables.

5.6 LIQUIDITY RISK MANAGEMENT

Sources of risk	Exposure to liquidity risk derives from the Group's operations and from external interest bearing liabilities that it holds.
Risk management	Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities and through the continual monitoring of forecast and actual cash flows.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	<1 YEAR $'000	1-5 YEARS $'000	>5 YEARS $'000	TOTAL $'000
2022					
Trade and other payables	**-**	**127,125**	**-**	**-**	**127,125**
Lease liabilities	**3.74**	**8,556**	**17,215**	**989**	**26,760**
		135,681	**17,215**	**989**	**153,885**
2021					
Trade and other payables	-	112,650	-	-	112,650
Lease liabilities	2.63	8,567	22,297	796	31,659
		121,217	22,297	796	144,309

There has been no change to the Group's exposure to liquidity risks or the manner in which it manages and measures the risk from the previous year.

5.7 FAIR VALUE MEASUREMENTS

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the Consolidated Statement of Financial Position approximate their fair values.

Valuation techniques and assumptions applied for the purpose of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives and option pricing models for optional derivatives; and
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

Fair value measurements recognised in the Consolidated Statement of Financial Position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		2022 $'000	2021 $'000
Financial assets			
Unquoted equities	Level 3	**1,606**	1,542
Foreign exchange derivatives	Level 2	**3,130**	505
		4,736	2,047
Financial liabilities			
Foreign exchange derivatives	Level 2	**581**	177
		581	177

6 Our Group Structure

6.1 PARENT ENTITY INFORMATION

	2022 $'000	2021 $'000
Financial position		
Assets		
Current assets	**253,312**	214,994
Non-current assets	**225,141**	249,366
Total assets	**478,453**	464,360
Liabilities		
Current liabilities	**246,094**	213,903
Non-current liabilities	**17,849**	22,244
Total liabilities	**263,943**	236,147
Equity		
Issued capital	**201,133**	196,126
Retained earnings	**6,930**	29,462
Reserves	**6,447**	2,625
Total equity	**214,510**	228,213
Financial performance		
Profit / (Loss) for the year	**(2,620)**	1,522
Other comprehensive income / (loss)	**1,450**	1,429
Total comprehensive income / (loss)	**(1,170)**	2,951

6.1.1 Commitments for expenditure – parent entity

	2022 $'000	2021 $'000
IT infrastructure and software		
Not longer than 1 year	**4,418**	6,397
Longer than 1 year and not longer than 5 years	**3,095**	7,028
	7,513	13,425
Capital projects		
Not longer than 1 year	**3,197**	3,775
	3,197	3,775
Promotional services		
Not longer than 1 year	**540**	560
	540	560
Sponsorship		
Not longer than 1 year	**53**	7
Research and development contracts		
Not longer than 1 year	**1,344**	1,384
Longer than 1 year and not longer than 5 years	**2,752**	1,335
Longer than 5 years	**300**	-
	4,396	2,719

6.2 SUBSIDIARIES

NAME OF ENTITY	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 2022 %	OWNERSHIP INTEREST 2021 %	PRINCIPAL ACTIVITY
Blackmores Nominees Pty Limited	Australia	100	100	Management of employee share plans
Pat Health Limited	Hong Kong (China)	100	100	Marketing of natural health products
Blackmores Beijing Co. Limited	China	100	100	Marketing of natural health products
Blackmores China Co. Limited	China	100	100	Marketing of natural health products
Blackmores (Taiwan) Limited	Taiwan (China)	100	100	Marketing of natural health products
Pure Animal Wellbeing Pty Limited[2]	Australia	100	100	Holder of intellectual property for PAW
Blackmores (New Zealand) Limited	New Zealand	100	100	Marketing of natural health products
Blackmores (Singapore) Pte Limited	Singapore	100	100	Marketing of natural health products
Blackmores (Malaysia) Sdn Bhd	Malaysia	100	100	Marketing of natural health products
Blackmores Holdings Limited	Thailand	100	100	Holding company
Blackmores Limited	Thailand	100	100	Marketing of natural health products
Blackmores Korea Limited	Korea	100	100	Marketing of natural health products
Blackmores International Pte. Limited	Singapore	100	100	Regional head office
PT Kalbe Blackmores Nutrition[1]	Indonesia	50	50	Marketing of natural health products
Blackmores Vietnam Co. Limited	Vietnam	100	100	Marketing of natural health products
FIT-BioCeuticals Limited[2]	Australia	100	100	Marketing of natural health products
FIT BioCeuticals (NZ) Limited	New Zealand	100	100	Marketing of natural health products
PharmaFoods Pty Limited[2]	Australia	100	100	Marketing of natural health products
FIT-BioCeuticals Limited	United Kingdom	100	100	Marketing of natural health products
FIT-BioCeuticals (HK) Limited	Hong Kong (China)	100	100	Marketing of natural health products
Hall Drug Technologies Pty Limited[2]	Australia	100	100	Holding company
Blackmores SPV Co Pty Limited[2]	Australia	100	100	Holding company
New Century Herbals Pty Limited[2]	Australia	100	100	Marketing of natural health products
Global Therapeutics Pty Limited[2]	Australia	100	100	Marketing of natural health products
Blackmores Japan Limited	Japan	100	100	Marketing of natural health products
Catalent Australia Holdings Pty Ltd[2]	Australia	100	100	Holding company
Catalent Australia Pty Ltd [2]	Australia	100	100	Manufacturing of natural health products
Blackmores Philippines Inc.	Philippines	100	100	Marketing of natural health products
Blackmores India Private Limited	India	100	100	Marketing of natural health products

1. PT Kalbe Blackmores Nutrition is consolidated into the Group at 100%, and the 50% of profit or loss attributable to non-controlling interests is recognised in equity.
2. These wholly-owned subsidiaries have entered into a deed of cross guarantee with Blackmores Limited pursuant to ASIC class order 98/1418 and are relieved from the requirements to prepare and lodge an audited financial report.

6 Our Group Structure

6.2 SUBSIDIARIES (CONT.)

6.2.1 Controlled entities

The Consolidated Statement of Profit or Loss and Other Comprehensive Income and the Consolidated Statement of Financial Position of the entities party to the deed of cross guarantee are as follows:

	2022 $'000	2021 $'000
Revenue	**538,813**	481,120
Other income	**9,847**	5,004
Gain on sale of assets	**-**	10,615
Revenue and other income	**548,660**	496,739
Raw materials and consumables used	**251,482**	248,952
Employee benefits expenses	**140,375**	130,681
Selling and marketing expenses	**31,737**	26,803
Depreciation and amortisation expenses	**22,279**	21,675
Facility and maintenance expenses	**13,401**	14,119
Professional and consulting expenses	**12,590**	6,978
Freight expenses	**5,947**	5,445
Licences and registrations	**8,322**	6,857
Cloud IT related expenses	**9,277**	808
Impairment of financial assets	**(86)**	(650)
Impairment of non-financial assets	**-**	9,767
Other expenses	**12,241**	17,777
Total expenses	**507,565**	489,212
Earnings before interest and tax	**41,095**	7,527
Interest revenue	**74**	57
Interest expense	**(2,441)**	(3,312)
Net interest expense	**(2,367)**	(3,255)
Profit before tax	**38,728**	4,272
Income tax expense	**(9,031)**	(1,476)
Profit after tax from continuing operations	**29,697**	2,796
Profit from discontinued operations	**-**	4,650
Profit for the year	**29,697**	7,446
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Net gain/(loss) on hedging instruments entered into for cash flow hedges (net of tax)	**1,450**	1,429
Other comprehensive expense for the period (net of tax)	**1,450**	1,429
Total comprehensive income for the period	**31,147**	8,875

6.2 SUBSIDIARIES (CONT.)

6.2.1 Controlled entities (cont.)

	2022 $'000	2021 $'000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**28,985**	11,218
Receivables	**106,721**	88,869
Inventories	**118,538**	95,785
Tax assets	**-**	11,719
Other assets	**10,713**	12,241
Derivative assets	**3,023**	423
Total current assets	**267,980**	220,255
NON-CURRENT ASSETS		
Property, plant and equipment	**108,758**	110,365
Right-of-use assets	**18,118**	23,743
Goodwill and intangible assets	**58,360**	62,411
Deferred tax assets	**2,646**	3,667
Other financial assets	**5,571**	5,571
Other non-current assets	**1,456**	546
Total non-current assets	**194,909**	206,303
Total assets	**462,889**	426,558
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	**104,043**	87,677
Tax liabilities	**2,859**	-
Lease liabilities	**5,727**	5,632
Provisions	**14,572**	13,945
Other liabilities	**242**	274
Derivative liabilities	**33**	5
Total current liabilities	**127,476**	107,533
NON-CURRENT LIABILITIES		
Lease liabilities	**12,768**	16,674
Provisions	**4,013**	3,512
Total non-current liabilities	**16,781**	20,186
Total liabilities	**144,257**	127,719
Net assets	**318,632**	298,839
EQUITY		
CAPITAL AND RESERVES		
Issued capital	**201,133**	196,126
Reserves	**7,759**	7,089
Retained earnings	**109,740**	95,624
Total equity	**318,632**	298,839

6.3 CONSOLIDATED ENTITIES WITH MINORITY INTEREST

The Group, through its 100% owned subsidiary entity, Blackmores International PTE Limited, holds 50.01% share of Kalbe Blackmores Nutrition, a company which acquires goods from Blackmores and distributes these through the network pharmacies in the Kalbe Group in Indonesia. The other 49.99% is held by Kalbe Nutritional's PTE, 100% owned subsidiary entity of Kalbe Group PTE, a publicly listed pharmaceutical company operating in South East Asia. By virtue of the majority shareholding and risks and rewards of the arrangement, the Group consolidates the assets, liabilities, income and expenses of Kalbe Blackmores Nutrition, and recognises a minority interest for Kalbe's 49.99% share.

7 Other

7.1 RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

7.1.1 Equity interests in subsidiaries

Details of the percentage of ordinary shares held in controlled entities are disclosed in note 6.2 to the Consolidated Financial Statements.

7.1.2 Loan disclosures

There were no loan balances due from Key Management Personnel during or at the end of the financial year (2021:$NIL).

7.1.3 Other transactions with Key Management Personnel

Key Management Personnel received dividends on their shareholdings, whether held privately or through related entities or through the employee share plans in the same manner as all ordinary shareholders.

No interest was paid to or received from Key Management Personnel.

7.1.4 Related party transactions

The immediate parent and ultimate controlling party of the Group is Blackmores Limited (incorporated in Australia). Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Trading transactions

During the year, Group entities did not enter into any trading transactions with related parties that are not members of the Group (2021: $NIL).

Other related party transactions

No transactions occurred between the Group and its related parties during the financial year end 30 June 2022.

Balances with related parties

No balances were outstanding at the end of the financial year with related parties that are not members of the Group (2021: $NIL).

7.2 REMUNERATION OF AUDITOR

	2022 $	2021 $
Deloitte and related network firms		
Audit or review of financial reports:		
Group	**575,000**	546,969
Subsidiaries	**411,744**	338,713
Total audit or review of the financial reports	**986,744**	885,682
Other assurance and agreed-upon procedures under other legislation or contractual agreements[1]	**72,000**	62,539
Tax compliance services	-	70,000
	1,058,744	1,018,221

The auditor of Blackmores Limited is Deloitte Touche Tohmatsu.

1. Other assurance and agreed upon procedures 2022 : $72,000 (2021 : $62,539) relates to the review of the sustainability report.

7.3 CONTINGENT LIABILITY

Blackmores has been in discussions with a relevant authority in one of the countries in which it trades pertaining to the historical use of and compliance to export classification codes and related exemptions claimed under free trade agreements between the periods of 2009 to 2014. These discussions have been ongoing for over 6 years. The relevant authority has issued assessments for approximately A$9.5m (adjusted for FX). The Group has issued corresponding bank guarantees of A$9.5m (adjusted for FX). Blackmores has initiated an appeals process for these assessments. Blackmores considers that it has correctly interpreted and complied with all relevant requirements under the free trade agreement and continues to pursue all legal avenues of objection. It remains unclear when a resolution to this matter will be reached. As at the date of signing, no legal liability exists in relation to the assessments under applicable laws of that jurisdiction. A reliable estimate of potential risks or probable outflows, if any, cannot be determined. Accordingly, applying AASB 137 Provisions, Contingent Liabilities and Contingent Assets, no liability has been recorded in the accounts at 30 June 2022.

7.4 EVENTS AFTER THE REPORTING PERIOD

Final dividend

The Directors declared a fully franked final dividend of 32 cents per share on 18 August 2022 as described in note 4.5.

Other than the foregoing, no other matter or circumstance has arisen since 30 June 2022 that has significantly affected or may significantly affect the Group's operations, the result of those operations, or the Group's state of affairs in future years.

7.5 APPROVAL OF FINANCIAL STATEMENTS

The Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 18 August 2022.

Additional Information

Number of holders of equity securities as at 3 August 2022

Ordinary share capital

19,430,442 fully paid ordinary shares are held by 13,416 shareholders.

All issued ordinary shares carry one vote per share and are entitled to participate in dividends.

There are no options in existence.
There are no restricted securities.
There is no current on-market buy-back.

Unquoted Securities

314,224 Conditional Rights issued under the Executive Share Plan.

Distribution of holders of equity securities

Range	Total holders	% Holders	Units	% Units
1 - 1,000	12,054	89.85	2,224,014	11.45
1,001 - 5,000	1,201	8.95	2,383,432	12.27
5,001 - 10,000	84	0.63	582,725	3.00
10,001 - 100,000	63	0.47	1,256,966	6.47
100,001 and over	14	0.10	12,983,305	66.82
Total	**13,416**	**100.00**	**19,430,442**	**100.00**

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $500.00 parcel at $77.49 per unit	7	594	2,190

Substantial Shareholders

Shareholder	Date of Notice	Units	Percentage
MARCUS CHARLES BLACKMORE	20 July 2020	3,659,102	18.91
FIL LIMITED	10 March 2021	1,759,618	9.09
AUSTRALIAN SUPER PTY LTD	29 June 2022	1,423,836	7.33

Twenty largest shareholders as at 3 August 2022

Rank	Name	Units	% Units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,579,223	18.42
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	3,351,013	17.25
3	MARCUS BLACKMORE	2,132,245	10.98
4	CITICORP NOMINEES PTY LIMITED	1,605,606	8.26
5	NATIONAL NOMINEES LIMITED	781,058	4.02
6	BLACKMORE FOUNDATION PTY LTD <THE BLACKMORE FOUNDATION A/C>	696,535	3.59
7	BNP PARIBAS NOMS PTY LTD <DRP>	450,280	2.32
8	ESTATE LATE ESTHER WHELLAN	150,347	0.77
9	MRS PATRICIA GLADYS WRIGHT	123,912	0.64
10	RATHVALE PTY LIMITED	113,088	0.58
11	ROY SHEPHERD	100,000	0.51
12	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	66,763	0.34
13	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	48,105	0.25
14	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	38,809	0.20
15	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	37,588	0.19
16	MR JOHN TAYLOR	35,465	0.18
17	POWERWRAP LIMITED <ESCALA SMA TRADING A/C>	34,204	0.18
18	MS MARGARET DITTMAN	32,191	0.17
19	MRS CHERYL ELISABETH HENSTRIDGE	31,660	0.16
20	MR TREVOR NOEL PRAEGER	31,660	0.16
Total		**13,439,752**	**69.17**

Company Information

Principal Place of Business

20 Jubilee Avenue
Warriewood NSW 2102
Telephone +61 2 9910 5000

Registered Office

20 Jubilee Avenue
Warriewood NSW 2102
Telephone +61 2 9910 5000

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

Shareholder Services

GPO Box 2975 Melbourne
Victoria 3001 Australia

Telephone:
(within Australia) 1300 855 080
(international) +61 3 9415 4000

Online:
www.computershare.com.au/investor

Securities Exchange Listing

Blackmores Limited's ordinary shares are quoted by the Australian Securities Exchange Limited, listing code BKL.

Dividends

Dividends are paid in Australian dollars for shareholders with an Australian registered address on our register.

Dividend payments for shareholders with a New Zealand registered address on our share register will be made by direct credit to their nominated New Zealand domiciled bank or financial institution account.

International shareholders can use Computershare's Global Payments System to receive dividend payments in the currency of their choice at a nominal cost to the shareholder.

Direct credit instructions can be provided contacting the share registry.

Dividend Reinvestment Plan

Blackmores Limited's Dividend Reinvestment Plan (DRP) is a mechanism to allow shareholders to increase their shareholding in the Company without the usual costs associated with share acquisitions, such as brokerage.

Details of the DRP are available from the Company's website or the share registry.

Change of Address

Shareholders who have changed address should advise:

- For broker sponsored holdings, the broker; or
- Other holdings, our share registry

Tax File Number

There may be benefit to shareholders in lodging their tax file number with the share registry.

Shareholder Discount Plan

Shareholders can buy products for personal use at 30% off the recommended retail price. All shareholders have been given details of the plan, but please contact Investor Relations or the Company Secretary if you would like more information.

To Consolidate Shareholdings

Shareholders who want to consolidate their separate shareholdings into one account should contact the share registry.

Annual Report Mailing

The Annual Report is available on our website at blackmores.com.au (go to 'Investors', then click on 'Annual Reports').

Shareholders who wish to receive a hardcopy Annual Report should contact the share registry.

Corporate Governance Principles

The Corporate Governance Principles adopted by the Board are available on our website at blackmores.com.au (go to 'Investors', then click on 'Corporate Governance') or contact the Company Secretary.

Investor Information

Securities analysts and institutional investors seeking information about the Company should contact Martin Cole employed by Capital Markets Communications, on +61 403 332 977.

COMPANY INFORMATION

Board of Directors

Directors who are Executives of the Group:

Alastair Symington

Directors who are not Executives of the Group:

Anne Templeman-Jones
David Ansell (resigned effective 30 June 2022)
Wendy Stops
Sharon Warburton
Erica Mann
Stephen Roche

Company Secretary

The Company Secretary is Helen Mediati
Email: bklcosec@blackmores.com.au

Auditor

Deloitte Touche Tohmatsu

Blackmores Online

Blackmores website contains information on its products and services and the Company in general. The address is blackmores.com.au.

Glossary

AASB	Australian Accounting Standards Board
ANZ	Australia and New Zealand business units of Blackmores, BioCeuticals and PAW
Brands	Blackmores, BioCeuticals, PAW by Blackmores, Impromy
B2B	Business 2 Business
BCMT	Business Continuity Management Team
BIP	Business Improvement Program
B(More)	Personalised online direct-to-consumer offer launched in March 2021
CAPEX	Capital Expenditures
CEBC	Cross Border E-Commerce
CCR	Cash Conversion Ratio
C&F	Cold and Flu
CMEd	Complementary Medicine Education (CMEd) program for pharmacists across Australia, Malaysia and Thailand by the Blackmores Institute
Consumer Growth Platforms	Core, Modern Parenting, Everyday Mental Wellbeing, Move, Pet Health
COGS	Cost of Goods Sold
CRM	Customer Relationship Management
CY	Calendar Year
DIFOT	Delivery In Full, On Time
Double 11	Singles Day Chinese shopping festival in November
DPS	Dividend Per Share
DTC	Direct To Consumer
EBIT	Earnings Before Interest and Taxes
EPS	Earnings per Share
ESG	Environmental, Social, Governance
FAR	Fixed Annual Remuneration
FX	Foreign Exchange
FY	Financial Year
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GMV	Gross Merchandise Value
GT	Global Therapeutics
HY	Half Year
H1/H2	First half of the financial year/second half of the financial year
IBP	Integrated Business Planning
IFRIC	International Financial Reporting Interpretations Committee

Glossary

Ignite for 2024	Strategic plan for sustainable profitable growth
IP	Intellectual Property
KMP	Key Management Personnel
KPI	Key Performance Indicator
IRR	Internal Rate of Return
LTI	Long Term Incentive
LVP	Leading Value Position internal program to deliver savings and efficiencies across 7 workstreams – plan, source, make, pack, deliver, quality and facilities
MUI	Majelis Ulama Indonesia (MUI) is responsible for imported brand Halal certification
M&A	Mergers and Acquisitions
NMF	No Meaningful Figure
Net Zero Emissions	Net Zero by 2030 is Blackmores' commitment to decarbonise our operations to mitigate the impact of climate change. To achieve this commitment, we will take responsibility for our scope one emissions (fuels we burn), scope two emissions (electricity we purchase) and measured scope three emissions (supply chain services of waste, water and business travel). The boundaries of Blackmores' Net Zero by 2030 commitment are disclosed in Blackmores Group's Sustainability Report blackmoressustainability.com.au
NWC	Net Working Capital
NPAT	Net Profit After Tax
NIR	Near Infrared
NPV	Net Present Value
OPEX	Operating Expenditure
PAW	PAW by Blackmores brand
PCP	Prior Corresponding Period
PP&E	Property, Plant and Equipment
ROIC	Return On Invested Capital
RPA	Receivables Purchasing Arrangement
RTRT	Real Time Release Testing
SPP	Share Purchase Plan
SKU	Stock Keeping Unit
STI	Short Term Incentive
TCFD	Taskforce on Climate-related Financial Disclosures
TGA	Therapeutic Goods Administration Australia
VDS	Vitamins and Dietary Supplements
WACC	Weighted Average Cost of Capital

NOTES

The FSC® label on this Annual Report ensures responsible use of the world's forest resources.

The paper is manufactured from 100% post-consumer recycled paper in a process chlorine free environment under the ISO 14001 environmental management system.

Design: xandercreative.com.au

90 YEARS OF NATURAL HEALTH

BLACKMORES®
GROUP

Blackmores Limited
Australia's Leading Natural Health Company
ACN 009 713 437

20 Jubilee Avenue
Warriewood NSW 2102 Australia
Phone: +61 2 9910 5000
Fax: +61 2 9910 5555

blackmores.com.au