APPENDIX 4E

for the Year Ended 30 June 2026

BLS PHARMACEUTICALS LIMITED (Formerly Bioxyne Limited)
ABN 97 084 464 193

BLS PHARMACEUTICALS LIMITED

ABN 97 084 464 193

The Companies Announcements Office
The Australian Stock Exchange Limited
SYDNEY

Date: 31 August 2026

APPENDIX 4E

The results for announcement to the market are as follows:-

1. The reporting period is twelve months to 30 June 2026. The previous reporting period was twelve months to 30 June 2025.

2. Key information relating to the above reporting periods is as follows:-

	30 June 2026 $	30 June 2025 $	% change
Revenue from ordinary activities	74,232,795	29,302,506	+153%
Profit from ordinary activities after tax attributable to members	15,396,856	4,901,181	+214%
Net profit attributable to members	15,396,896	4,901,181	+214%
Proposed dividend	-	-	-
Net tangible assets per issued security (cents) (after 1:10 share consolidation)	13.3	5.4	+146%

3 to 6. See attached Annual Report.

7. No dividends have been paid or are proposed.

8. There is no dividend reinvestment plan.

9. Net tangible assets per security $0.133 (2025: ($0.054)).

10. *Acquisition or disposal of any entities occurring during the financial year.*

Nil

11. *Any other significant information needed by an investor to make an informed assessment of the Group's financial performance and financial position.*

Included in this document.

12. The Company is not a foreign entity.

13. *Commentary on the results*

The commentary on results is outlined in the Annual Report.

14. The financial statements are attached. The audit opinion is unqualified.

BLS
BREATHELIFESCIENCES

ANNUAL REPORT 2026

BLS PHARMACEUTICALS LIMITED
(formerly Bioxyne Limited)
ABN 97 084 464 193

YEAR ENDING 30 JUNE 2026

REDEFINING MEDICINE

CONTENTS

CHAIRMAN'S LETTER

Dear Fellow Shareholders,

FY26 was a defining year for BLS Pharmaceuticals Limited.

The Group ended the year in a materially stronger position, with record revenue and earnings, positive operating cash flow and a stronger balance sheet. Just as importantly, it continued to build the foundations of a larger, more internationally relevant pharmaceutical business.

From the Board's perspective, the year was significant because it vindicated the foresight of several years of investment in licences, manufacturing capability, regulatory systems, customer relationships and market access. BLS now has a clear identity, a stronger operating base and a defined path going forward.

The branding transition from Bioxyne to BLS Pharmaceuticals was an important step in the Group's evolution. It aligns the listed entity more closely with the operating business that now drives the majority of the Group's revenue and growth opportunity. It also gives investors, customers and commercial partners a clearer understanding of the Group's focus as a regulated pharmaceutical manufacturer, wholesaler and distributor.

In the Board's view, the new name reflects both where the business is today and the scale of the opportunity ahead.

BLS delivered revenue of $74.2 million and Adjusted EBITDA of $19.0 million in FY26, both at the top of the upgraded guidance range. The Group also remained operating cash flow positive and ended the year with cash of $13.3 million.

These results reflect a business that is scaling well and demonstrate the benefit of the platform management has built.

The Board recognises that rapid growth places greater demands on working capital, systems and organisational capability. The Group invested significantly in inventory during the year to support customer demand and commercial commitments.

The Group continues to improve terms with its suppliers, and should improve cash flow generation further in FY2027.

We remain committed to disciplined capital allocation.

The Board continues to assess acquisition and investment opportunities, prioritising financial return, strategic fit, customer demand, regulatory requirements, execution risk and the impact on liquidity. That discipline is especially important in a business operating in regulated markets and across multiple jurisdictions.

We will continue to assess opportunities that may complement the existing platform, including partnerships and acquisitions, but only where they are aligned with the Group's strategy and capable of creating sustainable shareholder value.

It is evident that the scale and complexity of BLS changed materially during FY26.

The Group is now managing a broader product portfolio, larger customer relationships, elevated inventory levels and a growing international footprint. That creates opportunity, but it also changes the nature of the risks the Board must oversee.

Accordingly, our focus increasingly includes pharmaceutical quality, regulatory compliance, international execution, working capital management, financial controls, cybersecurity, business continuity and succession planning. Protecting the Group's licences, quality systems and reputation remain central to our role.

We continue to strengthen the systems, controls and oversight framework required to support a business of this scale.

The appointment of Edward Myer as a Non-Executive Director adds further strategic, investment and capital markets experience at an important stage in the Company's development. The Board will continue to review its composition and skills mix to ensure they remain appropriate as BLS grows.

We have the highest confidence in Chief Executive Officer and Managing Director Sam Watson, Chief Operating Officer and Executive Director Jason Hine, and the broader management team. During FY26, Sam and Jason led the business through a period of rapid growth and increasing complexity, while also managing shareholder engagement, investor relations and an expanding international program. Their leadership was central to the Group's ability to build capability and convert that capability into earnings and cash flow.

On behalf of the Board, I thank team members across the globe for their professionalism, commitment and resilience during a year of substantial change and progress.

I acknowledge our customers, suppliers, regulators, healthcare partners and commercial partners for the trust they place in BLS.

Finally, I thank our shareholders for their continued support as the Group enters its next growth phase.

Yours sincerely,

Anthony Ho

Non-Executive
Independent Chairman

Anthony Ho,
Chairman

CHIEF EXECUTIVE OFFICER REPORT

YEAR ENDING 30 JUNE 2026

CHIEF EXECUTIVE OFFICER REPORT

THE 2026 FINANCIAL YEAR IN REVIEW

FY26 was the year BLS Pharmaceuticals completed its transformation from an Australian life sciences micro-cap into an international pharmaceutical manufacturer and dual listed small cap. We crystalised this transition with a corporate rebrand, moving beyond legacy and opening our next chapter of growth. Following shareholder approval at the 19 June 2026 General Meeting and formal ASIC registration, Bioxyne Limited became BLS Pharmaceuticals Limited. Trading under the new ASX code BLS from 7 July 2026, aligning its corporate identity with its GMP-licensed manufacturing and pharmaceutical operations across Australia, Europe, the UK, and Latin America. We completed a 1-for-10 share consolidation on 29 June 2026, repositioning the company and its share price for its growing institutional and international shareholder base.

We opened the year with confidence. In August 2025, the BLS Board issued FY26 guidance of $65–75 million in revenue and $11.5–13.5 million in EBITDA, underpinned by continued growth in BLS's Australian medicinal cannabis and psychedelics business, new contract wins, and increased order volumes from existing clients. That guidance was validated at the half year: H1 FY26 delivered record revenue of $31.3 million, up 149% on the prior corresponding period, and an adjusted EBITDA margin of 25.3%, reflecting improving profitability from scale and high operating leverage. On the back of our profitability in the first half, the board upgraded adjusted EBITDA guidance for the full year to between $16.5 and $19m, a 40% uplift.

THE RESULT

We finished the year at the top end of guidance, booking $74.2m of revenue and $19.0m of adjusted EBITDA. An outstanding result delivered by a dedicated team and successful execution of our strategy. It is important to note that the approximately $500,000 of grant funding received from South of Scotland Enterprise (SOSE) in FY26 was recognised as revenue in our unaudited end of year presentation, but has been reclassified as a reduction of development costs in the attached audited financial statements.

POSITIVE REGULATORY DEVELOPMENTS AND GROWING DEMAND FOR BLS MEDICINES

We concluded the 2026 financial year with several positive global regulatory developments, including the Trump Administration's designation of MDMA, psilocybin, and Ibogaine as breakthrough therapies to fast-track FDA approval of these medicines in the USA. While we do not currently have a presence in the USA, we are working towards export opportunities of BLS Australian manufactured MDMA and psilocybin capsules to the US and other markets. Our business model and vision have been reinforced with growing global and political acceptance of these drugs as medicine. Moreover, Australia is moving towards changing driving laws so that medicinal cannabis patients can legally drive with THC in their system, so long as they are not under the influence. In Germany, we saw the number of cannabis prescriptions double within 3 months after driving law changes in 2024, and in Tasmania, there was a seven-fold increase within 18 months. These developments are only part of the reason I am more confident than ever about the future of our industry and BLS.

NEW MARKETS AND NEW OPPORTUNITY

Our international expansion plans are accelerating on multiple fronts. The Company completed a dual listing on the Frankfurt Stock Exchange (PR8.F) in October 2025, enhancing European capital markets access; secured $1.7m ($1m loan and $0.7m grant) in non-dilutive funding from SOSE to establish our GMP manufacturing facility in the Scottish Borders, with construction commencing February 2026 and licensing targeted around December 2026; and entered Latin America via a distribution agreement with Remidose covering Costa Rica and Panama. In Germany, Europe's largest medicinal cannabis market, the initial June 2025 supply arrangement with ADREXpharma was materially expanded into a two-year $50m contract with defined purchase commitments and exclusive distribution rights for the Dr Watson® brand through Adrex's established German customer network.

We secured blue chip partnership validation, entering manufacturing agreements with Nasdaq-listed Aurora Cannabis and Curaleaf International. We also broadened our dose form manufacturing capabilities, launching a medical inhalation device in Australia, and announcing an exploratory agreement with Trexapharm for nasal spray and injectables, as well as a combination medicine for patients with Post Traumatic Stress Disorder (PTSD).

The work we have done in 2026 has positioned BLS to further develop its intellectual property assets, including novel dose forms and delivery mechanisms for our medicines. On the back of recent multi-billion-dollar acquisitions by big pharma of pre-revenue drug candidates with early-stage data, we plan to accelerate our drug development pipeline to collect clinical evidence and build data sets for BLS-owned proprietary medicines containing MDMA and psilocybin, targeting chronic mental health conditions including PTSD and Treatment Resistant Depressions (TRD).

GROWING GLOBAL DEMAND FOR OUR PRODUCTS AND SERVICES

To meet growing patient demand for our medicines, both in our home market Australia and new territories, we continue to invest in manufacturing scale and critical pharmaceutical infrastructure that now includes the world's largest GMP-certified cannabis pastilles facility with capacity of up to 6 million individual pastilles per month.

BLS serves as a platform for special access medicines. Through our comprehensive and international license stack we provide critical manufacturing infrastructure to the rapidly growing markets for unmet clinical needs. In FY26, we continued expanding our manufacturing capacity and capabilities across all product categories with the potential to generate revenue of c.$250m per year in Australia, plus an additional c.$150m in our UK facility, which is on track for completion in the 2026 calendar year.

VISION AND STRATEGY

BLS is redefining medicine for a healthier tomorrow. Our vision is to be the global leader in breakthrough and investigational medicines containing cannabis, MDMA, psilocybin and other active pharmaceutical ingredients.
Our strategy is to be the market leading manufacturer and wholesale supplier in each of the markets we operate. This relies on building and maintaining a comprehensive multi-jurisdictional license stack and teams who can navigate regulatory complexity across multiple markets.

LOOKING AHEAD

As we look beyond FY26, BLS enters its next chapter from a position of strength. We have built a differentiated international pharmaceutical manufacturing platform, secured significant commercial partnerships and expanded our regulatory and manufacturing capabilities across multiple jurisdictions.

Our priorities are clear: to execute on our existing contracts, bring our UK manufacturing facility online, expand into new international markets, continue investing in our proprietary medicines and intellectual property, and build the clinical and commercial evidence needed to unlock the significant potential of cannabis, MDMA and psilocybin-based medicines.

Global acceptance of these medicines is accelerating, patient demand is growing, regulatory frameworks are evolving, and pharmaceutical markets are increasingly recognising the potential and significant unmet clinical needs. BLS is uniquely positioned at the intersection of these trends, with the licences, manufacturing infrastructure, partnerships and expertise required to participate across the pharmaceutical value chain.

FY26 demonstrated that our strategy is not simply aspirational, but commercially tangible and significant. We enter FY27 with more manufacturing capacity, better market access, bigger contracts and more opportunities than ever before.

On behalf of the Board, I would like to thank our employees, customers, and partners for their continued support. I also thank you, our shareholders, for your confidence in BLS and your support throughout our transformation.

We have built the platform. We have established the foundations. Our focus remains on execution and delivering sustained, long-term value for our shareholders.

The best years are ahead of us.

Sam Watson

Chief Executive Officer and Managing Director

OPERATIONS REPORT

YEAR ENDING 30 JUNE 2026

FY26 OPERATIONAL REVIEW

EXPANDING THE SCALE AND REACH OF THE BLS PLATFORM

FY26 was a year of significant operational progress for BLS Pharmaceuticals.

The Group increased activity across its Australian manufacturing operations, expanded several major customer relationships, advanced its commercial presence in Germany and Latin America, and continued developing manufacturing capability in the United Kingdom.

Australia remained the foundation of the business, supported by increasing customer demand, higher manufacturing throughput and a broader range of pharmaceutical products and services. At the same time, BLS continued building the international infrastructure and commercial relationships required to support its next stage of development.

AUSTRALIAN MANUFACTURING OPERATIONS

BLS's Brisbane facility remained the Group's principal manufacturing hub and the foundation of its operating performance during FY26.

Through its GMP-licensed Brisbane platform, BLS manufactures medicinal cannabis, MDMA and psilocybin products. Across these categories, the Group supports multiple dose forms and delivery systems, including flower, capsules, pastilles, inhalable products and oral liquids.

Manufacturing activity increased during FY26, supported by strong Australian performance, continued growth in white-label pharmaceutical manufacturing and increasing demand for regulated therapeutic products. The Group also continued broadening the services provided alongside manufacturing, including pharmaceutical input sourcing, product development, packaging, quality assurance, storage, import, export and wholesale distribution.

The Brisbane platform has estimated annual revenue capacity exceeding $250 million. This provides substantial scope to support further growth through increased utilisation and additional production shifts without requiring a proportionate increase in capital expenditure.

The increase in activity contributed to improved operating leverage across the Group's established manufacturing base.

STRATEGIC CUSTOMER RELATIONSHIPS

BLS continued to expand its relationships with pharmaceutical companies, medicine brands, distributors and healthcare partners seeking access to its licences, manufacturing capabilities and regulated supply-chain infrastructure.

A key development during the year was the commencement of manufacturing activities for Aurora Cannabis.

The initial scope includes medicinal cannabis oils for the Australian market, with expansion to vape products for Australia, the United Kingdom and Germany. Initial sales covered more than 5,000 units of sublingual oils and more than 20,000 vape products.

The relationship provides external validation of BLS's manufacturing and quality systems and demonstrates the role the Group can play as a downstream manufacturing partner for established international pharmaceutical and medicinal-product companies.

More broadly, BLS continued to deepen customer relationships by providing services beyond finished-dose manufacturing. These include procurement, product development, inventory management, storage, wholesale distribution and market-access support.

This broader service model allows the Group to participate across more stages of the pharmaceutical supply chain while helping customers simplify the process of bringing regulated products to market.

INTERNATIONAL OPERATIONS

UNITED KINGDOM

BLS continued developing its GMP pharmaceutical manufacturing facility in Scotland during FY26. Commissioning is scheduled for September 2026.

Capital expenditure on the facility totalled approximately A$2.1 million to 30 June 2026, supported by approximately A$1.0 million in loans and A$0.7 million in grants from South of Scotland Enterprise (SOSE). Grants received to date of $0.5 million have been applied to the capital expenditure reflecting net capital spend of A$1.6 million.

Once operational, the facility is intended to expand the Group's manufacturing capacity and strengthen its ability to supply pharmaceutical products directly into the United Kingdom and European markets. Commercial manufacturing remains subject to the receipt of the required licenses.

GERMANY AND EUROPE

Germany represented the Group's most significant international commercial development during FY26.

In May 2026, BLS entered into a two-year pharmaceutical supply agreement with ADREXpharma valued at approximately $50 million, with a minimum purchase commitment of $25 million during the first 12 months. The agreement grants ADREXpharma exclusive rights to distribute Dr Watson® medicinal cannabis products in Germany and represents one of the most significant commercial supply agreements secured by BLS to date.

LATIN AMERICA

FY26 marked BLS's entry into Latin America through an expanded supply agreement with Remidose LATAM SRL for three Dr Watson® medicinal cannabis flower products in Costa Rica. The initial commercial sale, valued at more than $500,000, established the Group's presence in the country's regulated medicinal cannabis market.

REGULATED AND EMERGING MEDICINES

BLS continued to advance its position in Australia's regulated psychedelic medicines sector during FY26.

The Group's Australian facility is licensed to manufacture MDMA and psilocybin medicines for use through authorised prescribing pathways and approved clinical settings.

BLS continued the commercialisation of its GMP-manufactured psilocybin capsules, BLSPSIL25, during FY26. Initial sales comprised 250 doses for authorised prescribers delivering psychedelic-assisted therapy services in Australia, sufficient to support approximately 60 patients over the following 12 months.

The program remains an emerging revenue stream and establishes BLS as one of the few Australian pharmaceutical manufacturers capable of producing and supplying GMP-compliant psilocybin in finished-dose form.

QUALITY, SUPPLY CHAIN AND OPERATIONAL CAPABILITY

The Group's ability to manufacture and distribute controlled medicines depends on maintaining rigorous pharmaceutical quality, regulatory compliance and reliable supply.

Through its subsidiaries, BLS holds licences and permits issued by the Therapeutic Goods Administration, the Office of Drug Control and relevant state health authorities. These authorisations support the manufacture, import, export, wholesale and handling of controlled pharmaceutical products.

The Group continued investing in quality systems, regulatory capabilities, manufacturing processes and operational personnel to support the increased scale and complexity of the business.

Inventory also increased in line with forecast demand and larger domestic and international supply requirements. In prescription markets, continuity of supply is critical, making product availability an important part of the BLS customer proposition.

Management continues to balance reliable availability with disciplined purchasing, demand forecasting and inventory control. Inventory levels, supplier commitments and cash conversion will remain key areas of oversight as the business grows.

These capabilities underpin BLS's licences, customer relationships and ability to operate successfully across regulated pharmaceutical markets. The operational progress achieved during FY26 established a larger and more internationally diversified base for the Group.

BLS ended the year with an established Australian manufacturing hub, substantial available capacity, growing strategic customer relationships, a major contracted supply program in Germany, developing manufacturing capability in the United Kingdom and an initial commercial presence in Latin America.

The financial impact of this growth, including the investment made in inventory, manufacturing infrastructure and international capability, is outlined in the following Financial Review.

ARTG REGISTRATIONS

In FY26 BLS successfully registered 24 of its cannabis based medicinal products on the Australian Register of Therapeutic Goods for export. These registrations are necessary and required for exporting to international markets. The Company began exporting its cannabis medicines, under both the Dr Watson® label and customer brands to the UK in the year. Registrations can be found at www.tga.gov.au/resources.

STRATEGY & GROWTH

BLS Pharmaceuticals' strategy is to build an integrated pharmaceutical manufacturing, wholesale and distribution platform serving regulated therapeutic markets.

The Group's competitive position is underpinned by its pharmaceutical licences, GMP manufacturing capability, technical expertise, customer relationships and ability to source pharmaceutical inputs and convert them into compliant finished-dose products.

BLS operates principally as a downstream pharmaceutical manufacturer and distributor. Rather than investing heavily in cultivation assets or owning prescribing channels, the Group provides the regulated infrastructure required to bring pharmaceutical products to market.

This model supports multiple revenue streams across contract and white-label manufacturing, pharmaceutical procurement, import and export, storage, wholesale distribution and market-access services. It also allows BLS to participate across several stages of the pharmaceutical value chain while maintaining a disciplined approach to capital investment.

BLS's business model is built around five connected capabilities:

SOURCING/PROCUREMENT → MANUFACTURE → COMPLIANCE & REGULATORY → IMPORT/EXPORT → DISTRIBUTE

BLS's next phase of growth is centred on four strategic priorities.

1

SCALE THE ESTABLISHED AUSTRALIAN PLATFORM

Australia remains the foundation of the Group's operating and financial performance.

BLS's immediate focus is to increase utilisation of its Brisbane manufacturing platform, grow volumes from existing customers, add new pharmaceutical and healthcare customers and broaden the range of finished-dose products manufactured.

The Australian platform retains substantial available capacity. Subject to customer demand and operational requirements, this provides scope to increase production through higher utilisation and additional shifts without requiring a proportionate expansion of the existing facility.

As activity increases, BLS will continue seeking efficiencies across sourcing, procurement, manufacturing processes and inventory management.

The objective is to translate greater scale into reliable supply, improved operating efficiency and sustainable earnings growth.

2

BUILD AN INTEGRATED INTERNATIONAL GMP FOOTPRINT

BLS intends to extend the manufacturing and distribution model established in Australia into selected international markets.

The Group's objective is to build an integrated GMP pharmaceutical footprint across Australia, the United Kingdom and Europe, supported by commercial distribution relationships in other regulated jurisdictions.

Australia will remain the Group's principal manufacturing base. The Scotland facility is intended to provide local manufacturing capability for the United Kingdom and support the Group's broader European operations. Commercial manufacturing in Scotland remains subject to completion of site works and receipt of the required manufacturing and controlled drug licences.

In Germany and Europe, BLS will focus on converting established commercial relationships into recurring pharmaceutical supply, expanding the range of products distributed and deepening its access to established pharmaceutical channels.

In other selected markets the Group may work with local importers, distributors and healthcare partners where this provides an efficient route to market. This approach can allow BLS to expand its international reach without replicating substantial fixed infrastructure in every jurisdiction.

3

BECOME A PREFERRED DOWNSTREAM PHARMACEUTICAL PARTNER

BLS aims to become a preferred downstream manufacturing and distribution partner for pharmaceutical suppliers and regulated medicine producers seeking access to established medicinal markets.

Many suppliers can produce pharmaceutical raw materials or active pharmaceutical ingredients but do not hold the manufacturing, quality, controlled-drug, import, export, storage or wholesale authorisations required to supply finished-dose medicines.

BLS provides the infrastructure required to transform those inputs into compliant pharmaceutical products and distribute them through approved channels.

The Group's partner proposition includes:

- GMP finished-dose manufacturing
- controlled-drug handling and storage
- pharmaceutical import and export
- wholesale and distribution capability
- access to multiple dosage formats
- regulatory and market-access support

This model allows BLS to participate in the growth of regulated therapeutic markets without assuming the agricultural and capital risks associated with large-scale cultivation.

The Group's relationship with Aurora Cannabis provides an important proof point, demonstrating the role BLS can perform for an established International cultivator and GMP manufacturer in Canada and Europe requiring local manufacturing and access to regulated pharmaceutical markets.

4

BROADENING PRODUCT CATEGORIES

Medicinal cannabis remains the Group's principal commercial product category.

BLS intends to use its existing licences, quality systems, manufacturing infrastructure and technical expertise to expand selectively into additional regulated pharmaceutical products.

Nearer-term opportunities include MDMA and psilocybin medicines and the continued development of the Dr Watson® portfolio. The Group is also evaluating opportunities across ibogaine, peptides, ibuprofen and other innovative approved medicines.

Over time, BLS may seek to create additional value through proprietary formulations, combination medicines, alternative delivery formats, pharmaceutical process intellectual property and exclusive manufacturing or distribution arrangements.

These opportunities are at different stages of development and should not be interpreted as committed commercial programs.

BLS will prioritise areas where:

- customer or patient demand is identifiable
- the regulatory pathway is understood
- existing infrastructure and licences can be utilised
- the Group has a meaningful competitive advantage
- commercialisation can be achieved without disproportionate capital investment

The Group may also consider selective partnerships or acquisitions that add complementary licences, manufacturing capability, market access, intellectual property or customer relationships.

Any transaction must be strategically aligned, capable of effective integration and financially accretive.

DISCIPLINED GROWTH

BLS's strategy is to increase the utilisation and value of the platform already established before committing material capital to new markets or product categories.

Growth will be pursued selectively where regulatory complexity, pharmaceutical quality and manufacturing capability create a meaningful and sustainable competitive advantage.

The Group enters FY27 with an established Australian operating base, substantial available manufacturing capacity, international commercial relationships and developing manufacturing capability in the United Kingdom.

The focus is now on converting these foundations into recurring international revenue, stronger cash generation and a broader pharmaceutical business.

FY26 FINANCIAL REVIEW

RECORD REVENUE AND EARNINGS, WITH POSITIVE OPERATING CASH FLOW

The operational growth achieved during FY26 translated into a substantial increase in revenue and earnings for BLS Pharmaceuticals.

Revenue increased to approximately $74.2 million, compared with $28.4 million in FY25, representing growth of 161% on a consistent statutory revenue basis.

Reported profit before tax was $15.2 million, compared with $4.9 million in FY25, while statutory net profit after tax was $15.4 million, compared with $4.9 million in the prior year.

Adjusted EBITDA increased to approximately $19 million, representing an Adjusted EBITDA margin of approximately 26%.

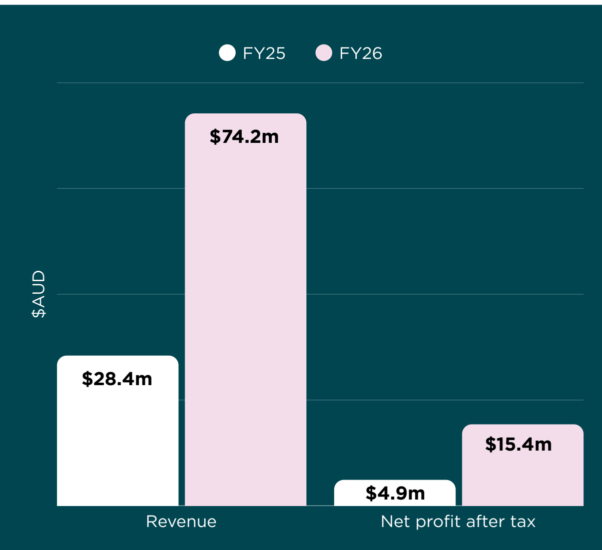
Revenue reached the top of the Company's FY26 guidance range, while Adjusted EBITDA reached the top of the upgraded guidance range.

The result reflected higher manufacturing volumes, growth across BLS's customer and product base and improved utilisation of the Australian operating platform.

Adjusted EBITDA is a non-IFRS measure and is defined as earnings before interest, tax, depreciation, amortisation and share-based payments. A reconciliation of this non-IFRS measure to statutory profit for the year as per the audited financial statements is included on Page 25.

	FY26	FY25
Revenue	$74.2m	$28.4m
Revenue growth	161%	204%
Profit before tax	$15.2m	$4.9m
Net profit after tax[1]	$15.4m	$4.9m
Adjusted EBITDA	$19.0m	$7.0m
Adjusted EBITDA margin	26%	25%
Operating cash flow	$5.4m	$6.3m
Cash at year end	$13.3m	$7.7m
Inventory at year end	$17.8m	$3.6m
Basic earnings per share	6.9 cents	2.4 cents restated
Diluted earnings per share	6.7 cents	2.3 cents restated

[1] *Net profit after tax reflects an income tax benefit of $0.2m*



FY25 comparatives relate to Bioxyne Limited, which was renamed BLS Pharmaceuticals Limited during FY26. FY25 basic and diluted earnings per share have been restated for the 1:10 share consolidation.

REVENUE AND EARNINGS GROWTH

Revenue increased throughout FY26, rising from **$14.0 million in the first quarter to $21.7 million in the fourth quarter.**

The June quarter was the strongest in the Group's history and represented the fifth consecutive quarterly increase in revenue.

Growth was supported by increased manufacturing activity, a larger customer and product base and continued demand for the services provided through BLS's Australian pharmaceutical platform.

BLS also benefited from greater operating leverage. As production volumes increased through an established manufacturing and operating base, utilisation improved and contributed to stronger earnings and margins.

CASH FLOW AND CASH CONVERSION

BLS generated operating cash flow of approximately **$5.4 million in FY26**, compared with **$6.3 million in FY25.**

The June quarter generated record operating cash flow of approximately **$6.3 million**, following working-capital investment and cash outflows earlier in the financial year.

The year-on-year movement in operating cash flow was influenced by the significant increase in inventory and other working-capital requirements as BLS prepared for higher customer demand and larger domestic and international supply commitments.

Cash receipts from customers totalled approximately **$76.1 million during FY26, including $20.3 million in the June quarter.**

Cash receipts and statutory revenue are recognised on different bases and are therefore not directly comparable. The relationship between the two measures is influenced by the timing of customer collections and movements in trade receivables.

BLS ended FY26 with cash of approximately **$13.3 million,** compared with **$7.7 million at 30 June 2025** and **$8.5 million at 31 March 2026**.

The movement in the year-end cash balance reflected positive operating cash flow and approximately **$3.8 million of net financing inflows**, partly offset by approximately **$3.5 million of investing outflows** during the year.

WORKING CAPITAL

Working-capital requirements increased materially during FY26 as BLS supported a larger operating base and prepared for higher forecast demand.

Inventory increased from approximately **$3.6 million at 30 June 2025 to $17.8 million at 30 June 2026.**

The increase reflected stock held against forecast customer demand, continuity-of-supply requirements, larger purchasing and manufacturing programs and the needs of an expanding domestic and international business. The increase in inventory was a significant contributor to operating cash flow being lower than Adjusted EBITDA during the year.

Management will continue monitoring purchasing commitments, stock ageing, demand forecasts and inventory conversion as larger customer programs move through manufacturing and supply.

Trade and other receivables were **$7.6 million at 30 June 2026**, compared with **$2.4 million as at 30 June 2025.**

Trade and other payables were **$9.7 million, compared with $4.8 million at 30 June 2025.**

BLS's focus is to convert the inventory and receivables associated with FY26 growth into sales and cash receipts while maintaining appropriate product availability.

CAPITAL EXPENDITURE AND INVESTING ACTIVITY

Cash payments for property, plant and equipment totalled approximately **$3.8 million during FY26, compared with $2.1 million in FY25.**

Grant funds received of approximately **$0.5 million** have been applied against cash outflows, resulting in total investing cash outflows of approximately **$3.5 million.**

Investment during the year was directed principally towards the Scotland pharmaceutical manufacturing facility, production equipment, facility improvements, enterprise systems and additional quality, regulatory and controlled-storage capability.

Expenditure on the Scotland facility totalled approximately **A$2.1 million to 30 June 2026**, before offsetting **grant income of $0.5m.**

The facility was supported by financing arrangements with SOSE, comprising approximately **A$1.0 million in loans and A$0.7 million in grants.** The grant funding received of A$0.5 million has been applied as a reduction of the construction cost.

BLS also continued investing in its Australian operations to support increased manufacturing activity and the storage and handling requirements associated with a larger business.

Future capital expenditure will continue to be assessed against customer demand, expected utilisation and anticipated financial returns.

BALANCE SHEET AND LIQUIDITY

At 30 June 2026, BLS had **$3.0 million in loan and equipment finance facilities** comprising approximately **$0.7 million under a bank loan and $1.0 million from South of Scotland Enterprise**, product loans and equipment lease financing of **$1.3 million.**

Following year end, BLS entered into an undrawn **$3.0 million Westpac overdraft facility,** providing additional liquidity flexibility.

BLS' s cash position, positive operating cash flow and available facilities provide financial capacity to support existing operations and planned organic growth.

Continued attention will be given to working-capital management, customer collections and the timing of capital expenditure as the international business increases in scale.

ENTERING FY27 FROM A STRONGER FINANCIAL BASE

BLS ended FY26 with a materially larger revenue and earnings base, positive operating cash flow and a stronger cash position.

The year also required significant investment in inventory, manufacturing capability and international development. Converting that investment into recurring revenue and stronger cash generation will be an important measure of financial performance in FY27.

BLS enters the new financial year with meaningful manufacturing capacity and infrastructure already established, while maintaining a disciplined approach to working capital, liquidity and future capital expenditure.

Anthony Ho
Non-Executive
Independent Chairman

Sam Watson
Chief Executive Officer
and Managing Director

CORPORATE GOVERNANCE STATEMENT

YEAR ENDING 30 JUNE 2026

CORPORATE GOVERNANCE STATEMENT

BLS Pharmaceuticals, through its Board and executives, recognises the need to establish and maintain corporate governance policies and practices that reflect the requirements of the market regulators and participants, and the expectations of members and others who deal with BLS Pharmaceuticals. These policies and practices remain under constant review as the corporate governance environment and good practices evolve.

ASX Corporate Governance Principles and Recommendations
The fourth edition of ASX Corporate Governance Council Principles and Recommendations (the "Principles") sets out recommended corporate governance practices for entities listed on the ASX.

The Company has issued a Corporate Governance Statement which discloses the Company's corporate governance practices and the extent to which the Company has followed the recommendations set out in the Principles. The Corporate Governance Statement was approved by the Board on 28 August 2026 and is available on the Company's website:
blspharma.com/site/investor-centre/corporate-governance

DIRECTORS' REPORT

YEAR ENDING 30 JUNE 2026

All $ amounts are AUD unless stated otherwise.

DIRECTORS' REPORT

Your directors present their report together with the financial statements on BLS Pharmaceuticals Limited (ASX: BLS) for the year ended 30 June 2026.

DIRECTORS

The following persons were directors of the Company BLS Pharmaceuticals Limited and its consolidated entities (the Group) during the financial year and up to the date of this report:

Anthony Ho	*Non-Executive Independent Chairman*
Edward Myer	*Non-Executive Director (appointed 3 June 2026)*
Samuel Watson	*Executive Director, Chief Executive Officer*
Jason Hine	*Executive Director*

INFORMATION ON DIRECTORS AS AT REPORT DATE

ANTHONY HO

B.Com, CA, FAICD, FCG(CS), FGIA

Non-Executive Chairman
Appointed 30 October 2012

Tony is an experienced company director having held executive directorships and chief financial officer roles with several ASX listed companies. Tony was executive director of Arthur Yates & Co Limited, retiring from that position in April 2002. His corporate, general management and governance experience includes being chief financial officer/finance director of M.S. McLeod Holdings Limited, Galore Group Limited, the Edward H O'Brien group of companies.

Tony is currently the chairman of NZX/ASX listed Truscreen Group Limited (NZX/ASX: TRU). He was previously chairman of Cannasouth Limited, Energy Transition Minerals Limited, and Credit Intelligence Limited and a non-executive director of Hastings Technology Metals Limited.

Prior to joining commerce, Tony was a partner of Cox Johnston & Co, Chartered Accountants, which has since merged with Ernst & Young. Tony holds a Bachelor of Commerce degree from the University of New South Wales and a graduate diploma in marketing from University of Technology, Sydney. He is a member of Chartered Accountants Australia and New Zealand and a fellow of the Australian Institute of Company Directors, UK's Chartered Governance Institute (Company Secretary) and Governance Institute of Australia.

EDWARD MYER

B.Bus, Diploma Applied Finance, GAICD

Non-Executive Director
Appointed 3 June 2026

Ed Myer is an experienced investor and business executive with a background across financial markets, private investment, technology and healthcare sectors. Through MWP Partners Ltd, he has been actively involved in identifying, investing in and supporting growth-stage businesses with long-term strategic potential, with a focus on strategic growth, capital allocation and value creation. He has worked extensively with global investment banks across capital markets in London, Hong Kong and Australia.

Ed holds a Bachelor of Business (marketing) from Monash University, Graduate Diploma of Applied Finance from Macquarie University and is a graduate member of the Australian Institute of Company Directors.

Ed has not held any other listed company directorships at any point within the last three years.

SAMUEL WATSON

BSc Finance and Economics (NYU Stern)

Executive Director,
Chief Executive Officer
Appointed 19 May 2023

Sam is the founder and CEO of Breathe Life Sciences (BLS). Since establishing BLS and the Dr Watson Brand in 2018, BLS has become a significant player in the health and wellness industry in Europe, UK and Japan. In 2020, BLS entered the Australian market and has grown rapidly into a market leading manufacturer of novel medicines such as MDMA, Psilocybin, and Cannabis.

Sam is the CEO and founder of Breathe International Ltd, which became BLS Pharmaceuticals's largest shareholder following its all-share acquisition of BLS in May 2023.

Sam has not held any other listed company directorships at any point in the last three years.

JASON HINE

Executive Director
Appointed 19 May 2023

Jason was previously the GM Commercial Operations for ECS Botanics Limited, an Australian medicinal cannabis cultivator and hemp food wellness business. The ECS food & wellness business delivers high quality Tasmanian grown/sourced hemp food and wellness products into the Australian grocery sector via the large grocery chains, regional distributors, and a growing bulk supply and B2C channel.

Jason has been an executive director of several companies spanning the manufacturing, power distribution, finance, negotiation, consulting and training industries over a 30 year career.

Jason has not held any other listed company directorships at any point within the last three years.

COMPANY SECRETARY

GUY ROBERTSON

B.Com (Hons) CA

Company Secretary and Chief Financial Officer
Appointed 1 September 2016

Guy has over 30 years' experience as a Director, CFO and Company Secretary of both public and private companies in Australia, New Zealand and Hong Kong.

Guy has held senior roles within the Jardine Matheson group of companies in Australia and Hong Kong including General Manager of Finance for Franklins Supermarkets in Australia, Chief Operating Officer and Chief Financial Officer for Colliers Jardine Asia Pacific based in Hong Kong and Chief Financial Officer and Managing Director (NSW) for Jardine Lloyd Thompson.

PRINCIPAL ACTIVITIES AND STRATEGY

BLS Pharmaceuticals Limited (BLS) is an international Australian life sciences company headquartered in Sydney, and the parent company of the Breathe Life Sciences group.

BLS and its subsidiaries are licensed to manufacture, import, export and supply controlled drugs and prescription medicines including cannabis, MDMA and psilocybin. BLS has a comprehensive multi-national licence stack which allows it to carry out its business, providing pharmaceutical manufacturing and supply chain services to its clients.

In Australia, BLS Pharmaceuticals subsidiary BLS Wholesalers Pty Ltd is the market leading manufacturer of medicinal cannabis, MDMA, and Psilocybin products, licensed by the Therapeutic Goods Administration (TGA), Office of Drug Control (ODC), and QLD Health.

In the UK BLS Pharmaceuticals subsidiary is transitioning into the manufacture and supply of medicinal cannabis products, and is operating via third party licenses until it has established and licensed its local facilities.

In Europe, BLS is currently supplying products into Germany via its local partner, ADREXpharma, which holds all requisite local licenses and authorisations.

In all markets, BLS Pharmaceuticals strategy is to replicate its business model in Australia as a licensed pharmaceutical supplier and manufacturer, building brand equity under its Breathe Life Sciences (B2B) and Dr Watson® (patient/consumer facing) brands.

In the UK, BLS has launched the Dr Watson brand in Harrods pharmacy, a prestigious London retail location, as well as on Ideal World (televised shopping, channel 51). The product launch is for the Company's over the counter supplements range.

The Group has a global distribution agreement with Denmark's Chr Hansen, to manufacture, market, supply and distribute its proprietary probiotic strain of Lactobacillus Fermentum PCC® for over-the-counter gut health immune supplement products. BLS Pharmaceuticals, also, has a supply agreement for PCC® with Nu-Skin Enterprises (USA) a successful worldwide multilevel marketing company.

The Group has discontinued operations in direct selling of health supplements to south-east Asia.

DIVIDENDS

No dividends were paid to members during the financial year (2025: $Nil).

REVIEW OF OPERATIONS

ONGOING ACTIVITIES

The Group has significantly increased its manufacturing capacity in Australia in FY26 and has made substantial progress in establishing similar facilities in the UK. This expansion has enabled the Group to meet the growing demand for medicinal cannabis products in FY26 and expected in the coming years and as it seeks to broaden its product range in pharmaceutical manufacturing.

With a commitment to outstanding quality and service demand has grown rapidly with the Group executing a number of material contracts for major customers.

BLS's wholesale sales business of its proprietary probiotic Lactobacillus Fermentum PCC® continues with revenue at $554,868 for the year.

OPERATING RESULTS

Sales in 2026 of $74,164,632 (2025: $28,429,544) grew by 161%. Growth was achieved in all categories flower, pastilles, vapes and oils and expanding markets in Australia, UK and Germany.

A reconciliation of adjusted EBITDA, which is a non-IFRS reporting measure for the year, to profit after tax is as follows:

	FY26	FY25
Adjusted EBITDA	18,970,951	7,013,753
Less:		
Share based payments	(1,967,066)	(1,206,823)
Depreciation and amortisation	(1,386,556)	(777,745)
Interest and borrowing costs	(459,995)	(128,004)
Income tax benefit	239,522	-
	(3,574,095)	(2,112,572)
Statutory profit for the year	15,396,856	4,901,181

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Shareholder equity increased to $31,087,368 (2025: $12,102,023), primarily reflecting result for the year and capital received from conversion of options of $1,337,420 and share placement $110,000.

The Company changed its name to BLS Pharmaceuticals Limited (formerly Bioxyne Limited) during the year, and undertook a 1:10 share consolidation on 29 June 2026.

There were no significant changes in the state of affairs of the Group other than as outlined in this report.

MATTERS SUBSEQUENT TO BALANCE DATE

The Company has put in place a $3 million overdraft facility with Westpac post year end.

There are no other matters or circumstances that have arisen since 30 June 2026 that have significantly affected, or may significantly affect:

a) The Group's operations in future financial years; or
b) The results of those operations in future financial years; or
c) The Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

- expansion of its pharmaceutical manufacturing capacity in UK;
- expanding the scope of its product offerings to existing and potential customers;
- expanding proprietary brand sales (Dr Watson and BLS) and product ranges for sale in key markets; and
- ongoing review of strategic acquisition opportunities to expand its business options in high-growth markets and enhancing its service offerings.

The Group is subject to a number of risks as outlined below. The Company has an ongoing risk review process which is reviewed by the Board at monthly Board meetings.

Maintaining licences and permits and regulatory requirements:
The Group's ability to commercialise products for sale in the countries in which it operates is reliant on the renewal of licences and permits that have been granted to it by Federal and State regulators. The Group's subsidiaries are subject to government regulations in each jurisdiction. Any changes in those regulations may impact on the Group's performance.

Reliance on key relationships:
The Group relies on various key customer and supplier relationships in certain jurisdictions of their respective businesses. The loss or impairment of any of these relationships could have an adverse effect on the Group's results or operations, financial condition and prospects, at least until alternative arrangements can be implemented.

Reliance on key management:
The responsibility of overseeing the day-to-day operations and the strategic management of the Group will depend substantially on its senior management and the Board. Any loss of senior management or directors will have a detrimental impact on the performance of the Group or its growth potential.

Growth prospects and expansion plans:
A significant factor to the Group's growth prospects and expansion plans is the acceptance of its current brands and products by the market, and its ability to innovate and produce future products that meet consumer demand.

ENVIRONMENTAL REGULATION

The Group's operations are not subject to any significant environmental regulation under either Commonwealth or State legislation. The Board considers that adequate systems are in place to manage the Group's obligations and is not aware of any breach of environmental requirements as they relate to the Group.

INDEMNIFICATION AND INSURANCE OF OFFICERS

During the financial year the Company paid premiums in respect of a contract insuring Directors, Chief Financial Officer and Company Secretary of BLS Pharmaceuticals and Executive Officers against a liability incurred to the extent permitted by the *Corporations Act 2001*. Further disclosure required under section 300(9) of the *Corporations Act 2001* is prohibited under the terms of the insurance contract.

INDEMNIFICATION AND INSURANCE OF AUDITOR

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

SHARES AND OPTIONS ISSUED

The Company issued the following shares (after 1:10 consolidation) during the year on the exercise of options and performance rights:

ISSUE	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE $	TOTAL $
Conversion of Options	3,227,931	0.41	1,337,420
Performance rights exercise and vested	6,948,055	-	758,413

Unissued ordinary shares of BLS Pharmaceuticals Limited under option at the date of this report are as follows:

DATE OPTIONS GRANTED	EXPIRY DATE	ISSUE PRICE OF SHARES	NUMBER UNDER OPTION
1 April 2025	26 March 2027	$0.50	3,924,835
1 April 2025	26 March 2027	$0.4375	1,614,000
1 April 2025	26 March 2027	$0.10	106,450

DATE PERFORMANCE RIGHTS GRANTED	EXPIRY DATE	ISSUE PRICE OF SHARES	NUMBER OF PERFORMANCE RIGHTS
24 December 2025	31 December 2027	Nil	8,550,000

No option holder or performance right holder has any right to participate in any other share issue of the Company or any other entity.

Included in these performance rights were performance rights granted as remuneration to the directors and the five most highly remunerated officers during the year. Details of performance rights granted to key management personnel are disclosed on page 32. In addition, the following performance rights were granted to officers who are among the five highest remunerated officers of the Company and the Group, but are not key management persons and hence not disclosed in the remuneration report:

NAME OF OFFICER	DATE GRANTED	ISSUE PRICE OF SHARES	NUMBER OF PERFORMANCE RIGHTS GRANTED
Jason Stephens	24 December 2025	Nil	2,000,000
Macdarragh O'Neill	24 December 2025	Nil	500,000

DIRECTORS' SHAREHOLDINGS

The following are the equity securities held by Directors as at the date of this report:

	SHAREHOLDINGS	PERFORMANCE RIGHTS	OPTIONS
A Ho	2,730,356	-	-
S Watson	67,030,102	3,900,000	-
J Hine	1,622,489	1,000,000	20,000
E Myer	-	-	-
Total	**71,382,947**	**4,900,000**	**20,000**

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

AUDIT AND NON-AUDIT SERVICES

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

	2026 ($)	2025 ($)
Pitcher Partners		
Audit and review of financial reports	130,000	-
RSM Australia Partners		
Audit and review of financial reports	-	115,500
Total remuneration for audit and other services	130,000	115,500

MEETINGS OF DIRECTORS

The numbers of meetings of the Company's Board of directors held during the year ended 30 June 2026, and the numbers of meetings attended by each director were:

FULL MEETINGS OF DIRECTORS	A	B
Mr Anthony Ho	11	11
Mr Samuel Watson	11	11
Mr Jason Hine	11	11
Mr Edward Myer	1	1

A = Number of meetings attended
B = Number of meetings held during the time the director held office during the year
The full Board deals with audit and risk committee and remuneration and nomination committee matters.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 37.

AUDITOR

Pitcher Partners were appointed auditors on 29 January 2026 following ASIC consent under S329 of the *Corporations Act* to the resignation of RSM Australia Partners.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for directors and executives of the Group.

(A) KEY MANAGEMENT PERSONNEL COVERED IN THIS REPORT

Key management personnel were in place for the year unless otherwise indicated.

Directors

Mr Anthony Ho	*Non-Executive Independent Chairman*
Edward Myer	*Non-Executive Director (appointed 3 June 2026)*
Samuel Watson	*Managing Director and Chief Executive Officer*
Jason Hine	*Executive Director and Chief Operating Officer*

Other key management personnel

Guy Robertson	*Chief Financial Officer and Company Secretary*

(B) REMUNERATION POLICY AND LINKS TO PERFORMANCE

Remuneration philosophy

The performance of the Group depends upon the quality of its directors and executives, and the ability of the Group to attract, motivate and retain highly skilled directors and executives.

Remuneration committee

The function of the Remuneration Committee is undertaken by the Board who are responsible for determining and reviewing compensation arrangements for the directors, the managing director and the executive team. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Salaries are reviewed annually by the Board and linked to performance. We aim to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. The figure below shows measures of the Group's financial performance over the last five years. There may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

Statutory performance indicators are provided for the current and previous four financial years.

	2026	2025	2024	2023[4]	2022[4]
Profit/(loss) for the year before tax attributable to owners of BLS Pharmaceuticals Limited	15,157,334	4,901,181	(1,406,641)[1]	(1,939,970)	(494,022)
Adjusted EBITDA[2]	18,970,951	7,013,753	(1,026,615)	(1,156,951)	(389,216)
Basic earnings per share (cents)[3]	6.9	2.4	(6.7)	(1.5)	(0.67)
Change in share price (%)	135%	700%	(75%)	83%	(65%)
Total KMP incentives as a % of profit before tax for the year (%)	8.5	9.8	-	22.0	-

[1]Before write-off of intangibles $11,568,010
[2]Adjusted EBITDA (a non-IFRS measure) is before interest, tax, depreciation, amortisation and share based payments
[3]Adjusted for 1:10 consolidation on 29 June 2026
[4]The 2022 and 2023 years may not be comparable due to the acquisition of Breathe Life Sciences by BLS Pharmaceuticals Limited (formerly Bioxyne Limited) in May 2023.

Remuneration structure
In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Performance evaluation of Board Members and Senior Executives
A formal evaluation for those executives, who have been with the Group for the year under review was undertaken.

The Chairman reviews the performance of the directors on an annual basis and in turn asks for feedback on his performance.

(C) OBJECTIVES AND STRUCTURE OF REMUNERATION

Non-executive director remuneration

Objective
The Board of Directors recognises that the success of the Group will depend on the quality of its Non-executive Directors. For this reason, the Board reviews the remuneration arrangements for all senior employees to ensure that it attracts and keeps motivated, highly skilled and appropriately qualified directors.

Structure
The Company's Constitution and the ASX listing rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting of shareholders. An amount not exceeding the amount determined by shareholders in general meeting is then available to be split between the Directors as agreed between them. The latest determination was at the Annual General Meeting held on 28 November 2022 when shareholders approved an aggregate remuneration amount of up to $250,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned between directors is reviewed annually. The Board takes into account the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

The remuneration of non-executive directors for the period ending 30 June 2026 is detailed in Section D of this report.

Senior manager and executive director remuneration

Objective
The Board of Directors recognises that the success of the Group will depend on the quality of its directors and its senior management. For this reason, the Board reviews the remuneration arrangements for all senior employees to ensure that it attracts and keeps motivated, highly skilled and appropriately qualified directors and executives.

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to ensure total remuneration is competitive by market standards.

Structure
In determining the level and make-up of executive remuneration, the Remuneration Committee reviews market conditions and the circumstances of the Group to ensure that the remuneration offered is sufficient to attract executives of the highest calibre.

Service Agreements – Effective 1 July 2025

The Chief Executive Officer Mr Samuel Watson has a service agreement with a remuneration package of $350,000, which can be terminated by either party with six months' notice. The Chief Operating Officer, Mr Jason Hine, has a service agreement with a remuneration package of $240,000 which can be terminated by either party giving three months' notice. The Company Secretary and Chief Financial Officer has a service agreement with a remuneration package of $141,600 and can be terminated with one months' notice.

(D) REMUNERATION EXPENSES

30 JUNE 2026	SHORT TERM BENEFITS	POST-EMPLOYMENT BENEFITS	EQUITY-SETTLED SHARE BASED PAYMENTS			
	CASH SALARY AND FEES	SUPERANNUATION BENEFITS	OPTIONS AND PERFORMANCE RIGHTS	SHARES	TOTAL	PERFORMANCE RELATED
	$	$	$	$	$	%
Non-Executive Directors						
A Ho	95,000	-	-	-	95,000	-
E Myer	4,464	536	-	-	5,000	-
Executive Directors						
S Watson	350,000	-	973,074	-	1,323,074	74
J Hine	240,000	28,800	258,880	-	527,680	49
Other Key Management Personnel						
G Robertson	105,500	-	60,510	36,100	202,110	30
Total	794,964	29,336	1,292,464	36,100	2,152,864	60

30 JUNE 2025	SHORT TERM BENEFITS	POST-EMPLOYMENT BENEFITS	EQUITY-SETTLED SHARE BASED PAYMENTS		
	CASH SALARY AND FEES	SUPERANNUATION BENEFITS	OPTIONS AND PERFORMANCE RIGHTS	TOTAL	PERFORMANCE RELATED
	$	$	$	$	%
Non-Executive Directors					
A Ho	85,000	-	63,000	148,000	-
Executive Directors					
S Watson	300,000	-	171,453	471,453	36
J Hine	220,000	25,300	123,151	368,451	33
Other Key Management Personnel					
G Robertson	78,000	-	8,333	86,333	30
Total	683,000	25,300	365,937	1,074,237	34

No amount of expenditure was recognised for long-term benefits or termination benefits during the current or comparative financial years.

(E) SHARE-BASED PAYMENT ARRANGEMENTS

The following tables summarise the options and performance rights issued to key management personnel in either the current or earlier years. The numbers are stated after the effects of the 1:10 share consolidation on 29 June 2026 for consistency in all information presented.

OPTIONS	BALANCE AT 30 JUNE 2025	GRANTED DURING THE YEAR	VESTED AND EXERCISED	FORFEITED	BALANCE AT 30 JUNE 2026
A. Ho	500,000	-	(500,000)	-	-

Options granted to the non-executive chairman in prior years contained no performance-based vesting conditions. The options vested during the year upon completion of a minimum service period. Options had an exercise price of $0.20.

PERFORMANCE RIGHTS	BALANCE AT 30 JUNE 2025 PREVIOUSLY REPORTED	ADJUSTMENT[3]	BALANCE AT 30 JUNE 2025 RESTATED	GRANTED DURING THE YEAR	EXERCISED	FORFEITED	BALANCE AT 30 JUNE 2026	MAXIMUM VALUE FOR FUTURE YEARS[2]
Granted FY23								
S. Watson	850,000	500,000	1,350,000[4]	-	(1,350,000)	-	-	-
J. Hine	283,333	166,667	450,000[4]	-	(450,000)	-	-	-
G. Robertson	300,000	150,000	450,000[4]	-	(450,000)	-	-	-
Granted FY25								
S. Watson	-	-	2,000,000[5]	-	(2,000,000)	-	-	-
J. Hine	-	-	1,000,000[5]	-	(1,000,000)	-	-	-
Granted FY26								
S. Watson	-	-	-	3,900,000	-	-	3,900,000	438,128
J. Hine	-	-	-	1,000,000	-	-	1,000,000	112,341
G. Robertson	-	-	-	200,000	-	-	200,000	35,067
Total	1,433,333	816,667	5,250,000	5,100,000	(5,250,000)	-	5,100,000	
Vested and exercisable	-	-	-	-	-	-	1,984,000[1]	

[1] All performance rights granted in FY26 containing vesting conditions based on share price targets, tranche 1 and tranche 2 rights, vested prior to 30 June 2026 based on the performance of the Company's share price.

[2] The maximum value of the share-based payment component of each KMP's remuneration for future years has been determined as the amount of the grant date fair value of the rights that is yet to be expensed. The minimum value of performance rights yet to vest is $nil, as the rights will be forfeited if vesting conditions are not met.

[3] The disclosures pertaining to the number of performance rights on issue at 30 June 2025 have been restated for the correction of presentation errors in the financial statements for the year ended 30 June 2025. Notably, the closing balance has been restated for the reinstatement of these performance reported as lapsed in error in the comparative financial statements. The correction does not impact any line items within the financial statements, and is a disclosure correction only.

[4] Of these performance rights 66.67% had vested at 30 June 2025.

[5] Of these performance rights 75% had vested as at 30 June 2025

All performance rights have an exercise price of $nil and convert into the same number of ordinary shares. Further information on the grant date, expiry date and grant date fair value for performance rights issued in prior years is set out in the table below.

YEAR GRANTED	NUMBER OF RIGHTS	GRANT DATE	EXPIRY DATE	GRANT DATE FAIR VALUE ($/RIGHT)
FY23	1,800,000	25/05/2023	24/05/2028	$0.26
FY25	3,000,000	19/12/2024	18/12/2029	$0.07

Terms and conditions of performance rights

Performance Rights Granted in the 2023 Financial Year

These performance rights were subject to certain performance conditions as set out below. Upon achievement of the performance conditions prior the end of the relevant performance period, the rights will vest in the percentages set out below.

%	**Share Price Milestones[1] – the Rights will vest upon:**
15%	The 30 day VWAP (prior to the end of the Performance Period) of the Company's share price being equal or greater than $0.30
20%	The 30 day VWAP (prior to the end of the Performance Period) of the Company's share price being equal or greater than $0.40
25%	The 30 day VWAP (prior to the end of the Performance Period) of the Company's share price being equal or greater than $0.50
	Note: The share price milestones were cumulative. If the Share price achieves a second, third or fourth hurdle before there is time for vesting of the Rights for a previous hurdle, then all the Rights due at that hurdle will vest.
Revenue Milestones: In the event no Share Price Milestones are triggered in the Performance Period: *Note: these alternate milestones are not cumulative but award will be pro rata.*	
	Either: Sales for the years 2023 to 2025 achieve the following:
10%	CY 2023: A$10 million
15%	CY 2024: A$15 million
15%	CY 2025: A$20 million

[1] Targets have been updated for the effects of the 1:10 share consolidation completed 29 June 2026

All unvested rights outstanding as at the commencement of the financial year vested on achievement of the share price milestones during the current financial year.

Performance Rights Granted in the 2025 Financial Year

These performance rights were subject to certain performance conditions as set out below. Upon achievement of the performance conditions prior the end of the relevant performance period, the rights will vest in the percentages set out below

%	Share Price Milestones – the Rights will vest upon:
25%	The 30 day VWAP of the Company's share price being equal to or above **50%** of the 30 day VWAP for the Company's Shares as at 4 October 2024
25%	The 30 day VWAP of the Company's share price being equal to or above **100%** of the 30 day VWAP for the Company's Shares as at 4 October 2024
25%	The 30 day VWAP of the Company's share price being equal to or above **150%** of the 30 day VWAP for the Company's Shares as at 4 October 2024
25%	The 30 day VWAP of the Company's share price being equal to or above **200%** of the 30 day VWAP for the Company's Shares as at 4 October 2024
	Note: The share price milestones are cumulative. If the Share price achieves a second, third or fourth hurdle before there is time for vesting of the Rights for a previous hurdle, then all the Rights due at that hurdle will be vested

Alternate Milestones:

In the event that any one of the following alternative milestones are met during the Performance Period, the % of the Rights not yet vested at that time, allocated to that milestone, will vest.

2025 50%	In the event revenue for the financial year ended 30 June 2025 is greater than $20m
2025 50%	In the event that the business is profitable (pre charge for share based payments) and cash flow positive for the year ended 30 June 2025
2026 50%	In the event revenue for the financial year ended 30 June 2026 is greater than $30m
2026 50%	In the event that the business is profitable (NPBT>10% of Revenue) (pre charge for share based payments) and cash flow positive for the year ended 30 June 2026

All rights outstanding as at the commencement of the financial year vested on achievement of the share price milestones during the current financial year.

Performance Rights Granted in the 2026 Financial Year

	TRANCHE 1	TRANCHE 2	TRANCHES 3 – 6
Term	1.71 yrs	1.71 yrs	1.71 yrs
VWAP hurdle	30-day VWAP ≥$0.060	30-day VWAP ≥$0.080	n/a
Grant date	24/12/2025	24/12/2025	24/12/2025
Expiry date	31/12/2027	31/12/2027	31/12/2027
Fair value per right	$0.03	$0.03	$0.04
Number of rights granted to KMP	992,000	992,000	Tranches 3 & 4: 1,470,000 each Tranches 5 & 6: 88,000 each

Tranche 1 and Tranche 2 of the 2026 performance rights have vested as at 30 June 2026.

In addition to a continuous service requirement throughout the vesting period, the performance rights are subject to certain performance milestones which include:

- For tranches 1 and 2, share price hurdles as listed above
- For tranches 3-4, group level financial performance milestones linked to consolidated revenue and EBITDA targets for FY26 and FY27. These targets vary by individual; and
- For tranches 5-6, individual financial and non-financial milestones for FY26 and FY27 specific to the individual's position within the organisation.

The number of performance rights in each of the above tranches granted to individual members of the Group's KMP are as follows:

	SHARE PRICE >$0.60	SHARE PRICE >$0.80	REVENUE & EBITDA TARGET FY2027	REVENUE & EBITDA TARGET FY2026	INDIVIDUAL KPI FY2027	INDIVIDUAL KPI FY2026
S. Watson	780,000	780,000	1,170,000	1,170,000	-	-
J. Hine	200,000	200,000	300,000	300,000	-	-
G. Robertson	12,000	12,000	18,000	18,000	70,000	70,000
	992,000	**992,000**	**1,488,000**	**1,488,000**	**70,000**	**70,000**

(F) OTHER STATUTORY INFORMATION

Voting of shareholders at last year's annual general meeting

The Company received 78.14% votes in favour of its remuneration report for the 2025 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Shareholdings of key management personnel

30 JUNE 2026[1]	OPENING BALANCE	PURCHASED	SOLD	ISSUED ON EXERCISE OF OPTIONS/ RIGHTS	OTHER	BALANCE 30/06/2026
A Ho	2,880,356	400,000[3]	(150,000)	500,000	(900,000)[3]	2,730,356
S Watson[2]	63,500,102	180,000	-	3,350,000	-	67,030,102
J Hine	132,489	40,000[3]	-	1,450,000	-	1,622,489
E Myer	-	-	-	-	-	-
G Robertson	940,500	25,000	-	450,000	95,000[4]	1,510,500
Total	**67,453,447**	**645,000**	**(150,000)**	**5,750,000**	**(805,000)**	**72,893,447**

[1] All share holdings are stated after 1:10 share consolidation.
[2] Shares are held by Breathe International Limited and Zonetech Wellness Limited in which companies Mr Watson has a controlling interest.
[3] Mr Ho (400,000 shares) and Mr Hine (40,000) participated in the share placement during the year. Mr Ho gifted (900,000) shares to a relative during the year.
[4] Portion of remuneration which was settled in shares rather than cash (see Section D).

Other Related party Transactions

$111,900 (2025:$144,000) was paid to Integrated CFO Solutions Pty Ltd, a company controlled by the Company Secretary for accounting services.

END OF REMUNERATION REPORT

This report is approved in accordance with a resolution of directors.

Sam Watson
Managing Director
31 August 2026

AUDITOR INDEPENDENCE DECLARATION

YEAR ENDING 30 JUNE 2026

PITCHER PARTNERS

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

+61 7 3222 8444

pitcher.com.au

The Directors
BLS Pharmaceuticals Limited
Suite 506, Level 5
50 Clarence St
SYDNEY NSW 2000

Auditor's Independence Declaration

In relation to the independent audit for the year ended 30 June 2026, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of BLS Pharmaceuticals Limited and the entities it controlled during the year.

Pitcher Partners

PITCHER PARTNERS

J. Evans

JASON EVANS
Partner

Brisbane, Queensland
31 August 2026

FINANCIAL STATEMENTS & NOTES

YEAR ENDING 30 JUNE 2026

All $ amounts are AUD unless stated otherwise.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2026

	NOTE	2026 $	2025 RESTATED[1] $
Continuing operations			
Revenue from customers	3	74,164,632	28,429,544
Other income	4	68,163	872,962
Other gains/(losses)		(254,902)	-
Changes in inventories of finished goods and work in progress		4,103,377	772,784
Raw materials and consumables used		(36,704,112)	(12,103,298)
Employee benefits and labour hire expense		(11,299,498)	(5,132,853)
Commission		(1,835,744)	(726,826)
Freight and transportation		(1,828,159)	(918,138)
Marketing		(1,839,172)	(408,226)
Subscriptions and data		(1,046,667)	-
Professional and consulting fees		(1,354,780)	(1,060,047)
Depreciation and amortisation		(1,386,556)	(777,745)
Share based payments	26	(1,967,066)	(1,206,823)
Provision for impairment receivables		(251,080)	-
Finance costs		(459,995)	(128,004)
Other expenses		(2,951,107)	(2,712,149)
Profit before income tax		**15,157,334**	**4,901,181**
Income tax benefit	5	**239,522**	-
Profit from continuing operations		**15,396,856**	**4,901,181**
Loss from discontinued operation (attributable to equity holders of the Company)	6	-	-
Profit for the year		**15,396,856**	**4,901,181**
Other comprehensive income			
Items that will be classified to profit or loss			
Exchange differences on translation of foreign operations		128,403	(13,837)
Other comprehensive income/(loss), net of tax		**128,403**	**(13,837)**
Total comprehensive profit for the year, net of tax		**15,525,259**	**4,887,344**
Profit for the year is attributable to:			
Members of the parent entity		15,396,856	4,901,181
Earnings per share (cents per share)			
From continuing operations			
- Basic earnings per share	25	6.9	2.4
- Diluted earnings per share	25	6.7	2.3

[1] As described in note 1(B), comparative expenditure has been reclassified for consistency with current year presentation, which reflects the classification of expense items by nature.

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2026

	NOTE	2026 ($)	2025 ($)
ASSETS			
Current Assets			
Cash and cash equivalents		13,289,017	7,667,522
Trade receivables	7	7,650,239	2,354,934
Current tax receivables	8	230,804	1,171,728
Other current assets	9	2,221,789	938,692
Inventories	10	17,815,088	3,605,525
Total Current Assets		**41,206,937**	**15,738,401**
Non-Current Assets			
Other financial assets		165,000	80,000
Plant and equipment	11	5,090,969	2,328,408
Intangible assets	12	389,282	385,639
Right of use assets	13	4,967,350	1,044,237
Deferred tax assets		263,980	-
Total Non-Current Assets		**10,876,581**	**3,838,284**
Total Assets		**52,083,518**	**19,576,685**
LIABILITIES			
Current Liabilities			
Trade and other payables	14	9,657,474	4,770,304
Contract liabilities	15	2,658,166	1,063,692
Lease liability	13	561,503	395,174
Borrowings	16	1,094,226	65,343
Current tax liabilities		24,458	-
Provisions		222,800	107,210
Total Current Liabilities		**14,218,627**	**6,401,723**
Non-current liabilities			
Lease liability	13	4,847,722	792,091
Borrowings	16	1,929,801	280,848
Total Non-Current Liabilities		**6,777,523**	**1,072,939**
Total Liabilities		**20,996,150**	**7,474,662**
Net Assets		**31,087,368**	**12,102,023**
EQUITY			
Contributed equity	18	24,601,722	21,476,616
Reserves	18	2,098,025	1,634,642
Retained earnings/(Accumulated losses)		4,387,621	(10,702,567)
Capital and reserves attributable to owners of BLS Pharmaceuticals Limited		31,087,368	12,408,691
Non-controlling interests		-	(306,668)
Equity		**31,087,368**	**12,102,023**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2026

2026	NOTE	CONTRIBUTED EQUITY	ACCUMULATED LOSSES	RESERVE	NON-CONTROLLING INTERESTS	TOTAL
At 30 June 2025		**21,476,616**	**(10,702,567)**	**1,634,642**	**(306,668)**	**12,102,023**
Profit for the year		-	15,396,856	-	-	15,396,856
Other comprehensive income for the year						
Exchange differences on translation of foreign operations		-	-	128,403	-	128,403
Total comprehensive income		-	15,396,856	128,403	-	15,525,259
Transactions with owners in their capacity as owners						
Acquisition of non-controlling interest		-	(306,668)	-	306,668	-
Issue of shares	17	1,493,020	-		-	1,493,020
Transfer from share based payment reserve	17	1,632,086	-	(1,632,086)	-	-
Share based payments	26	-	-	1,967,066	-	1,967,066
Balance 30 June 2026		**24,601,722**	**4,387,621**	**2,098,025**	**-**	**31,087,368**

2025	NOTE	CONTRIBUTED EQUITY	ACCUMULATED LOSSES	RESERVE	NON-CONTROLLING INTERESTS	TOTAL
At 30 June 2024		18,997,751	(15,603,748)	212,221	(306,668)	3,299,556
Profit for the year		-	4,901,181	-	-	4,901,181
Other comprehensive income for the year						
Exchange differences on translation of foreign operations		-	-	(13,837)	-	(13,837)
Total comprehensive income		-	4,901,181	(13,837)	-	4,887,344
Transactions with owners in their capacity as owners						
Issue of shares	17	2,890,000	-	-	-	2,890,000
Cost of share issue	17	(436,968)	-	255,268	-	(181,700)
Transfer from share based payment reserve	17	25,833	-	(25,833)	-	-
Share based payments	26	-	-	1,206,823	-	1,206,823
Balance 30 June 2025		**21,476,616**	**(10,702,567)**	**1,634,642**	**(306,668)**	**12,102,023**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2026

	NOTE	2026 ($)	2025 ($)
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		76,088,011	32,381,281
Payments to suppliers and employees (inclusive of goods and services tax)		(71,340,591)	(25,977,070)
Interest paid		(459,995)	(128,004)
Research and development tax offset received		1,059,192	-
Interest received		68,163	320
Net cash inflow from operating activities	20	**5,414,780**	**6,276,527**
Cash flow from investing activities			
Payment for plant and equipment		(3,808,224)	(2,068,876)
Grant funds received for acquisition of plant and equipment		454,587	-
Payment for intangible assets		(106,565)	-
Investment in term deposits		(86,054)	-
Net cash outflow from investing activities		**(3,546,256)**	**(2,068,876)**
Cash flows from financing activities			
Proceeds from share issues		1,447,421	2,453,032
Proceeds from borrowing		3,049,878	393,268
Repayment of borrowings		(333,909)	(47,077)
Principal element of lease payments		(399,809)	(382,702)
Net cash inflow from financing activities		**3,763,581**	**2,416,521**
Net increase in cash and cash equivalents		5,632,105	6,624,172
Cash and cash equivalents at the beginning of the financial year		7,667,522	1,027,989
Foreign exchange adjustment to cash balance		(10,610)	15,361
Cash and cash equivalents at end of the year		**13,289,017**	**7,667,522**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Corporate information

These financial statements and notes represent those of BLS Pharmaceuticals Limited (the "Company") and its subsidiaries (the "Group").

BLS Pharmaceuticals Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue as at the date of the Directors' Declaration.

Corporate Head Office and Principal Place of Business:

Suite 506, Level 5 50 Clarence Street Sydney NSW 2000

(A) BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standard Board and the *Corporations Act 2001* as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, except for selected financial assets for which the fair value basis of accounting has been applied.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

(B) RESTATEMENT OF COMPARATIVE INFORMATION IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

During the year the Directors undertook a review of the presentation of items within the Group's consolidated statement of profit or loss and other comprehensive income. This review highlighted inconsistencies in the presentation of expenditure within profit or loss; specifically, items were not consistently classified either by function or by nature as prescribed under AASB 101 *Presentation of Financial Statements*. Accordingly, all expenditure in the consolidated statement of profit or loss and other comprehensive income have been reclassified by nature in both the current and comparative statements.

Continuing Operations

	AS REPORTED	RESTATEMENT	2025 RESTATED
Revenue from customers	28,429,544	-	28,429,544
Other income	872,962	-	872,962
Cost of sales	(18,104,809)	18,104,809[1]	-
Changes in inventories of finished goods and work in progress	-	772,784[1]	772,784
Raw materials and consumables used	-	(12,103,298)[1]	(12,103,298)
Research and development	(174,723)	174,723[2]	-
Employee benefits and labour hire expense	(1,739,600)	(3,393,253)[1]	(5,132,853)
Commission	-	(726,826)[1]	(726,826)
Freight and transportation	-	(918,138)[1]	(918,138)
Marketing	(408,226)	-	(408,226)
Professional and consulting fees	(871,066)	(188,981)[2]	(1,060,047)
Compliance costs	(220,275)	220,275[2]	-
Non-executive director fees	(96,561)	96,561[2]	-
Depreciation and amortisation	(461,448)	(316,297)[1]	(777,745)
Share based payments	(1,206,823)	-	(1,206,823)
Finance costs	-	(128,004)[2]	(128,004)
General and administration/other expenses	(1,117,794)	(1,594,355)[2]	(2,712,149)
Profit before income tax	**4,901,181**	**-**	**4,901,181**

[1] Cost of sales was reclassified to changes in inventories of finished goods and work in progress, raw materials and consumables used, employee benefits and labour hire, commission, freight and transportation and depreciation
[2] Reclassified to/(from) general and administration/other expenses

There is no impact of the restatement on the profit of the entity or the earnings per share.

(C) PARENT ENTITY INFORMATION

In accordance with the *Corporations Act 2001,* these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 27.

(D) REVENUE FROM CONTRACTS WITH CUSTOMERS

The group recognises revenue from sale of goods, rendering of contract manufacture, and storage and distribution services.

Sale of goods and contract manufacture
For sale of goods and contract manufacturing services, other than in respect of bill-and-hold arrangements and goods sold on consignment, revenue is typically recognised when both goods have passed Quality Assurance (QA) release (i.e. the Group has objectively demonstrated that goods have been manufactured to customer specifications) and the risks and rewards of ownership have transferred to the customer in accordance with agreed shipping terms.

For consignment sales, revenue is typically recognised when the end consumer takes physical possession of the product from the consignee.

Customers are typically required to pay a deposit of a % of the contract value (generally 50%) prior to completion of performance obligations, with the balance being settled on shipment. For larger customers the Group will require payment within 30 days of shipment date.

Storage and distribution
For storage and distribution services, revenue is recognised over time as the services are delivered, based on an output method (either time lapsed or quantity delivered).

Where the Group has separately contracted to provide storage and distribution services for a customer to whom the Group has also sold goods or provided a contract manufacturing service, or where the customer has otherwise requested the Group to hold product post QA release, revenue for the sale of good or contract manufacturing service is recognised at the point of QA release if all of the following are met:

a. The reason for the bill-and-hold arrangement is substantive;
b. The product is identifiable as separately belonging to the customer;
c. The product is currently ready for physical transfer to the customer; and
d. The Group does not have the ability to use the product or to direct it to another customer.

(E) TAX CONSOLIDATION

BLS Pharmaceuticals Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, BLS Pharmaceuticals Limited, and the wholly-owned entities within the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, the head entity also recognised the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from wholly-owned entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate the head entity for any current tax payable assumed and are compensated by the head entity for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the head entity under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entity's financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the tax consolidated group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

(F) PROPERTY, PLANT AND EQUIPMENT

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

- Leasehold improvements 3-10 years
- Plant and equipment 3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

(G) CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(H) INVENTORIES

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'weighted average cost' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, and an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(I) EMPLOYEE BENEFITS

(i) Retirement benefit obligations
The Group does not maintain a company superannuation plan. The Group makes fixed percentage contributions for Australian resident employees to complying third party superannuation funds. The Group's legal or constructive obligation is limited to these contributions. The amount recognised as an expense for defined contribution plans for the financial year was $781,984 (2025: $391,503).

(ii) Share-based payments - performance rights
The fair value of performance rights granted under the Employee Incentive Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the performance right.

The fair value of the rights granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of rights that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The impact of the revision to original estimates, if any, is recognised in the Statement of Profit or Loss and Other Comprehensive Income with a corresponding adjustment to equity.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of rights are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Upon the vesting of performance rights, the balance of the share based payments reserve relating to those rights is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

(iii) Share-base payments - shares
Other share based payment expense will comprise:
- Shares issued as part of employee/consultant remuneration arrangements, where the fair value of the services is measured indirectly with reference to the fair value of the shares granted.
- Options issued for provision of non-employee services, where the share-based payment is measured with reference to the fair value of the services received.

(J) TRADE AND OTHER PAYABLES

Trade and other payables are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(K) RESEARCH AND DEVELOPMENT

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

(L) NEW AND REVISED ACCOUNTING REQUIREMENTS APPLICABLE TO THE CURRENT REPORTING PERIOD

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

There are a number of new accounting standards, amendments to standards and interpretations that have been published but are not mandatory to adopt for reporting periods commencing 1 July 2025 and have not been early adopted by the Group. With the exception of AASB 18 *Presentation and Disclosure in Financial Statements*, these are not expected to have a material impact on the financial statements of the Group in the period of initial application.

AASB 18 replaces AASB 101 *Presentation of Financial Statements* and applies to the Group from the financial year ending 30 June 2028, with comparative information restated. AASB 18 does not change the recognition or measurement of items and is not expected to affect the Group's reported profit or net assets. It is expected to change the presentation of the consolidated statement of profit or loss and other comprehensive income, including the classification of income and expenses into defined categories and the presentation of new required subtotals, and to require disclosure of management defined performance measures within the financial statements together with reconciliations to the most directly comparable subtotals specified by the standard. The Group has not yet completed its assessment of the impact of AASB 18 on its primary statements and note disclosures.

NOTE 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

(i) Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group’s operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

(ii) Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

(iii) Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is pending. The Group recognises liabilities for anticipated tax issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made. The Group has recorded deferred tax assets on the Australia tax losses carried forward. No deferred tax assets have been recognised on losses in foreign group subsidiaries as they are currently not profitable.

(iv) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate option pricing model taking into account the terms and conditions upon which the instruments were granted. Full details of the methods and assumptions used in valuing equity-settled share-based payments transactions issued in the current and prior periods are included in note 26.

(v) Useful life estimates for property, plant and equipment

The Group makes judgements in determining useful lives and depreciation rates for property, plant and equipment. The useful lives adopted by the Group are outlined in note 1(F). Useful lives and asset residual values are reviewed and adjusted where necessary at each reporting date.

(vi) Allowance for expected credit losses

Details of the method and assumptions used in determining the allowance for expected credit losses are disclosed in note 7.

NOTE 3. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2026 ($)	2025 ($)
Revenue recognised at a point in time		
Sale of goods and provision of contract manufacturing services	72,731,443	27,862,119
Revenue recognised over time		
Storage and distribution	1,433,189	567,425
Total revenue from continuing operations	**74,164,632**	**28,429,544**

NOTE 4. OTHER INCOME

	2026 ($)	2025 ($)
Research and development tax offset	-	840,047
Interest received	68,163	22,251
Income from royalties	-	10,664
Total other income	**68,163**	**872,962**

NOTE 5. INCOME TAX

	2026 ($)	2025 ($)
(a) Income tax expense/(benefit)		
Current tax	24,458	-
Deferred tax	(263,980)	-
	(239,522)	**-**
(b) Numerical reconciliation of income tax benefit to prima facie tax payable		
Profit from continuing operations before income tax expense	15,157,334	4,901,181
Tax expense/(benefit) at the Australian tax rate of 30%[1] (2025 - 25%)	**4,547,200**	**1,225,295**
Tax effect of amounts which are deductible/not taxable in calculating taxable income		
Non-deductible expenses	547,206	276,422
Utilisation of tax losses not previously recognised	(5,762,479)	(1,501,717)
Other deferred tax assets not previously recognised	52,157	-
Tax losses of overseas subsidiaries not recognised	376,394	-
Total income tax (benefit)/expense	**(239,522)**	-
(c) Unused tax losses for which no deferred tax asset has been recognised		
Australia	-	20,675,069
Overseas subsidiaries	4,026,782	3,125,438
	4,026,782	**23,800,507**
Unrecorded tax benefit	**1,021,123**	**5,950,127**
(d) Deferred tax assets		
Deferred tax assets		
Accruals	54,893	86,887
Receivables	106,796	30,000
Employee provisions	64,867	32,163
Lease liabilities	1,328,865	289,150
Property, plant and equipment	7,545	11,597
Other	43,220	51,348
Deferred tax liabilities		
Right-of-use assets	(1,229,191)	(250,014)
Prepayments	(28,200)	(187,596)
Intangible assets	(84,815)	(115,692)
Net deferred tax assets/(liabilities)	263,980	(52,157)
Less: deferred tax assets/(liabilities) not recognised	-	52,157
Net deferred tax assets recognised	**263,980**	**-**

[1]Due to the growth in the Group's turnover, the Australian tax consolidated entity transitioned from being a base rate entity to a full rate entity during the year. As a result, the Australian corporate tax rate increased from 25% to 30%.

NOTE 6. DISCONTINUED OPERATIONS

The Group discontinued its direct selling operations in South East Asia in FY2024 and is in the process of deregistering the companies in Malaysia and Indonesia. The following balances reflect wind down activities during the year.

	2026 ($)	2025 ($)
Cash flow information		
Net cash from operating activities	(38,296)	(165,240)
Net cash used in investing activities	-	-
Net cash flow from financing	-	155,466
Net decrease in cash and cash equivalents from discontinued operations	(38,296)	(9,774)
Carrying amounts of assets and liabilities on discontinued business		
Current assets		
Cash and cash equivalents	21,663	59,959
Trade and other receivables	-	9,719
	21,663	69,678
Current liabilities		
Trade and other payables	14,365	30,100
Net assets	7,298	29,859

The Company acquired the non-controlling interest in the direct selling companies for nil consideration during the year with a loss of $306,668 being transferred to retained earnings.

NOTE 7. TRADE RECEIVABLES

	2026 ($)	2025 ($)
Trade receivables	8,017,615	2,471,230
Less: Allowance for expected credit losses	(367,376)	(116,296)
	7,650,239	**2,354,934**
Opening loss allowance		
Opening loss allowance 1 July	116,296	112,674
Increase in loss allowance recognised in profit or loss for the year	251,080	3,622
Closing allowance as at 30 June	367,376	116,296

2026	GROSS CARRYING AMOUNT	EXPECTED CREDIT LOSS RATE	PROVISION CARRYING AMOUNT
	$	$	$
Not overdue	7,273,547	1.2%	89,149
0 - 2 months overdue	336,425	10.0%	33,642
2 months or more overdue	407,643	60.0%	244,585
	8,017,615		**367,376**

2025	GROSS CARRYING AMOUNT	EXPECTED CREDIT LOSS RATE	PROVISION CARRYING AMOUNT
	$	$	$
Not overdue	2,022,951	-	-
0 - 2 months overdue	331,983	-	-
2 months or more overdue	116,296	100%	116,296
	2,471,230		**116,296**

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

NOTE 8. CURRENT TAX RECEIVABLES

	2026 ($)	2025 ($)
Research and development tax offset	-	1,059,192
GST receivable	230,804	112,536
	230,804	**1,171,728**

NOTE 9. OTHER CURRENT ASSETS

	2026 ($)	2025 ($)
Other debtors	102,230	69,399
Prepayments	2,119,559	869,293
	2,221,789	**938,692**

NOTE 10. INVENTORIES

	2026 ($)	2025 ($)
Raw materials	12,234,245	2,128,059
Work in progress	3,863,310	-
Finished goods	1,717,533	1,477,466
	17,815,088	**3,605,525**

NOTE 11. PLANT AND EQUIPMENT

	PLANT AND EQUIPMENT $	LEASEHOLD IMPROVEMENTS $	OFFICE EQUIPMENT $	ASSETS UNDER CONSTRUCTION[1] $	TOTAL $
Cost					
Opening balance, 1 July 2025	2,079,915	608,123	110,465	-	2,798,503
Additions	1,174,418	512,217	59,924	1,625,636	3,372,195
Disposals	(46,544)	-	-	-	(46,544)
Foreign exchange adjustment	(5,166)	-	(837)	-	(6,003)
Closing balance, 30 June 2026	3,202,623	1,120,340	169,552	1,625,636	6,118,151
Opening balance, 1 July 2024	328,261	-	51,263	-	379,524
Additions	1,789,536	608,123	64,484	-	2,462,143
Disposals	(41,330)	-	(6,195)	-	(47,525)
Foreign exchange adjustment	3,448	-	913	-	4,361
Closing balance, 30 June 2025	2,079,915	608,123	110,465	-	2,798,503
Depreciation					
Opening balance, 1 July 2025	(374,892)	(52,644)	(42,559)	-	(470,095)
Depreciation expense	(481,692)	(57,952)	(41,670)	-	(581,314)
Disposals	23,493	-	-	-	23,493
Foreign exchange adjustment	(102)	-	836	-	734
Closing balance, 30 June 2026	(833,193)	(110,596)	(83,393)	-	(1,027,182)
Opening balance, 1 July 2024	(183,835)	-	(26,585)	-	(210,420)
Depreciation expense	(229,109)	(52,644)	(21,257)	-	(303,010)
Disposals	41,330	-	6,195	-	47,525
Foreign exchange adjustment	(3,278)	-	(912)	-	(4,190)
Closing balance, 30 June 2025	(374,892)	(52,644)	(42,559)	-	(470,095)
Written down value 30 June 2025	1,705,023	555,479	67,906	-	2,328,408
Written down value 30 June 2026	2,369,430	1,009,744	86,159	1,625,636	5,090,969

[1] Assets under construction comprise the medicinal cannabis manufacturing facilities being constructed in the United Kingdom, with the support of South of Scotland Enterprise.

NOTE 12. INTANGIBLE ASSETS

	2026 ($)	2025 ($)
Capitalised development costs	514,185	514,185
Less amortisation	(231,468)	(128,546)
	282,717	385,639
Software	94,000	-
Patents	12,565	-
	106,565	
	389,282	**385,639**

NOTE 13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	2026 ($)	2025 ($)
Right of use assets		
Carrying amount of lease assets, by class of underlying asset:		
Buildings under lease arrangements		
At cost	6,073,164	1,659,947
Accumulated depreciation	(1,105,814)	(615,710)
Total right of use assets	4,967,350	1,044,237
Lease liabilities		
Current	561,503	395,174
Non-current	4,847,722	792,091
	5,409,225	1,187,265
BUILDINGS		
Carrying amount 1 July	1,044,237	654,969
Addition/Modification	4,732,749	744,119
Lease terminated	(101,754)	-
Depreciation	(702,320)	(354,851)
Foreign exchange adjustment	(5,562)	-
Carrying amount as at 30 June	4,967,350	1,044,237

Income, expense and cash flows from lease assets and lease liabilities
The following amounts of income, expense and cash flows were recognised from lease assets and lease liabilities during the year:

	2026 ($)	2025 ($)
Interest expense on lease liabilities	276,552	85,411
Depreciation expense on lease assets	702,320	354,851

Current period cash flows in relation to the Group's leasing arrangements were $1,005,874 (2025: $812,198), including cash flows in relation to the short-term leasing arrangements described below. Details of the minimum future lease payments on the group's leases are disclosed in note 22.

Information on the Group's leasing activities
The Group's leases relate to property from which the Group conducts its core operations. Remaining lease terms range from 1 year to 10 years. The Group's lease of its manufacturing facility in Brisbane expires in February 2029. The Group holds a 5 year extension option for this lease and has recognised the right of use asset for a period which includes this option. There are no extension options available under the Group's other leasing arrangements.

The Group has applied the practical expedient available under Australian Accounting Standards to recognise the lease payments associated with short-term leases and leases for which the underlying asset is of a low value as an expense as these payments are incurred. Rent on short term leases for the financial year amounted to $329,513 (2025:$344,085).

NOTE 14. TRADE AND OTHER PAYABLES

	2026 ($)	2025 ($)
Trade creditors	7,128,005	2,734,057
Accrued Expenses	2,189,416	1,014,756
GST/VAT payable	69,497	385,893
Other payables	270,556	635,598
	9,657,474	4,770,304

NOTE 15. CONTRACT LIABILITIES

	2026 ($)	2025 ($)
Customer deposits		
Opening balance	1,063,692	373,503
Revenue recognised during the year	(1,063,692)	(373,503)
Received during the year	2,658,166	1,063,692
Closing balance	**2,658,166**	**1,063,692**

The balance of contract liabilities is dependent of the timing of satisfaction of performance obligations. Customers are typically required to pay a deposit of a % of the contract value (generally 50%) prior to completion of performance obligations as outlined in Note 1. (D).

As the Group's revenue increases the contact liability is expected to increase.

The transaction price allocated to performance obligations that are unsatisfied as of 30 June 2026 are not disclosed, however are expected to be recognised as revenue in FY2027, as all of the Group's contracts have original expected durations of one year or less.

NOTE 16. BORROWINGS

	30 JUNE 2026			30 JUNE 2025		
	CURRENT $	NON-CURRENT $	TOTAL $	CURRENT $	NON-CURRENT $	TOTAL $
Secured						
Bank Loans[1]	156,600	508,950	665,550	-	-	-
Equipment finance[2]	279,468	665,687	945,155	65,343	280,848	346,191
Project development loan[3]	207,671	755,164	962,835	-		
Product loan[4]	450,487	-	450,487	-	-	-
Total borrowings	1,094,226	1,929,801	3,024,027	65,343	280,848	346,191

[1]Secured over fixed assets in Meadowbrook premises, interest rate of 9.5% and a term of 60 months. The carrying value of assets pledged as security is $1,009,745.

[2]Equipment finance, secured over the equipment being financed with interest rates between 8%-9%. The carrying value of assets pledged as security is $1,160,977.

[3]The Company executed an agreement on 9 October 2025, with South of Scotland Enterprise in support of the establishment of a Home Office and MHRA-licensed Scottish facility to import medical-cannabis APIs and manufacture GMP final-dose medicines for UK and EU healthcare markets. As part of this agreement the Group drew down a £500,000 (A$1,005,429) loan on 8 December 2025. The loan is for a period of 60 months, has an interest rate of 9.5%, and has no capital repayments for 9 months. The loan is secured by a floating charge over the assets of Breathe Life Sciences UK Ltd. The balance as at 30 June 2026 reflects foreign exchange rate movement.

The agreement provides for a further grant of £315,000 for project development. The Group has received $454,587 in grant funds during the year which have been applied to reduce the construction costs on the SOSE facility. The offset against the construction cost is an accounting policy election made by the group under AASB 120 *Assistance for Government Grants and Disclosure of Government Assistance.*

[4]Loan secured by product provided. In the event the product is not sold, the loan is forgiven.

NOTE 17. CONTRIBUTED EQUITY

(A) SHARE CAPITAL

	2026 Shares	2026 $	2025 shares	2025 $
Ordinary Shares Fully Paid	229,977,671	24,601,722	2,164,828,732	21,476,616

(B) MOVEMENTS IN ORDINARY SHARE CAPITAL

	NUMBER OF SHARES	$
Opening balance 1 July 2024	2,046,645,398	18,997,751
Share placement	115,600,000	2,890,000
Performance rights shares vested and awarded	2,583,334	25,833
Costs of capital raise	-	(436,968)
Balance as at 30 June 2025	2,164,828,732	21,476,616
Share placement	4,400,000	110,000
Shares issued for services rendered		
- employees	950,000	36,100
- other	250,000	9,500
Shares issued on exercise of options	32,279,315	1,337,420
Performance rights shares awarded	69,480,556	-
Shares issued in settlement of commissions payable	27,592,225	-
Amounts transferred from share-based payments reserve		
Share based payments transferred on vesting of performance rights	-	758,413
Share based payments transferred on settlement of commissions payable	-	689,806
Share based payments transferred on exercise of options	-	183,867
Total prior to share consolidation	2,299,780,828	24,601,722
Share consolidation 1:10 29 June 2026	(2,069,803,157)	-
Balance as at 30 June 2026	**229,977,671**	**24,601,722**

(C) ORDINARY SHARES

Each ordinary shareholder maintains, when present in person or by proxy or by attorney at any general meeting of the Company, the right to cast one vote for each ordinary share held.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

(D) OPTIONS (OTHER THAN THOSE GRANTED AS REMUNERATION FOR SERVICES)

On the 1 April 2025 and 15 December 2025 the Company issued 57,800,000 and 2,200,000 options respectively to shareholders participating in the capital raise undertaken in March 2025. The options were free attaching options on the basis of one option for every two new shares issued. A total of $874,191 was received as consideration on exercise of these options during the year. The tables below provide a reconciliation of the movement in these options for the current and comparative year:

UNLISTED OPTIONS	BALANCE 30 JUNE 2025	NUMBER ISSUED	NUMBER EXERCISED	SHARE CONSOLIDATION	BALANCE 30 JUNE 2026	EXPIRY DATE	EXERCISE PRICE ($)
Year ended 30 June 2026	57,800,000	2,200,000	(17,483,815)	(38,264,571)	4,251,614	26/03/2027	0.500
Year ended 30 June 2025	-	57,800,000	-	-	57,800,000	26/03/2027	0.500

(E) CAPITAL RISK MANAGEMENT

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

Capital is regarded as total equity, as recognised in the consolidated statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.
In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current share price at the time of the investment.

NOTE 18. RESERVES

	2026 ($)	2025 ($)
(a) Reserves	**$**	**$**
Foreign currency translation reserve		
Balance 1 July	(5,655)	8,182
Movement in foreign currency translation reserve	128,403	(13,837)
Balance 30 June	**122,748**	**(5,655)**
Share based payment reserve		
Balance 1 July	1,640,297	204,039
Transfer from share based payment reserve[1]	(1,632,086)	(25,833)
Share based payments	1,967,066	1,206,823
Share based payments capital raising costs	-	255,268
Balance 30 June	**1,975,277**	**1,640,297**
Total reserves	**2,098,025**	**1,634,642**
[1]*Transfers to share capital are comprised as follows:*		
Broker options exercised	120,867	-
Director options exercised	63,000	-
Performance rights shares vested and exercised	758,413	25,833
Commissions settled by issue of shares	689,806	-
	1,632,086	**25,833**

NOTE 19. SUBSIDIARIES

NAME OF ENTITY	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2026 (%)	2025 (%)
Breathe Life Sciences Pty Ltd	Australia	100%	100%
BLS Wholesalers Pty Ltd	Australia	100%	100%
BLS Panther Pty Ltd	Australia	100%	100%
Breathe Life Science UK Ltd	United Kingdom	100%	100%
Always Pure Organics EU	Czech Republic	100%	100%
Mirai Solution Co KK	Japan	100%	100%
Dr Watson Japan KK	Japan	100%	100%
Global Treasure New Zealand Limited[1]	New Zealand	100%	51%
New Zealand Nutritional Research Institute Ltd[1]	New Zealand	100%	51%
Bioxyne International Malaysia Sdn Bhd[1]	Malaysia	100%	51%
Bioxyne International Pty Ltd[1]	Australia	100%	51%
P.T. Gamata Utama[1]	Indonesia	100%	51%
Bioxyne International (NZ) Limited[1]	New Zealand	100%	51%

[1] The Group acquired the remaining 49% interest in these companies during the year as outlined in note 6.

NOTE 20. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2026 ($)	2025 ($)
Profit for the year	15,396,856	4,901,181
Depreciation	1,283,634	657,861
Amortisation of capitalised costs	102,922	102,837
Loss on disposal of property, plant and equipment	23,050	-
Provision for doubtful debts	251,080	-
Impairment of inventory	-	86,361
Share based payments	1,967,066	1,206,823
Other non-cash items	(120,499)	(343,878)
Change in operating assets and liabilities		
Increase in trade and other receivables	(4,354,381)	(2,050,181)
Increase in other current assets	(1,283,097)	
Increase in inventory	(14,209,563)	(1,463,602)
Increase in deferred tax assets	(263,980)	-
Increase in provisions	115,590	-
Increase in trade and other payables	4,887,170	2,115,433
Increase in contract liabilities	1,594,474	1,063,692
Increase in provision for tax	24,458	-
Net cash inflow from operating activities	5,414,780	6,276,527

NOTE 21. SEGMENT INFORMATION

The Group operates in several high growth markets, including psychedelics, medical cannabis, preventative medicine and novel foods with three core areas of business.

The operating segments are based on the internal reports that are reviewed and used by Management (who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources. The CODM are Samuel Watson (CEO) and Jason Hine (COO). The operating segments are as follows:

1. *Manufacture/Sales Australia:* Pharmaceutical manufacture and wholesale supply (business to business) of novel medicines, cannabis, Psilocybin, and MDMA under BLS, which is licensed by the Therapeutic Goods Administration (TGA), Office of Drug Control (ODC), and Queensland Health.
2. *Plant Based/UK/EU/JPN/AUS:* Manufacture and distribution (wholesale, online, and retail) of consumer health and novel food products (cannabidiol and functional mushrooms) under the company's Dr Watson® brand (regulated by FSA, EFSA) in the UK, Europe, and Japan.
3. *Wholesale PCC/USA:* Wholesale of patented Probiotics for gastrointestinal health and immunity, primarily to the USA.

Management have determined that it is appropriate to report by sales channel which correspond with the business divisions outlined above.

The following table presents revenue and profit information and certain asset and liability information regarding operating segments for the years ended 30 June 2026 and 30 June 2025.

2026	WHOLESALE PCC/USA	PLANT BASED/UK/EU/ JPN/AUS	MANUFACTURE/ SALES AUSTRALIA	UNALLOCATED	TOTAL
Sales	554,868	2,472,851	71,136,913	-	74,164,632
Other income	-	-	13,058	55,105	68,163
Profit/(loss) before tax	268,418	(1,243,017)	19,797,899	(3,665,966)	15,157,334
Taxation	-	-	-	239,522	239,522
Profit/(loss) after tax	268,418	(1,243,017)	19,797,899	(3,426,444)	15,396,856
Items included in segment profit and loss					
Depreciation and amortisation	-	(146,276)	(1,240,280)	-	(1,386,556)
Finance costs	-	(105,617)	(313,007)	(41,371)	(459,995)
Total assets	42,596	3,103,804	46,593,490	2,343,628	52,083,518
Total liabilities	56,704	2,692,128	16,647,242	1,600,076	20,996,150
Additions to non-current assets					
Property, plant and equipment	-	1,639,339	1,732,856	-	3,372,195
Right-of-use assets	-	802,877	3,929,872	-	4,732,749
Intangible assets	-	-	106,565	-	106,565

2025	WHOLESALE PCC/USA	PLANT BASED/UK/EU/ JPN/AUS	MANUFACTURE/ SALES AUSTRALIA	UNALLOCATED	TOTAL
Sales	700,917	3,045,964	24,682,663	-	28,429,544
Other income	-	-	-	872,962	872,962
Profit/(loss) before tax	356,558	(1,202,796)	6,777,058	(1,029,639)	4,901,181
Taxation	-	-	-	-	-
Profit/(loss) after tax	356,558	(1,202,796)	6,777,058	(1,029,639)	4,901,181
Items included in segment profit and loss					
Depreciation and amortisation	-	146,409	631,336	-	777,745
Finance costs	-	18,874	101,236	7,894	128,004
Total assets	109,915	1,472,598	14,968,171	3,026,001	19,576,685
Total liabilities	71,658	2,103,854	4,511,098	788,052	7,474,662
Additions to non-current assets					
Property, plant and equipment	-	8,057	2,454,087	-	2,462,144
Right-of-use assets	-	25,435	718,684	-	744,119
Intangible assets	-	-	-	-	-

Segment revenues and results

Segment revenue reported above represents revenue generated from external customers. The disaggregation of sales revenues for each group of products and services is not readily available and current cost to develop would be excessive and has not been provided for FY26/FY25.

Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, share of profits of associates, gain recognised on disposal of interest in former associate, investment income, gains and losses, finance costs, share based payments and income tax expense. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

Geographical information

Revenue and assets are allocated to geographical locations for presentation above based on the geographical location in which the sales transactions originate or the assets physically reside.

Revenues by country of origin are as follows:

	2026 ($)	2025 ($)
Australia	71,691,782	25,349,088
United Kingdom	1,082,240	888,808
Europe	1,191,079	1,694,170
Japan	199,531	497,478
	74,164,632	**28,429,544**

The Group had one customer in FY2026 in the Australian segment with greater than 10% of the total revenue in the amount of $11,407,633. The Group had two customers in FY2025 in the Australian segment with greater than 10% of the total revenue in the amounts of $4,980,611 and $3,999,388.

NOTE 22. FINANCIAL RISK MANAGEMENT

(A) FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payables.

The directors' overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The Group does not speculate in financial assets.

Credit risk

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The receivable balances are monitored on an ongoing basis. The Group's exposure to bad debts is mitigated by having a broad base of customers.

With respect to credit risk arising from other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party. The Group's cash balances are held with major banks with S&P Global credit rating of AA-.

Since the Group trades only with recognised third parties, there is no requirement for collateral security.

The maximum exposure to credit risk at balance date is as follows:

	2026 ($)	2025 ($)
Cash and cash equivalents	13,289,017	7,667,522
Trade receivables (Note 7)	7,650,239	2,354,934
Other financial assets	165,000	80,000
	21,104,256	**10,102,456**

Liquidity risk

The Group's policy is to maintain a comfortable level of liquidity through the continual monitoring of cash reserves and the raising of additional capital as required.

(B) FINANCIAL INSTRUMENT COMPOSITION AND MATURITY ANALYSIS

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity as well as management's expectations of the settlement period of all other financial instruments. As such, the amounts may not reconcile to the Statement of Financial Position.

2026	WITHIN 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	TOTAL	CARRYING AMOUNT
	$	$	$	$	$
Financial liabilities at amortised cost					
Trade and other payables	9,657,474	-	-	9,657,474	9,657,474
Borrowings	1,220,326	2,177,899	-	3,398,225	3,024,027
Lease liabilities					
Lease liabilities	759,296	3,274,839	2,560,507	6,594,642	5,409,225
Total contractual outflows	11,637,096	5,452,738	2,560,507	19,650,341	18,090,726
Financial assets at amortised cost					
Cash and cash equivalents	13,289,017	-	-	13,289,017	13,289,017
Trade receivables	7,650,239	-	-	7,650,239	7,650,239
Other financial assets	-	-	165,000	165,000	165,000
Total anticipated inflows	20,939,256	-	165,000	21,104,256	21,104,256
Net inflow/(outflow) on financial instruments	9,302,160	(5,452,738)	(2,395,507)	1,453,915	3,013,530

2025	WITHIN 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	TOTAL	CARRYING AMOUNT
	$	$	$	$	$
Financial liabilities at amortised cost					
Trade and other payables	4,770,304	-	-	4,770,304	4,770,304
Borrowings	107,058	340,593	-	447,651	346,191
Lease liabilities					
Lease liabilities	436,884	841,072	-	1,277,956	1,187,265
Total contractual outflows	5,314,246	1,181,665	-	6,495,911	6,303,760
Financial assets at amortised cost					
Cash and cash equivalents	7,667,522	-	-	7,667,522	7,667,522
Trade receivables	2,354,934	-	-	2,354,934	2,354,934
Other financial assets	80,000	-	-	80,000	80,000
Total anticipated inflows	10,102,456	-	-	10,102,456	10,102,456
Net inflow/(outflow) on financial instruments	4,788,210	(1,181,665)	-	3,606,545	3,798,696

(C) NET FAIR VALUES

The net fair value of assets and liabilities approximates their carrying value.

(D) MARKET RISK

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the Group's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group has performed a sensitivity analysis relating to its exposure to foreign currency risk at balance date. The effect on profit and equity as a result changes in the value of the Australian Dollar to a range of currencies in which it holds funds including US Dollar, New Zealand Dollar, Euro, Pound Sterling, Japanese Yen, Indonesia Rupiah and Malaysian Ringgit, is as follows:

		CURRENCY RISK +5%		CURRENCY RISK -5%	
CONSOLIDATED A$ 5% STRONGER / (WEAKER)	**CARRYING AMOUNT IN ORIGINAL CURRENCY $**	**PROFIT A$**	**EQUITY A$**	**PROFIT A$**	**EQUITY A$**
2026 Financial Assets					
Cash in US $	**210,013**	(14,524)	(14,524)	16,053	16,053
Cash in Euro	**1,848,442**	(145,701)	(145,701)	161,038	161,038
		(160,225)	(160,225)	177,091	177,091
Receivables in EUR	2,452,886	(193,346)	(193,346)	213,698	213,698
Receivables in GBP	175,065	(16,053)	(16,053)	17,743	17,743
Receivables in US $	29,329	(2,028)	(2,028)	2,242	2,242
		(211,427)	(211,427)	233,683	233,683
2026 Financial Liabilities					
Payables in Thai Baht	17,550,292	36,487	36,487	(40,328)	(40,328)
Payables in Euro	477,881	37,668	37,668	(41,633)	(41,633)
Payables in US $	169,230	11,704	11,704	(12,936)	(12,936)
Payables in Canadian $	920,000	44,719	44,719	(49,427)	(49,427)
Payables in GBP	547	50	50	(55)	(55)
		130,628	130,628	(144,379)	(144,379)

		CURRENCY RISK +5%		CURRENCY RISK -5%	
CONSOLIDATED A$ 5% STRONGER / (WEAKER)	**CARRYING AMOUNT IN ORIGINAL CURRENCY $**	**PROFIT A$**	**EQUITY A$**	**PROFIT A$**	**EQUITY A$**
2025 Financial Assets					
Cash in US $	110,773	(8,053)	(8,053)	8,053	8,053
		(8,053)	(8,053)	8,053	8,053
Receivables in EUR	31,459	(2,456)	(2,456)	2,714	2,714
Receivables in USD	38,106	(2,778)	(2,778)	3,071	3,071
		(5,234)	(5,234)	5,785	5,785
2025 Financial Liabilities					
Payables in Euro	459,136	37,634	37,634	(37,634)	(37,634)
Payables in US $	92,404	7,074	7,074	(7,074)	(7,074)
		44,708	44,708	(44,708)	(44,708)

Interest rate risk

The Group's main interest rate risk arises from borrowings and cash. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Sensitivity analysis on the potential impacts of varying the interest rates by +/- 1% is presented below.

		INTEREST RATE RISK -1%		INTEREST RATE RISK 1%	
CONSOLIDATED	CARRYING AMOUNT $	PROFIT $	EQUITY $	PROFIT $	EQUITY $
2026 Financial Assets					
Cash and cash equivalents	13,289,017	(132,890)	(132,890)	132,890	132,890
2026 Financial Liabilities					
Borrowings	894,717	8,947	8,947	(8,947)	(8,947)
2025 Financial Assets					
Cash and cash equivalents	7,667,522	(76,675)	(76,675)	76,675	76,675

NOTE 23. REMUNERATION OF AUDITORS

AUDIT SERVICES	2026 ($)	2025 ($)
Audit and review of financial reports		
– Pitcher Partners	130,000	-
– RSM Australia Partners	-	115,500
Total remuneration for audit services	**130,000**	**115,500**

NOTE 24. COMMITMENTS

CAPITAL COMMITMENTS

As at 30 June 2026, the Group has capital commitments of $2,001,817 relating to the UK manufacturing facility under construction (2025: $Nil).

NOTE 25. EARNINGS PER SHARE

	2026 ($)	2025 ($)
Profit for the period used in earnings per share		
From continuing operations	15,396,856	4,901,181
Weighted average number of shares[1]		
Basic earnings per share calculation	221,860,938	207,844,586
Diluted earnings per share calculation	229,812,284	214,952,639
Earnings per share from continuing operations	Cents	Cents
Basic profit per share (cents per share)	6.9	2.4
Diluted profit per share (cents per share)	6.7	2.3

[1]The weighted average number of ordinary shares outstanding during the current and comparative year have been adjusted for the 1:10 share consolidation which occurred on 29 June 2026.

NOTE 26. SHARE BASED PAYMENTS AND OPTIONS

Shares granted as remuneration for services

The terms of commission arrangements with employees for the 30 June 2025 financial year provided for the settlement of accrued commissions with an estimated value of $726,000 as at 30 June 2025 through the issuance of ordinary shares. This amount was recognised within share-based payments expense for the year ended 30 June 2025. This liability was settled in FY2026 with the issue of 27,592,225 shares at $0.025 per share for $689,806. All commissions arising in the year ended 30 June 2026 are to be settled in cash.

A further amount of 950,000 shares were issued to the Company Secretary in settlement for services rendered amounting to $36,100 and a further 250,000 to employees of a company controlled by the company secretary for an amount of $9,500. The fair value of these services was measured indirectly with reference to the fair value of the shares granted. There were no such arrangements entered into during the financial year ended 30 June 2025.

Options granted as remuneration for services

1. On 19 December 2024 the Group issued 5,000,000 options (Series 1 Options) to the non-executive chair. There were no vesting conditions attached to these options.
2. On 1 April 2025 the Group issued 3,000,000 options to a broker and an advisor on the terms outlined below (Series 2) as remuneration for services rendered in connection with the capital raise completed by the Group in March 2025.
3. On 1 April 2025 the Company issued 24,000,000 options to a broker as remuneration for services rendered in connection with the capital raise completed by the Group in March 2025.

The tables below provide a reconciliation of the movement in these options for the current and comparative year:

Year ended 30 June 2026:

TRANCHE	FAIR VALUE PER OPTION ($)	GRANT DATE	EXPIRY DATE	EXERCISE PRICE[4] ($)	BALANCE 30 JUNE 2025	NUMBER ISSUED	NUMBER EXERCISED	SHARE CONSOLIDATION	BALANCE 30 JUNE 2026
Series 1	0.127	19/12/2024	19/12/2027	0.02	5,000,000	-	(5,000,000)[3]	-	-
Series 2	N/A[1]	1/5/2025	26/03/2027	0.04375	3,000,000	-	(1,935,500)	(958,050)	106,450
Series 3	N/A[1]	1/5/2025	26/03/2027	0.04375	24,000,000	-	(7,860,000)	(14,526,000)	1,614,000
					32,000,000	**-**	**(14,795,500)**	**(15,484,050)**	**1,720,450**
Weighted average exercise price ($)[2]					0.369		0.313		0.417

[1]Options granted as consideration for services are measured by reference to the fair market value of the services provided
[2]Restated for the effects of the share 1:10 share consolidation which occurred on 29 June 2026
[3]The series 1 options were exercised at $0.02 per share (pre share consolidation) at which time the share price was $0.089.
[4]Prices stated pre 1:10 consolidation

The weighted average remaining life of share options outstanding as at 30 June 2026 is 0.74 years. All options outstanding as at the balance date are vested and exercisable.

Year ended 30 June 2025:

TRANCHE	FAIR VALUE PER OPTION ($)	GRANT DATE	EXPIRY DATE	EXERCISE PRICE ($)	BALANCE 30 JUNE 2024	NUMBER ISSUED	NUMBER EXERCISED	BALANCE 30 JUNE 2025
Series 1	0.127	19/12/2024	19/12/2027	0.2	-	5,000,000	-	5,000,000
Series 2	N/A[1]	1/5/2025	26/03/2027	0.438	-	3,000,000	-	3,000,000
Series 3	N/A[1]	1/5/2025	26/03/2027	0.1	-	24,000,000	-	24,000,000
					-	**32,000,000**	**-**	**32,000,000**
Weighted average exercise price ($)						0.369	-	0.369

The weighted average remaining average life of share options outstanding as at 30 June 2025 was 1.85 years. All series 2 and series 3 options outstanding as at 30 June 2025 were vested and exercisable.

The fair value at grant date for series 1 options was determined using the Black-Scholes Option Pricing Methodology. Key assumptions applied in the valuation (outside of those already noted in the table above) are as follows:

	SERIES 1
Share price at date of issue	$0.02
Risk free rate	3.95%
Volatility	100%

Performance rights

The tables below summarise the performance rights on issue at any point during the current or comparative financial years.

Year ended 30 June 2026:

GRANT DATE	EXPIRY DATE	30 JUN 2025 (RESTATED)[1]	ISSUED	EXERCISED	ADJUSTMENT ON SHARE CONSOLIDATION	30 JUN 2026	VESTED AND EXERCISABLE
25/05/2023	24/05/2028	18,000,000	-	(18,000,000)	-	-	-
22/03/2024	22/03/2027	15,147,222	-	(15,147,222)	-	-	-
31/10/2024	31/10/2027	6,333,334	-	(6,333,334)	-	-	-
19/12/2024	18/12/2029	30,000,000	-	(30,000,000)	-	-	-
24/12/2025	31/12/2027	-	85,500,000	-	(76,950,000)	8,550,000	2,677,000
		69,480,556	**85,500,000**	**(69,480,556)**	**(76,950,000)**	**8,550,000**	**2,677,000**

Year ended 30 June 2025 (restated)[1]:

GRANT DATE	EXPIRY DATE	30 JUN 2024	ISSUED	LAPSED	EXERCISED	30 JUN 2025	VESTED AND EXERCISABLE
25/05/2023	24/05/2028	18,000,000	-	-	-	18,000,000	12,000,000
22/03/2024	22/03/2027	18,230,556	-	(500,000)	(2,583,334)	15,147,222	6,281,944
31/10/2024	31/10/2027	-	12,333,334	(6,000,000)	-	6,333,334	4,750,001
19/12/2024	18/12/2029	-	30,000,000	-	-	30,000,000	22,500,000
		36,230,556	**42,333,334**	**(6,500,000)**	**(2,583,334)**	**69,480,556**	**45,531,945**

[1] The disclosures pertaining to the number of performance rights on issue and the related movements in performance rights for the year ended 30 June 2025 have been restated for the correction of presentation errors in the financial statements for the year ended 30 June 2025. Notably, the closing balance as at 30 June 2025 has been restated for the reinstatement of 9,425,000 rights reported as lapsed in error in the comparative financial statements. This correction does not impact any line items within the financial statements, and is a disclosure correction only.

Performance rights issued during the year ended 30 June 2026

During the year ended 30 June 2026 the Company issued 85,500,000 performance rights to directors, employees and consultants, to vest over two years, based on achieving group and personal milestones for FY2026 and FY2027. The fair value at grant date was determined using a Monte Carlo Simulation Methodology and the Black-Scholes Option Pricing Methodology, which takes into account the exercise price, the term of the right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the right. The inputs are outlined in the table below.

		TRANCHE 1	TRANCHE 2	TRANCHES 3 TO 6
i.	Underlying share price	$0.04	$0.04	$0.04
ii.	Exercise price	$nil	$nil	$nil
iii.	Term	1.71 yrs	1.71 yrs	1.71 yrs
iv.	Risk-free rate	3.53%	3.53%	3.53%
v.	Dividend yield	Nil	Nil	Nil
vi	Volatility (rounded)	115.00%	115.00%	115.00%
vii.	VWAP hurdle	30-day VWAP ⩾$0.060	30-day VWAP ⩾$0.080	n/a
viii.	Grant date	24/12/2025	24/12/2025	24/12/2025
ix.	Fair value per right	$0.03	$0.03	$0.04
x.	Number of rights	13,385,000	13,385,000	Tranches 3 & 4: 18,365,000 each Tranches 5 & 6: 11,000,000 each

In addition to a continuous service requirement throughout the vesting period, the performance rights are subject to certain performance milestones (Performance Conditions) which include:

- For tranches 1 and 2, share price hurdles as listed above
- For tranches 3-4, group level financial performance milestones linked to consolidated revenue and EBITDA targets for FY26 and FY27; and
- For tranches 5-6, individual financial and non-financial milestones for FY26 and FY27 specific to the individual's position within the organisation.

The share price milestones are cumulative. If the Share price achieves a second hurdle before there is time for vesting of the Rights for a previous hurdle, then all the Rights due at that hurdle will be vested. Both hurdles were met prior to 30 June 2026 and accordingly the 2,677,000 rights (after 1:10 share consolidation) in tranche 1 and tranche 2 were vested and exercisable as at 30 June 2026. Rights in tranches 3-6 remain unvested at 30 June 2026.

Performance rights issued in previous years

Performance rights granted in FY23

The Company issued 26,666,667 performance rights during FY23 to two directors of the Company. The total value of rights as at grant date amounts to $505,697. The vesting conditions, terms and methodology used to derive the grant date fair value of these rights are outlined below.

The fair value at grant date was independently determined by an independent external advisor using a Monte Carlo Simulation Methodology and Black-Scholes Option Pricing Methodology that takes into account the exercise price, the term of the right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the right. These inputs are as follows:

		TRANCHE 1-3 - 2023 STIS (SHARE PRICE)	TRANCHE 4 - 2023 STIS (REVENUE)	TRANCHES 5-7 LTIS (SHARE PRICE)	TRANCHES 8-10 LTIS (REVENUE)
i.	Underlying share price	$0.03	$0.03	$0.03	$0.03
ii.	Exercise price	$nil	$nil	$nil	$nil
iii.	Term	0.80 yrs	0.80 yrs	2.80 yrs	0.80 to 2.80 yrs
iv.	Risk free rate	3.52%	3.52%	3.20%	3.20% to 3.52%
v.	Dividend yield	Nil	Nil	Nil	Nil
vi	Volatility (rounded)	90%	90%	90%	90%
vii.	Performance period	1/1/23 to 31/12/23	1/1/23 to 31/12/23	1/1/23 to 31/12/25	8. 1/1/23 to 31/12/23 9. 1/1/24 to 31/12/24 10. 1/1/25 to 31/12/25
viii.	VWAP Milestones	1. $0.03 2. $0.04 3. $0.05	N/A	5. $0.03 6. $0.04 7. $0.05	N/A
ix.	Revenue Milestones	N/A	4. $10,000,000	N/A	8. $10,000,000 9. $15,000,000 10. $20,000,000
x.	Number of rights	1. 500,000 2. 666,667 3. 833,333	4. 4,666,667	5. 3,000,000 6. 4,000,000 7. 5,000,000	8. 2,000,000 9. 3,000,000 10. 3,000,000
xi.	Fair value per right	1. $0.02 2. $0.02 3. $0.01	4. $0.03	5. $0.02 6. $0.02 7. $0.01	8. $0.03 9. $0.03 10. $0.03

In addition to a continuous service requirement throughout the vesting period, the performance rights are subject to certain performance milestones (Performance Conditions) which include:

- For Tranches 1-3 and 5-7, share price hurdles as listed above
- For tranches 4 and 8-10, group level revenue targets as listed above

The share price and revenue performance milestones for tranches 1-4 and tranche 8, which were all based on performance for the 2023 calendar year, were not achieved and these rights were forfeited prior to the commencement of the comparative financial year.

Share price and revenue targets for all remaining tranches were achieved and all of the rights within tranches 5-7 and 9-10 vested during the 2026 financial year.

Performance Rights granted in FY24
During FY24 the Company issued 18,230,556 performance rights to employees and consultants, to vest over two years, for CY2024 and CY2025. The total value of rights as at grant date amounts to $182,306. The vesting conditions, terms and methodology used to derive the grant date fair value of these rights are outlined below.
The fair value at grant date was independently determined by an independent external advisor using a Monte Carlo Simulation Methodology and Black-Scholes Option pricing methodology that takes into account the exercise price, the term of the right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share., the expected dividend yield and the risk-free interest rate for the term of the right. These inputs are as follows:

		TRANCHES 1-2 - (SHARE PRICE)	TRANCHES 3-4 (REVENUE)
i.	Underlying share price	$0.01	$0.01
ii.	Exercise price	$nil	$nil
iii.	Term	1.78 yrs	0.78 to 1.78 yrs
iv.	Risk free rate	4.07%	4.07%
v.	Dividend yield	Nil	Nil
vi	Volatility (rounded)	100%	100%
vii.	Performance period	22/03/24 to 31/12/25	3. 22/3/24 to 31/12/24 4. 1/1/25 to 31/12/25
viii.	VWAP Milestones	1. $0.04 2. $0.05	N/A
ix.	Revenue Milestones	N/A	3. $15,000,000 4. $20,000,000
x.	Number of rights	1. 4,557,639 2. 4,557,639	3. 4,557,639 4. 4,557,639
xi.	Fair value per right	1. $0.01 2. $0.01	3. $0.01 4. $0.01

In addition to a continuous service requirement throughout the vesting period, the performance rights are subject to certain performance milestones (Performance Conditions) which include:

- For tranches 1-2, share price hurdles as listed above
- For tranches 3-4, group level revenue targets as listed above

Performance rights granted in FY25
In FY2025 the Company issued a further 12,333,334 performance rights to employees, of which 6,000,000 rights lapsed during the year ended 30 June 2025. The hurdles for these performance rights were as outlined for the 2025 performance rights outlined below.

A further 30,000,000 performance rights were issued to directors (20,000,000 to Samuel Watson and 10,000,000 to Jason Hine), which were approved at the Annual general meeting on 27 November 2024. In addition to a continuous service requirement throughout the vesting period, the following performance conditions were attached to these rights:

%	Share Price Milestones – the Rights will vest upon:
25%	The 30 day VWAP of the Company's share price being equal to or above **50%** of the 30 day VWAP for the Company's Shares as at 4 October 2024
25%	The 30 day VWAP of the Company's share price being equal to or above **100%** of the 30 day VWAP for the Company's Shares as at 4 October 2024
25%	The 30 day VWAP of the Company's share price being equal to or above **150%** of the 30 day VWAP for the Company's Shares as at 4 October 2024
25%	The 30 day VWAP of the Company's share price being equal to or above **200%** of the 30 day VWAP for the Company's Shares as at 4 October 2024
	Note: The share price milestones are cumulative. If the Share price achieves a second, third or fourth hurdle before there is time for vesting of the Rights for a previous hurdle, then all the Rights due at that hurdle will be vested

Alternate Milestones: In the event that any one of the following alternative milestones are met during the Performance Period, the % of the Rights not yet vested at that time, allocated to that milestone, will vest.	
2025 50%	In the event revenue for the financial year ended 30 June 2025 is greater than $20m
2025 50%	In the event that the business is profitable (pre charge for share based payments) and cash flow positive for the year ended 30 June 2025
2026 50%	In the event revenue for the financial year ended 30 June 2026 is greater than $30m
2026 50%	In the event that the business is profitable (NPBT>10% of Revenue) (pre charge for share based payments) and cash flow positive for the year ended 30 June 2026

The fair value at grant date has been independently determined by an independent external advisor using Monte Carlo Simulation (MCS) Methodology, which utilises the Binomial Option Pricing Model, to estimate the fair value of the Rights. The valuation of the Rights takes into consideration the exercise price, the term of the right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the right. The total value for these rights was determined at $198,000 for 30,000,000 performance rights and $123,333 for 12,333,334 performance rights:

The valuation inputs for the 30,000,000 rights were as follows:

		TRANCHE 1	TRANCHE 2
i.	Underlying share price	$0.01	$0.01
ii.	Exercise price	$nil	$nil
iii.	Term	1.71 yrs	1.88 yrs
iv.	Risk-free rate	3.89%	3.87%
v.	Dividend yield	Nil	Nil
vi	Volatility (rounded)	115.00%	115.00%
vii.	Performance Period	1/7/24 to 30/6/2025	1/7/24 to 30/6/2026
viii.	Value per right	$0.01	$0.01
ix.	Number of performance rights	15,000,000	15,000,000

75% of the rights vested in the comparative period ended 30 June 2025 on achievement of the first 3 share price targets. The remaining 25% vested during the current year on achievement of the remaining share price target.

The valuation inputs for the 12,333,334 performance rights were as follows:

		TRANCHE 1	TRANCHE 2
i.	Underlying share price	$0.01	$0.01
ii.	Exercise price	$nil	$nil
iii.	Term	1.71 yrs	1.88 yrs
iv.	Risk-free rate	3.89%	3.87%
v.	Dividend yield	Nil	Nil
vi	Volatility (rounded)	115.00%	115.00%
vii.	Performance Period	1/7/24 to 30/6/2025	1/7/24 to 30/6/2026
viii.	Value per right	$0.01	$0.01
ix.	Number of performance rights	6,166,667	6,166,667

6,000,000 of the rights granted were forfeited in the 2025 financial year on departure of the employees. 75% of the remaining rights vested in the 2025 financial year on achievement of the first 3 share price targets). The remaining 25% vested in the current year on achievement of the final share price target.

NOTE 27. PARENT ENTITY DISCLOSURES

	2026 ($)	2025 ($)
(A) FINANCIAL POSITION		
Total Current Assets	2,099,821	2,895,212
Total Assets	32,707,189	12,931,633
Total Liabilities	1,619,821	829,610
Net Assets/(Liabilities)	**31,087,368**	**12,102,023**
EQUITY		
Contributed equity	24,601,722	21,476,616
Reserves	1,975,277	1,327,974
Retained earnings/(Accumulated losses)	4,510,369	(10,702,567)
Equity	**31,087,368**	**12,102,023**
(B) RESERVES		
Share transaction reserves	1,975,277	1,327,974
(C) FINANCIAL PERFORMANCE		
Profit for the year	15,525,259	4,901,181
Other comprehensive income	-	-
	15,525,259	**4,901,181**

NOTE 28. RELATED PARTY TRANSACTIONS

(A) KEY MANAGEMENT PERSONNEL

The total remuneration paid to key management personnel of the Group during the year is as follows:

	2026 ($)	2025 ($)
Fixed remuneration		
Short-term employee benefits	794,964	683,000
Post- employment benefits	29,336	25,300
	824,300	708,300
Variable remuneration		
Share based payments	1,328,564	365,937
	2,152,864	**1,074,237**

(B) TRANSACTIONS WITH OTHER RELATED PARTIES

During the year the following transactions were undertaken with related parties on an arms' length basis:

$111,900 (2025: $144,000) was paid to Integrated CFO Solutions Pty Ltd, a company controlled by the Company Secretary, for accounting services. Of the amount paid in FY26 $9,500 was paid by the issue of 25,000 shares at $0.38 each. As at 30 June 2026 $15,000 was owing (2025: $25,500).

NOTE 29. CONTINGENT LIABILITIES

The Group has no contingent liabilities as at 30 June 2026 (2025: Nil).

NOTE 30. EVENTS SUBSEQUENT TO BALANCE DATE

The Group has put in place a $3 million overdraft facility with Westpac post year end.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect:

a) The Group's operations in future financial years; or
b) The results of those operations in future financial years; or
c) The Group's state of affairs in future financial years.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

YEAR ENDING 30 JUNE 2026

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

BASIS OF PREPARATION

The consolidated entity disclosure statement has been prepared in accordance with the s295(3A)(a) of the *Corporations Act 2001* and includes the required information for BLS Pharmaceuticals Limited and the entities it controls in accordance with AASB 10 *Consolidated Financial Statements.*

Tax Residency
S295(3A)(vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997.* The determination of tax residency may involve judgement as there are different interpretation that could be adopted, and which could give rise to different conclusions regarding residency.

In determining tax residency, the Group has applied the following interpretations:

Australian Tax Residency
Current legislation and judicial precedent has been applied, including having regard to the Tax Commissioner's public guidance.

Foreign tax residency
Where appropriate, independent tax advisers have been engaged to assist in the determination of tax residence to ensure applicable foreign tax legislation has been complied with.

NAME OF ENTITY	TYPE OF ENTITY	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 2026 (%)	AUSTRALIAN RESIDENT FOR TAX PURPOSES	FOREIGN JURISDICTION
BLS Pharmaceuticals Limited	Company	Australia	N/A	Yes	N/A
Breathe Life Sciences Pty Ltd	Company	Australia	100%	Yes	N/A
BLS Wholesalers Pty Ltd	Company	Australia	100%	Yes	N/A
BLS Panther Pty Ltd	Company	Australia	100%	Yes	N/A
Breathe Life Science UK Ltd	Company	United Kingdom	100%	No	United Kingdom
Always Pure Organics EU	Company	Czech Republic	100%	No	Czech Republic
Mirai Solution Co KK	Company	Japan	100%	No	Japan
Dr Watson Japan KK	Company	Japan	100%	No	Japan
Global Treasure New Zealand Limited	Company	New Zealand	100%	No	New Zealand
New Zealand Nutritional Research Institute Ltd	Company	New Zealand	100%	No	New Zealand
Bioxyne International Malaysia Sdn Bhd	Company	Malaysia	100%	No	Malaysia
Bioxyne International Pty Ltd	Company	Australia	100%	Yes	N/A
P.T. Gamata Utama	Company	Indonesia	100%	No	Indonesia
Bioxyne International (NZ) Limited	Company	New Zealand	100%	No	New Zealand

DIRECTORS' DECLARATION

YEAR ENDING 30 JUNE 2026

DIRECTORS' DECLARATION

1. In the opinion of the directors of BLS Pharmaceuticals Limited ("the Company"):

   a. The consolidated financial statements and notes thereto, as set out on pages 38 to 70, are in accordance with the *Corporations Act 2001* including:

      i. giving a true and fair view of the Group's financial position as at 30 June 2026 and of the performance of the Group for the year then ended; and

      ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.

2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

3. The consolidated financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

4. The consolidated entity disclosure statement required by subsection 295(3A) of the *Corporations Act 2001* is true and correct

5. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2026.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.295(5) of the *Corporations Act 2001.*

Sam Watson

Managing Director

31 August 2026

INDEPENDENT AUDITOR'S REPORT

YEAR ENDING 30 JUNE 2026

Level 38, 345 Queen Street
Brisbane, QLD 4000

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Independent Auditor's Report to the Members of BLS Pharmaceuticals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of BLS Pharmaceuticals Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2026, 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 material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of APES *110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board ("the Code") that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matter	How our audit addressed the key audit matter
Revenue recognition **Refer to Note 1(D) and Note 3**	
Revenue for the year ended 30 June 2026 was $74,164,632, representing an increase of 161% on the amount recognised for the comparative financial year. Risks of inappropriate revenue recognition and incorrect cut-off exist due to a number of factors, including the growth in the Group's customer base, variability of terms across contractual arrangements and revenue streams, large value of revenue transactions processed in the lead up to financial year end, judgements involved in determining when control transfers to customers, and performance metrics linked to revenue growth. It is due to these risks and the pervasiveness of revenue recognition to the financial statements that this is a key area of audit focus.	Our procedures included, amongst others: • Understanding and evaluating the design and implementation of processes and controls relevant to the recognition of revenue; • Identifying individually material transactions processed on or around 30 June 2026 and obtaining and evaluating audit evidence supporting the recognition of these transactions in the correct reporting period; • For a sample of revenue transactions recognised ahead of the transfer of physical possession of goods to customers, evaluating the judgements and contractual evidence supporting the transfer of control to the customer; • For a sample of remaining revenue transactions processed in the lead up to 30 June 2026 not tested through procedures above, obtaining and evaluating contracts, quality assurance release documentation and shipping records to test whether appropriate cut-off was achieved; • For individually material new revenue streams where contractual terms differed from standard arrangements, evaluating whether the revenue recognition policy adopted is aligned with the requirements of AASB 15 *Revenue from Contracts with Customers* with reference to the terms of underlying contractual arrangements; • Reviewing the adequacy of the Group's disclosures on revenue to ensure compliance with Australian Accounting Standards.
Share-based payments **Refer to Note 26**	
The Group issued equity-settled share-based payments during the year. Share-based payments expense of $1,967,066 was recognised for the year ended 30 June 2026. The accounting for these arrangements was considered a key audit matter because the valuation of the share-based payments and the recognition of the related expense involved the use of significant assumptions. Such assumptions included the assessment of grant date, grant date fair value, vesting period, and vesting probability.	Our procedures included, amongst others: • Understanding and evaluating the design and implementation of processes and controls relevant to the valuation of share-based payments and the recognition of the related expense; • Assessing whether the accounting treatment adopted was consistent with AASB 2 *Share-based Payment*; • Assessing whether the grant date was appropriately determined in line with the underlying share-based payment agreements and the timing of required approvals, where applicable; • Critically assessing the reasonableness of significant assumptions applied in the grant date valuation of share-based payments, including expected volatility, expected life, grant date share price, and market and non-market vesting conditions (as applicable), considering supporting documentation and historic performance, where available; • Evaluating whether the option pricing model applied was appropriate based on the terms of the share-based payment arrangements; • Assessing whether the vesting period reflects the timing of measurement of performance conditions, the related expense has been probability weighted for non-market vesting conditions, and vesting probabilities are supported; • Evaluating the competence, capabilities and objectivity of experts engaged by management in deriving grant date fair values for share-based payments; • Assessing the adequacy and compliance of the Group's disclosures in respect of share-based payment arrangements.

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 2026, 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 accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001;* and
(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and
(c) for such internal control as the directors determine is necessary to enable the preparation of:
   (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
   (ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

PITCHER PARTNERS

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.

- 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 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 on pages 29 to 35 of the directors' report for the year ended 30 June 2026. In our opinion, the Remuneration Report of BLS Pharmaceuticals Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Pitcher Partners

PITCHER PARTNERS

J. Evans

JASON EVANS
Partner

Brisbane, Queensland
31 August 2026

SHAREHOLDER INFORMATION

YEAR ENDING 30 JUNE 2026

SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 20 August 2026.

(A) DISTRIBUTION OF EQUITY SECURITIES

Security Classes: BLS - ORDINARY FULLY PAID SHARES

HOLDING RANGES	HOLDERS	TOTAL UNITS	% ISSUED SHARE CAPITAL
above 0 up to and including 1,000	390	207,938	0.09%
above 1,000 up to and including 5,000	679	1,797,033	0.78%
above 5,000 up to and including 10,000	300	2,315,533	1.01%
above 10,000 up to and including 100,000	518	18,371,048	7.98%
above 100,000	136	207,612,898	90.15%
Totals	2,023	230,304,450	100.00%

(B) SUBSTANTIAL SHAREHOLDERS

The company has the following substantial shareholders, as defined by the *Corporations Act 2001*.

HOLDER NAME	NO OF SHARES	% OF ISSUED CAPITAL
BREATHE INTERNATIONAL LTD	57,626,852	25.02%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	19,562,562	8.49%
KIRKMAN TRADING	15,780,560	6.86%
IAN EDWARD OWLES	13,248,896	5.75%

(C) VOTING RIGHTS

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(D) DISTRIBUTION OF EQUITY SECURITIES

Security Classes: BLS - ORDINARY FULLY PAID SHARES

POSITION	HOLDER NAME	HOLDING*	% IC
1	BREATHE INTERNATIONAL LTD	57,626,852	25.02%
2	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	19,562,562	8.49%
3	KIRKMAN TRADING LTD	15,780,560	6.86%
4	IAN EDWARD OWLES	13,248,896	5.75%
5	BPMGMT LTD	7,949,337	3.45%
6	ZONETECH WELLNESS LTD	5,773,285	2.51%
7	CODE NOMINEES PTY LTD <RETAIL A/C>	4,978,202	2.16%
8	ANDREW ALEXANDER OGILVIE	3,563,391	1.55%
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	3,557,208	1.54%
10	GAVIN JAMES OGILVIE	3,490,335	1.52%
11	BNP PARIBAS NOMS PTY LTD	3,351,955	1.46%
12	SAMUEL WATSON	3,350,000	1.45%
13	PAULA OGILVIE	3,075,217	1.34%
14	ROSANNA VON ZWEIGBERGK	3,000,000	1.30%
15	CITICORP NOMINEES PTY LIMITED	2,834,910	1.23%
16	MR ANTHONY PENG HO & MRS CHUI HOONG HO	2,730,356	1.19%
17	MR JASON JOHN STEPHENS & MRS ANDREA LOUISE STEPHENS <J & A STEPHENS FAMILY A/C>	2,704,222	1.17%
18	SNOWBALL FIDUCIARY PTY LTD <SNOWBALL UNIT A/C>	2,623,204	1.14%
19	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	2,522,386	1.10%
20	MRS PENG HYANG NG	2,285,000	0.99%
	Total	**164,007,878**	**71.21%**
	Total issued capital - selected security class(es)	**230,304,450**	**100.00%**

Security Classes: BLS - UNLISTED OPTIONS @ $0.50 EXP 26/03/2027

POSITION	HOLDER NAME	HOLDING*	% IC
1	CITICORP NOMINEES PTY LIMITED	1,200,000	30.57%
2	CAYMAN EMERGING MANAGER PLATFORM (2) SPC <MWP PENDULUM PARTNERSHIP SP>	700,000	17.84%
3	SANDHURST TRUSTEES LTD <CYAN C3G FUND A/C>	400,000	10.19%
4	HUNT PROSPERITY PTY LTD <INVESTIUS PB MICRO CAP A/C>	249,000	6.34%
5	ALPHA SHERPA CAPITAL SPC <ALPHA SHERPA CAP M S A/C>	210,000	5.35%
6	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	206,803	5.27%
7	MR KEVIN HO & MRS VIKKI HO	200,000	5.10%
8	UBS NOMINEES PTY LTD	200,000	5.10%
9	BLUE HEELER CAPITAL PTY LTD	90,000	2.29%
10	FAMAJOHN NOMINEES PTY LTD <THE SEAWICK A/C>	90,000	2.29%
11	SOUTHAM INVESTMENTS 2003 PTY LTD <WARWICKSHIRE INVESTMENT A/C>	85,000	2.17%
12	MR PETER WADE <WADE FAMILY A/C>	50,000	1.27%
13	MR BERNARD CHOON YIN HUI	50,000	1.27%
14	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	50,000	1.27%
15	MORSEC NOMINEES PTY LTD <ACCUMULATION ACCOUNT>	39,258	1.00%
16	MR SHANE MICHAEL GAVEGAN	30,000	0.76%
17	JASON HINE	20,000	0.51%
18	MR MATTHEW REGOS & MRS SILVIA LISA REGOS <REGOS FAMILY A/C>	13,559	0.35%
19	MR DANIEL JOHN GARDINER & MRS BERNADETTE JACQUELINE GARDINER	13,196	0.34%
20	MR CRAIG DAVID BARRY	10,000	0.25%
	Total	**3,906,816**	**99.54%**
	Total issued capital - selected security class(es)	**3,924,835**	**100.00%**

BLS OPTIONS WITH EXPIRY DATE 26 MARCH 2027 AND EXERCISE PRICE @ $0.10	106,450
BLS UNLISTED OPTIONS EXPIRING 26 MARCH 2027 EXERCISE PRICE $0.4375	1,614,000
PERFORMANCE RIGHTS AS OUTLINED IN THE REPORT	8,550,000

(E) THE COMPANY HAD 86 SHAREHOLDERS DETERMINED AT A PRICE OF $0.94 PER SHARE WITH UNMARKETABLE PARCELS AMOUNTING 28,756 SHARES.

(F) THERE IS CURRENTLY NO ON-MARKET BUY-BACK.

CORPORATE INFORMATION

DIRECTORS

Anthony Ho	*Non-Executive, Independent Chairman*
Samuel Watson	*Executive Director*
Jason Hine	*Executive Director*
Edward Myer	*Non-Executive Director*

COMPANY SECRETARY

Guy Robertson

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SHARE REGISTRAR

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BANKERS

Westpac

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BLS
BREATHELIFESCIENCES