Sigma Healthcare

Annual Report
2024/25

Contents

Directors' Report

For the Year Ended 31 January 2025

The Directors present their report on Sigma Healthcare Limited (the Company) and its controlled entities (the Group) for the year ended 31 January 2025.

Directors

The names of the Directors and Company Secretary of the Company as at 31 January 2025 (unless otherwise stated) were:

Name	Particulars
Mr Michael Sammells *BBUs (Acc), FCPA, GAICD* Independent Non-Executive Chairman	Mr Sammells was appointed as a Director of Sigma in February 2020 and Chairman in August 2022. Mr Sammells is also currently a non-executive director at AMP Limited and a director at GMBHA. He has 35 years of broad experience in finance, corporate services and has held operational roles with expertise in finance, accounting, treasury, investor relations, capital development, mergers and acquisitions and IPOs. Further, Mr Sammells is a former Chief Financial Officer of Healthscope Limited and Medibank Private.
Mr Vikesh Ramsunder *B. Com (Logistics), MBL (Corporate Strategy)* Chief Executive Officer & Managing Director	Mr Ramsunder commenced as the Managing Director and CEO of Sigma on 1 February 2022. Mr Ramsunder has extensive experience in pharmacy retailing, wholesaling and logistics. He spent 28 years with the Clicks Group in South Africa, a top-30 JSE listed company, and one of the largest pharmacy and retail operations in Africa. This included 18 years as part of the executive team. Before becoming Clicks Group Chief Executive Officer in January 2019, Mr Ramsunder held a number of roles within Clicks, including Chief Operating Officer from 2015 and Managing Director of the pharmaceutical wholesale business, United Pharmaceutical Distributors from 2010.

Name	Particulars
Ms Kathryn (Kate) Spargo *LLB (Honours), BA, FAICD* Independent Non-Executive Director (resigned 12 February 2025)	Ms Spargo was appointed as a Director of Sigma in December 2015. Ms Spargo is currently a non-executive director of the following listed entities: Sonic Healthcare Limited and Bapcor Ltd. In addition, Ms Spargo is also currently a non-executive director at CIMIC Ltd (now unlisted). Over the last three years, Ms Spargo was a non-executive director at Adairs Limited and Xenith IP Ltd. In September 2021, Ms Spargo retired from her position as Chairman of Colnvest and at the same time joined the board of the unlisted company Jellis Craig. Ms Spargo is also director at the Geelong Football Club and Future Fuels Cooperative Research Centre.
Mr Neville Mitchell *B.Com, CA* Independent Non-Executive Director	Mr Mitchell was appointed a Director of Sigma in February 2023. Mr Mitchell is a qualified Chartered Accountant with international healthcare and finance experience. He was Chief Financial Officer and Company Secretary at ASX-listed Cochlear Limited (until March 2017), a world leading medical device developer, manufacturer and seller of hearing devices. Mr Mitchell is currently the Chairman of ASX and NZX-listed Fisher&Paykel Healthcare Corporation (non-executive director from November 2018) and a non-executive director of Sonic Healthcare Limited from September 2017. He is Chair of the Sonic Audit Committee. He was formerly a non-executive director of ASX-listed Sirtex Healthcare, Osprey Medical Inc and Q'Biotics Group Limited. He has also performed roles with a number of industry and Government committees.

Name	Particulars
Ms Annette Carey *LLB, BA* Independent Non-Executive Director	Ms Carey was appointed as a Director of Sigma in April 2023. Ms Carey is a current non-executive director of National Intermodal Corporation and a non-executive director of the Kinetic bus group. Prior to joining Sigma, Ms Carey has held director roles within the Linfox group of companies and has been Chair or Deputy Chair of Australia Post joint ventures in the UK and China. She has previously held various senior roles within the Linfox Logistics group, progressing from General Counsel and Company Secretary to Chief Executive Officer. Ms Carey also held the position of Executive General Manager International with Australia Post. Ms Carey is a member of Chief Executive Women.
Dr Christopher (Chris) Roberts AO *B.Eng(Honours), MBA, PhD* Independent Non-Executive Director	Dr Roberts was appointed as a Director of Sigma on 6 November 2023. Dr Roberts has more than 40 years' experience in the medical device industry, including as the former Chief Executive Officer of Cochlear Limited (ASX:COH) from 2004 to 2015, Executive Vice President of ResMed Inc (NYSE:RMD) from 1992 to 2003 and as a director of ResMed Inc until November 2017. He is currently a non-executive director of HMC Capital Ltd (ASX:HMC). HMC Capital managed HealthcCo Healthcare and Wellness REIT (ASX:HCW), HMC Capital Partners Fund 1, Clarity Pharmaceuticals Limited (ASX:CU6), Nutromics Pty Ltd, Atmo Biosciences Limited and the Cochlear Foundation Board. He is also a Governor of the Centenary Institute Cancer Medicine and Cell Biology.

Name	Particulars
Mr Jack Gance *PhC MPS, MBA, GAICD, AFAIM* Non-Executive Director (appointed 12 February 2025)	Mr J Gance is a qualified pharmacist who co-founded Chemist Warehouse with Sam Gance. Mr J Gance qualified as a pharmacist in 1967 and opened his first pharmacy store in Reservoir, Victoria, with Sam in 1972. In 1997, Mr J Gance, Sam Gance and Mario Verrocchi, established MyChemist and opened the first MyChemist store. In 2000, Mr J Gance, along with Mr Sam Gance and Mr Verrocchi, established the Chemist Warehouse chain and opened the first Chemist Warehouse store. Mr J Gance also created the brands Le Specs, Le Tan and Colours of Australis.
Mr Mario Verrocchi *BPharm* Executive Director (appointed 12 February 2025)	Mr Verrocchi is a qualified pharmacist who joined Jack and Sam Gance's pharmacy group in 1982. Mr Verrocchi established MyChemist with Jack Gance and Sam Gance in 1997 and subsequently created the Chemist Warehouse chain with Messrs Gance in 2000. He is currently Chief Executive Officer of Chemist Warehouse.
Mr Damien Gance *BPharm, MBA, GAICD* Executive Director (appointed 12 February 2025)	Mr D Gance is a qualified pharmacist who joined MyChemist in 1998 and is currently the Chief Commercial Officer of Chemist Warehouse. Mr D Gance was the first Chemist Warehouse Franchisee opening the first Chemist Warehouse pharmacy in June 2000.
Ms Danielle Di Pilla *BSc, BPharm* Executive Director (appointed 12 February 2025)	Ms Di Pilla is a qualified pharmacist who is currently the Chief People Officer at Chemist Warehouse. Ms Di Pilla established DPP Pharmaceuticals Pty Ltd (DPP) in 2000 and is the founder of brands such as Goat Soap, which has had international success. Ms Di Pilla has been the managing director of DPP since it was incorporated. DPP is a wholly owned subsidiary of Chemist Warehouse. Ms Di Pilla also sits on the Board of Gotcha4Life.

Name	Particulars
Kara McGowan General Counsel & Company Secretary LLB (Hons), BCom, BbusEc, ACIS, GAICD	Appointed Sigma Healthcare's General Counsel and Company Secretary in October 2021. Ms McGowan has been a Company Secretary for over 15 years for a broad range of corporate structures and businesses. Over the years she has held a variety of legal and commercial roles including General Counsel and Company Secretary at Transdev, Company Solicitor at Kmart and Head of Joint Ventures for Australian Unity Investments. She began her legal career at Clayton Utz as a competition lawyer. Ms McGowan is admitted as a Barrister & Solicitor of the Supreme Court of Victoria, holds a Graduate Diploma of Applied Corporate Governance and is a Graduate and Member of the Australian Institute of Company Directors.

Note: former directorships mandatorily disclosed above are those held in the last 3 years for listed entities only. Directors' interest in shares are detailed in Tables 4a and 4b of the Remuneration Report.

Principal activities

The principal activities of the Group during the year were the wholesale distribution of pharmaceutical goods and medical consumables to community pharmacies, including the provision of retail support services to our branded network of pharmacy members, dose administration aid services, and the provision of third and fourth party logistics services to pharmaceutical manufacturers and other supplier partners.

No significant changes have occurred in the nature of the principal activities during the financial year.

The Group has its principal place of business at Level 6, 2125 Dandenong Road, Clayton, Victoria 3168, Australia.

Operating and financial review

The operating and financial review, which forms part of this Directors' Report, is presented separately on pages 07 to 11.

Environmental regulations

The Group is not licenced or otherwise subject to conditions for the purposes of environmental legislation or regulation.

Dividends

The Company is not declaring a final FY25 dividend due to the implementation of the merger as well as the transition to a 30 June financial year end. ASIC has granted relief that will allow Sigma to meet its financial reporting obligations based on a notional financial year that runs to 30 June each year, enabling the merged group to report in accordance with Chemist Warehouse's financial year of 30 June.

Rounding of amounts

The Company is a Company of the kind referred to in the Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Proceedings on behalf of the Company

The Directors are not aware of any persons applying for leave under s.237 of the *Corporations Act 2001* to bring, or intervene in, proceedings on behalf of the Company.

Directors' and officers' indemnities and insurance

As provided under the Constitution, the Company indemnifies Directors and Officers to the extent permitted by law for any liability incurred to persons other than the Company or its related bodies corporate in their capacity as directors or officers unless the liability arises out of conduct involving a lack of good faith.

During the year, the Company paid an insurance premium in respect of a contract insuring its Directors and Officers against a liability of this nature. In accordance with normal commercial practices, under the terms of the insurance contracts, the nature of the liabilities insured against and the amounts of premiums paid are confidential.

Non-audit services

Details of the amounts paid to the auditor of the Company, Deloitte Touche Tohmatsu, and its related practices, for audit and other services provided during the year and the comparative period are set out in Note 27.

The Directors are aware of the issues relating to auditor independence and have in place policies and procedures to address actual, potential and perceived conflicts in relation to the provision of non-audit related services by the Company's auditor. Specifically, through the Risk Management and Audit Committee (RMAC), the independence of the auditor is maintained by:

- Limiting the scope and nature of non-audit services that may be provided; and
- Requiring that permitted non-audit services must be pre-approved by the Chairman of the RMAC.

During the current year, the auditor performed certain other services in addition to its audit responsibilities. The Board is satisfied that the provision of non-audit services during the year by the auditor is compatible with, and did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Company to ensure that they do not impact the integrity and objectivity of the auditor; and
- The non-audit services provided did not undermine the general principles relating to audit independence as set out in APES *110 Code of Ethics for Professional Accountants* as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity of the Company, acting as an advocate of the Company or jointly sharing risks or rewards.

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

Remuneration Report

Details of the Group's Remuneration Policy in respect of the Directors and Key Management Personnel are included in the Remuneration Report on pages 12 to 36, which forms part of this Directors' Report. Details of the remuneration paid to each Non-Executive Director, the CEO and Managing Director and other Key Management Personnel are also detailed in the Remuneration Report.

Environmental, social and governance

Sigma recognises the importance of environmental, social and governance matters to our shareholders, suppliers, customers and our team members.

Since 2020/21 Sigma has published a Sustainability Report and is informed by an annual materiality assessment. The materiality assessment is a detailed analysis and stakeholder engagement exercise to identify the areas of greatest risk and opportunity for Sigma and where the company can have the greatest positive influence on the environment and society. This assessment also underpins Sigma's Plan to 2030 targets.

The Sustainability Report is an integrated whole of business sustainability report approved by the Sigma Board, with key themes being:

- Identifying and effectively managing and mitigating environmental risks from all work practices;
- Providing safe and healthy workplaces that empower our team members to perform at their best;
- Cultivating an inclusive employee culture that is committed and equipped to lead through change and to achieving our objectives under this policy; and
- Implementing strategies and a reporting framework to give effect to our objectives stated under this policy.

More details on Sigma's ESG commitment are available in our Sustainability Report, which is available on the Sigma website.

Directors' interests in share capital, options and performance rights of the Company

Details of the Directors' relevant interests in shares, options and performance rights of the Company at the date of this Report are as follows:

	Number of fully paid ordinary shares	Number of performance rights/options over fully paid ordinary shares
Mr M Sammells	258,448	–
Mr V Ramsunder	11,662,028	6,088,884
Mr N Mitchell	30,295	–
Ms A Carey	21,212	–
Mr C Roberts	12,014	–
Mr J Gance	1,579,050,058	–
Mr M Verrocchi	2,555,284,920	–
Mr D Gance	360,240,023	–
Ms D Di Pilla	105,471,272	–

Board and committee meeting attendance

The following table sets out the number of Board and Committee meetings (including AGM and EGM) held during the year and the number attended by each Director or Committee member while the Director was a member of the Board or relevant Committee. During the year, eleven Board meetings, five Risk Management and Audit Committee (RMAC) meetings and five Nomination and Remuneration Committee (N&RC) meetings were held.

	Board of Directors		Risk Management and Audit Committee		Nomination and Remuneration Committee	
Directors	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Mr M Sammells	11	11	–	–	5	5
Mr V Ramsunder	11	11	–	–	–	–
Ms K Spargo	11	11	5	5	5	5
Mr N Mitchell	11	11	5	5	–	–
Ms A Carey	11	11	–	–	5	5
Dr C Roberts	11	11	5	5	–	–

The Company did not hold any Board or committee meetings between the date of the EGM and 31 January 2025.

Key events and changes in the state of affairs

During the financial year ended 31 January 2025 there was no significant change in the state of affairs of the Group.

Subsequent events

Subsequent to 31 January 2025, the following events and transactions have occurred:

Implementation of merger with CW Group Holdings Limited

On 3 February 2025, Sigma announced that the Federal Court of Australia had made orders approving the proposed scheme of arrangement (Scheme) under which Sigma would acquire 100% of the issued shares in CW Group Holdings Limited (Chemist Warehouse). On 12 February 2025, the implementation of the Scheme completed alongside the issuance of new Sigma shares under the Scheme. The completion of the Scheme marks the commencement of the merged group.

These financial statements have been prepared for the financial year ended 31 January 2025. Following the implementation of the merger with Chemist Warehouse, Sigma will change its financial year-end from 31 January to 30 June as ASIC has granted relief under Section 340(1) of the *Corporations Act 2001* to allow Sigma and its subsidiaries to prepare and lodge financial reports as if their statutory financial year ends on 30 June. Half-year financial statements will be prepared for the six-month period ending 31 December each year. The relief granted by ASIC will allow Sigma to meet its financial reporting obligations based on a notional financial year that runs to 30 June each year, enabling the merged group to report in accordance with Chemist Warehouse's financial year of 30 June (notwithstanding that Sigma's statutory financial year end date will remain 31 January). In light of the ASIC relief, ASX provided confirmations to Sigma regarding the application of certain requirements in Chapter 4 of ASX Listing Rules that would otherwise require the lodgement of half and full year results (including Sigma's annual reports, half-yearly reports and Appendices 4D and 4E) based on a 31 January financial year end (and 31 July half-financial year end). ASX's confirmations provide that ASX will apply Listing Rules 4.2A, 4.2B, 4.3A, 4.3B, 4.5.1 and 4.7 as if Sigma's half year balance date is 31 December and not 31 July and its full year balance date is 30 June and not 31 January (subject to the satisfaction of certain conditions which require that the ASIC relief remain in force and Sigma complies with any conditions of that relief).

Directors' Report continued
For the Year Ended 31 January 2025

Debt facility

On 10 February 2025, Sigma terminated the existing bank debt facilities with a total facility limit of $500 million due to mature in November 2026 and entered into a new secured syndicated facility totalling $1,500 million maturing in February 2028. A binding agreement for the new Senior Syndicated Facility was in place at the reporting date, however a condition precedent of the agreement was the Court approval of the Scheme be satisfied in order for the new debt facility to become effective and the funds to be available for drawdown.

Other than the matters discussed above, there has not been any other matters or circumstances that have arisen since 31 January 2025 that have significantly affected, or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent years not otherwise disclosed.

Signed in accordance with a resolution of the Directors made pursuant to section 306(3) of the *Corporations Act 2001*, dated 20 March 2025.

Mr Michael Sammells
Chairman

Mr Vikesh Ramsunder
CEO and Managing Director

Melbourne
20 March 2025

Operating and Financial Review

For the year ended 31 January 2025

Operating review

FY25 was a transformational year for Sigma with revenues exceeding $4.8 billion and normalised earnings up 183.5% on the prior corresponding period (pcp). These results were delivered against a backdrop of macroeconomic headwinds, led by higher interest rates and cost-of-living pressures including a challenging retail landscape. Despite this backdrop Sigma has delivered on business objectives with a focus on execution and is a testament to the soundness of the strategy being executed: building scale, driving efficiency, enhancing margin and simplifying the business.

During the year, the Company has:

- Successfully onboarded the new Chemist Warehouse Group (CWG);
- Engaged with the ACCC to obtain clearance for the merger with CWG (subject to undertakings);
- Secured a new 5-year industry funding agreement to help secure the long-term distribution of medicines throughout Australia; and
- Obtained shareholder approval towards creating a leading ASX listed healthcare company that will drive value creation for all shareholders.

In June 2023 we announced that Sigma was successful in securing a new 5-year supply contract to service the Chemist Warehouse Group which commenced in July 2024. Pleasingly, we successfully onboarded the new contract without disruption to either our DC network or the Chemist Warehouse stores, demonstrating the strength of the Sigma management team and our continued focus on execution. The significant uplift in volume from Australia's largest retail pharmacy franchisor has enabled us to further expand our operational leverage via the investments we made in world-class technology and IT systems over the past few years.

The Group reported revenue growth of 45.7% to $4.8 billion and normalised earnings growth (EBIT) of 183.5% to $68.0 million. Merger related and non-recurring costs to onboard the new CWG supply contract impacted Statutory EBIT of $21.7 million, down 6.7% on the pcp.

Importantly, the best-in-class performance metrics achieved in our Distribution Centre (DC) network in FY24 were sustained throughout FY25. Productivity levels were surpassed in 2H25 supported by a continuing efficiency tailwind attributable to the step-change in volume, helping offset inflationary cost pressures. A notable highlight was demonstrated by the Delivery in Full (DIF) and Dispatch on Time (DOT) metrics with both consistently averaging 99% each month.

The initiatives implemented to support our brand members to better service their customers, has seen a positive trend in wholesale compliance among Amcal and Discount Drug Store (DDS) members over the past year. This has driven an 8.5% increase in like-for-like sales from franchise brand members. Whilst at the same time we have been focused on improving our customers' experience with us which has been marked by an increase in customer sentiment with the Voice of Customer up 6.1% compared to FY24. This reflects efforts to get closer to our customers and deliver value for them particularly in regard to stock availability, responsiveness and customer support.

During FY25, Sigma worked closely with the ACCC on the merger review process following the announcement made in December 2023 regarding the merger with CWG to create a leading healthcare wholesaler, distributor and retail pharmacy franchisor. The proposed merger required a rigorous and extensive public consultation process with which we engaged fully with the ACCC. Pleasingly, we welcomed the announcement by the ACCC in November 2024 that it would not oppose the proposed merger with CWG, subject to the undertaking that Sigma has provided. The ACCC decision marked a critical milestone towards creating a stronger business and accelerating the long-term growth ambitions of the group.

In the second half of FY25 we were pleased to announce that an agreement had been reached on a new 5-year industry funding agreement between the Department of Health and Aged Care, and the NPSA, (the peak industry body representing full-line medicine distributors). The agreement created the first Pharmaceutical Wholesaler Agreement (1PWA) which governs both the industry funding and key commercial arrangements of pharmaceutical wholesaling in Australia. Whilst the new 1PWA commenced 1 January 2025, it did not result in a material benefit to Sigma's FY25 earnings. The full run-rate benefits are expected to be achieved from 1 July 2026 due to the staged implementation of the new agreement.

Towards the end of FY25, we secured another key milestone towards the proposed merger with CWG. Sigma shareholders voted overwhelmingly in favour of the proposed merger. Importantly, the outcome moved us a step closer to the merger which will accelerate Sigma's strategic direction. This will bring together two complementary businesses with complementary core strengths and expertise to enhance our service offering to customers and create a wide range of growth opportunities in Australia and overseas.

We would like to acknowledge the commitment and hard work by Sigma's people throughout the year. The result has been a combined effort across the business. We would also like to thank the Sigma Board and our shareholders who have been fully supportive of the transformational merger process. The Company looks forward with an even greater degree of confidence and optimism for the future.

Operating and Financial Review continued

For the year ended 31 January 2025

Financial performance

Highlights:

- Sales revenues $4.8 billion (+45.7%)
- Normalised EBIT $68.0 million (+183.5%), Statutory EBIT $21.7 million (-6.7%)
- Statutory Net loss after tax attributable to owners of the company $(13.8) million (vs $4.5 million in pcp)

Group summary financial performance

	Group		
$'000	**FY25**	**FY24**	**Change %**
Sales revenue	**4,841,201**	3,322,058	45.7%
Gross Profit	**281,318**	218,142	29.0%
Gross Margin	**5.8%**	6.6%	(76 bps)
Normalised EBITDA	**93,800**	52,307	79.3%
EBITDA	**47,469**	51,526	(7.9%)
Normalised EBIT	**67,988**	23,984	183.5%
EBIT	**21,657**	23,203	(6.7%)
EBIT Margin	**0.4%**	0.7%	(25 bps)
Statutory net profit/(loss)	**(12,918)**	5,311	(343.2%)
NPAT attributable to the owners of the company	**(13,842)**	4,509	(407.0%)
Statutory earnings/(loss) per share (EPS)	**(0.9)**	0.4	

Group sales revenue

Total group sales revenue of $4.8 billion was up 45.7% on the pcp, primarily driven by the commencement of the new Chemist Warehouse supply contract. Year-on-year (YoY) sales growth was achieved across all categories with PBS medicine sales significantly higher due to the new CWG contract as well as increased franchisee compliance offset by regulatory price reform and brand consolidation. Wholesale sales revenue was up 53.4% to $4.8 billion YoY with like-for-like revenue in our franchise brands up 8.5%.

Gross margin

Gross profit of $281.3 million was up 29.0% on the pcp. This reflects the additional volume from the new CWG supply contract offset by regulatory price reform and the lost contribution from the divestment of the hospital operations business in 1H24.

Reconciliation of Normalised EBIT to Statutory EBIT

$m	**FY25**	**FY24**	**Change %**
Normalised EBIT	**68.0**	24.0	183.5%
Merger related items:			
Merger related costs	**(38.0)**	(8.2)	
Leased asset impairment (non-cash)	**(5.5)**	–	
Other non-recurring items:			
Non-recurring onboarding costs for new CWG supply contract	**(2.8)**	–	
Gain on disposal of hospitals business	**–**	8.8	
Hospitals discontinued operations	**–**	(1.4)	
Statutory EBIT	**21.7**	23.2	(6.7%)

Statutory EBIT of $21.7 million was down (6.7%) and Statutory Net loss after tax (attributable to owners) of $(13.8) million was down from $4.5 million recorded in the prior year. Statutory EBIT was negatively impacted by material merger transaction and non-recurring costs of $46.3 million in FY25. Excluding these one-off impacts, Normalised EBIT of $68.0 million grew 183.5% on the pcp (Normalised EBIT reported at 1H25: $18.0 million). The increase in underlying earnings in 2H25 was attributable to growing scale in our wholesale business as well as productivity and efficiency gains driven by the increased throughput across our DC network. This drove the Normalised EBIT margin to 1.4%, up from 0.7% in the pcp.

Key expenditure items

Warehouse and delivery expenses were up $15.7 million on the pcp. This reflects the $16.7 million increase in labour costs to service the new CWG supply contract offset by a higher rate of productivity and efficiency savings in freight costs of $1.1 million. Warehouse productivity increased 3.3% YoY with reduced freight costs of 2.8% driven by improved route optimisation and tote consolidation offsetting inflationary impacts.

Sales and marketing expenses were up 16.4% YoY. Advertising and marketing expenses increased $4.7 million attributable to new franchisee support costs and higher media campaign spend promoting the Amcal brand.

Administration expenses (excluding merger transaction costs) remained flat compared to the pcp.

Net financing costs were $10.5 million, down 27.9% on the prior year. This primarily reflects the interest income received in 1H25 on surplus cash balances from the proceeds of the equity capital raise at the back end of FY24, offset by interest expense on drawn debt in 2H25 to support working capital requirements.

Financial position

Sigma's balance sheet remains in a strong position with no debt at the end of FY25. All bank debt was paid down prior to the end of the financial year. The Group finished the year with a net cash position of $14.6 million compared with $356.5 million in FY24 with the reduction primarily driven by the investment in working capital to support the commencement of the new CWG supply contract and to support ongoing growth. The elevated cash balance at the beginning of the year reflects the proceeds from the $400 million equity raise completed at the end of FY24.

Operating cash flow of $(315.6) million was $357.6 million below the previous period and reflected:

- Cash receipts from customers increased by $1,605 million as a result of higher sales;
- Payments to suppliers and employees increased by $1,968 million and primarily reflects the material investment in inventory for the new CWG supply contract as well as non-recurring merger transaction related costs;

At 31 January 2025, the Group had a $500 million bank debt funding facility available which remained undrawn. The combination of the Group's net cash position and committed debt facilities provides substantial liquidity capacity for the Group as well as flexibility for seasonal working capital build and growth opportunities.

The Group's higher net working capital position at 31 January 2025 of $579.0 million ($212.6 million in the pcp) reflects the increase in inventory levels to meet customer demand and to ensure stock availability in addition to significantly higher receivables from increased wholesale sales.

Sigma's balance sheet position is underpinned by approximately $1.8 billion in total assets.

On 10 February 2025, Sigma terminated the existing bank debt facilities with a total facility limit of $500 million due to mature in November 2026 and entered into a new secured syndicated facility totalling $1,500 million maturing in February 2028.

The Company is not declaring a final FY25 dividend given the implementation of the merger as well as the transition to a 30 June financial year end. ASIC has granted relief that will allow Sigma to meet its financial reporting obligations based on a notional financial year that runs to 30 June each year, enabling the merged group to report in accordance with Chemist Warehouse's financial year of 30 June. This brings the total dividend for the financial year to 0.5 cent per share (FY24: 1.0 cent).

Operating and Financial Review continued

For the year ended 31 January 2025

Material risks

The Group's activities expose it to a number of economic and business risks. Sigma's risk management policy recognises that risk management is an essential element of good corporate governance and fundamental in achieving its strategic and operational objectives. Sigma accepts that risk is a part of doing business, therefore, this policy is not designed to promote risk avoidance, rather to create a risk conscious culture that encourages the systematic identification, management and control of risks whilst ensuring we do not enter into unnecessary risks or enter into risks unknowingly.

The Group's risk management approach is supported by:

- a robust risk governance framework overseen by the Risk Management and Audit Committee;
- a strong and experienced management team;
- clearly articulated levels of authority and approval processes;
- established risk identification tools including a Group Risk Register that is reported to the RMAC quarterly; and
- adequate external insurance cover.

The following is a summary of the most material and significant risks facing the Group that are currently reported to the RMAC and are under active management. We have included in the table examples of mitigations in place to assist in managing these risks:

Risk	Mitigation
Australian community pharmacy regulatory reform and/or legislative changes The risk of regulatory reforms imposed on the industry in relation to the Pharmaceutical Benefits Scheme (PBS), Community Service Obligation (CSO) and other Government initiatives, regulation and legislation which could impact the structure and/or operating environment, and therefore position, of Sigma's business.	• Monitoring and review of PBS and CSO changes. • Active agenda and timetable of engagement with identified industry and political stakeholders and membership of industry groups. • Ongoing business development to diversify revenue streams away from PBS dependency. • Ongoing investment in systems and processes to ensure compliance with regulatory requirements.
Delivery of key strategic initiatives There is a risk of Sigma not achieving its strategic priorities if we fail to deliver our key strategic projects, including the further integration of our subsidiaries successfully onto our enterprise resource planning system (ERP).	• Structured project governance including the establishment of project boards for all material projects and integration teams for acquisitions. • Resource planning and dedicated teams established to deliver strategic projects, including obtaining external expert support when required. • Detailed project planning with resource support from external experts. • Executive sponsorship and responsibility of all key strategic projects/subsidiaries with Board oversight.
Financial risk The Group is exposed to various financial risks impacting economic viability including customer defaults, loss of inventory from damage or obsolescence, loss of material customers and general retail trading conditions.	• Sigma has governance in place to address all its major financial risks, particularly in relation to working capital. Specific examples include: – Credit policy and credit framework overseen by a credit committee. – Obsolete and slow-moving inventory committee established to review inventory on hand. – Operational and contracted relationships with customers and key customer groups. • Structured process to review funding and debt needs overseen by the CFO.
Liquidity risk Effective liquidity management is imperative to meet the Group's ongoing funding requirements in executing the capital expenditure program, investment in systems, management of working capital and overall strategy.	• Cash forecasting and monitoring of financial ratios, cash conversion metrics and funding covenants. • Regular review of the appropriateness of the Group's debt facilities and funding sources. • Standard trading terms for trade debtors and creditors and governance of the approval of variations to these terms. • Robust working capital management (see financial risk above).

Risk	Mitigation
Operations risk The Group is exposed to several risks that have the potential to materially impact operations or result in business interruption. This includes industrial action, workplace health and safety and the loss or outage of critical infrastructure.	Sigma has various controls in place to address risks to its operations, some specific examples include: • Enterprise agreement strategies and site-specific planning. • Business continuity plans and disaster recovery capability and technology for core systems. • Capital investment in distribution centre network infrastructure. • Robust health and safety management system and dedicated health and safety resources.
IT systems, data, cyber and business continuity There is a risk that the Group may be exposed to an event or events which may result in Sigma's or Sigma client's information being unavailable, lost, stolen, copied or otherwise compromised with adverse consequences for the business, which could result in damage to its brand, impact operations and cause a loss of customer trust.	• Sigma has a robust information security and data governance strategy and framework. This includes tools, training, systems and processes to address data collection, data governance and protection (information security). • IT Security & Compliance Lead and Vulnerability Management Solution in place. • Control and monitoring of all data entering and leaving the Sigma network. • Next-generation firewalls deployed at all Sigma and subsidiary sites. • Increased training and awareness programme, improved controls and policies, supplemented with Internal Audit reviews. • Maintaining a Security Operations Centre (SOC). • Periodic penetration and security gap (ISO 27001) analysis testing performed. • Monthly Executive reporting on cyber incidents with material information security risks and issues escalated to the Risk Management and Audit Committee.

Risk	Mitigation
Social and environmental sustainability risk We are committed to delivering sustainable outcomes for investors, customers, communities and the environment, today and for the future. Sigma recognises the risk on our reputation and operations from not delivering on this commitment.	• Establishment of environment, social and governance (ESG) strategy and reporting with the support of external experts. • Identifying and managing and mitigating environmental risks from our operations, particularly our distribution centre network. • Commitment to the covenant sustainable packaging guidelines. • Active community engagement in various charity organisations and other targeted programs. • Supply chain review, changes to the procurement process and amendment of standard contracts in response to Modern Slavery legislation.
Climate change risk (emerging risk) Climate change presents an evolving risk for Sigma. This includes potential disruption to operations from extreme weather events, but also due to such things as changes to laws and regulations and not meeting stakeholder expectations, resulting in reputational damage.	• Inclusion of climate change as a key matter in the Group's ESG reporting. • Identifying the major business inputs that contribute to our overall environmental footprint and implementing actions to help to reduce this footprint (e.g. waste, packaging, energy efficiency). • Establishment of processes to measure, track and report energy use and greenhouse gas (GHG) emissions. • Climate related risks and potential financial impacts assessed in line with the Group's risk management framework. • Business continuity plans in place to respond to disruption to operations.

Remuneration Report

For the Year Ended 31 January 2025

Abbreviation	Item
AGM	Annual General Meeting
ASX	Australian Securities Exchange
CEO	Chief Executive Officer
EBIT	Earnings Before Interest and Tax
EPS	Earnings per Share
KMP	Key Management Personnel
LTI	Long Term Incentive
NPAT	Net Profit After Tax
ROIC	Return on Invested Capital
STI	Short Term Incentive
TSR	Total Shareholder Return

Introduction

Dear Shareholders

On behalf of the Sigma Board, I present the Remuneration Report (Report) for the year ended 31 January 2025 (financial year).

The financial year has seen consistent performance both in terms of financial outcomes and progress on strategic initiatives. This has included the completion of the transformational merger with Chemist Warehouse, a continued improvement in operational performance, implementation of the new Chemist Warehouse distribution contract that commenced 1 July 2024 and a reduction in warehousing and logistics operating costs despite additional volume.

It is important to acknowledge the significant amount of work undertaken by our teams to deliver the merger with Chemist Warehouse, and the successful onboarding of the new supply contract with Chemist Warehouse. These were milestone achievements for the business.

As part of our commitment to developing our team members' capabilities and delivering a rewarding employment experience, a number of key people initiatives were delivered during the year including:

- the expansion of our inaugural Emerging Leaders Program to deliver team member leadership training and to assist with our succession planning;
- our continued learning and development regime in our Distribution Centres to support our ISO9001:2015 accreditation; and
- the continuation of our Women In Leadership program to support the development of our female leaders and strengthen our talent pipeline. This has contributed to 40% of all vacant leadership roles throughout the year being filled by women.

Changes to Remuneration 2025/2026

The Board continues to be focused on driving business growth and aligning shareholders' interests with executive reward for our leadership team. An additional consideration this year has been to ensure our remuneration structures going forward are appropriate for the merged group. A summary of these changes is set out below:

- For the 2024/2025 LTI, the performance period will be extended from 31 January 2027 to 30 June 2027 to align with the merged group's 30 June financial year end. ASIC has granted relief that will allow Sigma to meet its financial reporting obligations based on a notional year end that runs to 30 June each year, enabling the merged group to report in accordance with Chemist Warehouse's financial year of 30 June. The two performance measures in the 2024/2025 LTI (being EPS and absolute TSR) will remain. As noted in last year's Remuneration Report, the Board may change the targets associated with the performance measures to be more appropriate for the merged group.
- Mr Mark Davis, CFO of CW Group Holdings Limited, was appointed as the CFO of the merged group and will participate in the 2025/2026 STI and LTI plans. Mr Mark Conway stays with the merged group in a new finance role reporting through to Mr Davis.
- Effective upon Mr Ramsunder's appointment as CEO and Managing Director of the merged group upon implementation, Mr Ramsunder's fixed and variable remuneration entitlements were adjusted. This also included a one-off adjustment for the 2025/2026 financial year STI that will be based on a 17-month period (being 1 February to 30 June 2026).
- For the financial year commencing on 1 July 2025, the Board has approved an increase to the deferred equity component of the STI from 25% to 33%. This equity will be delivered via ordinary shares, with 50% to be deferred for 12 months with the remaining 50% deferred for 24 months. The remaining 67% of the STI will be delivered in cash.

Remuneration Outcomes in 2024/2025

Before I provide a summary of the remuneration outcomes for the financial year, I would like to acknowledge the first strike received against the Company's Remuneration Report last year, and related feedback received at the time of the Company's last Annual General Meeting. Representatives of the Board have since engaged in more detailed discussions with these various stakeholders (including proxy advisors) to provide further clarification on the issues raised.

KMP Retention Arrangements

As indicated in last year's Remuneration Report, retention arrangements were viewed as important to secure the services of the CEO and CFO in light of the proposed merger. In determining these arrangements, the Board considered a range of factors including Mr Ramsunder's unique skillset and experience in the specialised field of pharmaceutical wholesaling and retail and his key role in progressing and concluding the merger. For the CEO, these arrangements involved a cash payment in December 2024 of $1 million and one of $500,000 in December 2025. For the CFO, Mark Conway, these payments are $290,000 each with the same payment date as that of the CEO.

STI Outcomes

The Board approved an STI payment of 100% of the maximum STI for the CEO and CFO for the financial year, with the total award to be paid in cash.

Remuneration Report continued

For the Year Ended 31 January 2025

LTI Outcomes

Pursuant to the terms of the loan funded share plan rules, upon a change of control event occurring, the Board was required to make a determination that the loan plan shares vest. Once the loan attached to the shares has been repaid, executives are free to deal with their shares.

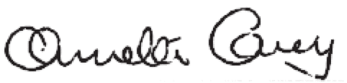
Fixed Remuneration Review

During the financial year, the CEO's fixed remuneration was increased by 3.50% and the CFO's fixed remuneration was increased by 2.50% as part of the Company's annual remuneration review. Having had no fee increase since 2021, the standard Non-Executive Director fees were increased by 7% during the financial year.

In summary, the year ahead is an exciting one and the first for the new merged entity. While a key activity will be bringing together the two businesses, I am confident that the Company in its new form will continue to remain focused on delivering sustainable growth and continuous improvement.

As we conclude the financial year, it is important to acknowledge the ongoing contribution and commitment of our team members who play a vital role in supporting access to medicines for the Australian community.

I wish to also take this opportunity to thank Ms Kate Spargo who was the previous Chair of the Nomination and Remuneration Committee until the completion of the merger on 12 February 2025.



Ms Annette Carey
Chair, Nomination and Remuneration Committee

Remuneration Report

The Directors of Sigma Healthcare Limited (Company) are pleased to present the Remuneration Report (Report) for the Company and its subsidiaries (Group) for the financial year ended 31 January 2025 (financial year). This Report has been prepared and audited in accordance with the requirements of the *Corporations Act 2001*.

For the purpose of this Report, KMP are defined as persons having authority and responsibility for planning, directing and controlling the major activities of the Group, and include all Non-Executive Directors of the Company and Executives as listed in the table below.

Current Non-Executive Directors	
Mr M Sammells	Chairman
Ms K Spargo	Non-Executive Director
Mr N Mitchell	Non-Executive Director
Ms A Carey	Non-Executive Director
Dr C Roberts	Non-Executive Director
Current Executives	
Mr V Ramsunder	CEO/Managing Director
Mr M Conway	Chief Financial Officer

The above Non-Executive Directors and Executives were the KMP for the whole of the financial year, unless otherwise indicated.

Remuneration Report continued

For the Year Ended 31 January 2025

Executive Remuneration Snapshot for the Financial Year 2024/2025

Executive remuneration is based on a total reward structure, comprising fixed remuneration and at-risk remuneration. Consisting of short-term incentive (STI) and long-term incentive (LTI), at-risk remuneration aligns executive remuneration to the achievement of strategic and financial objectives that lead to shareholder value creation. Refer to the section on Executive Remuneration Update for details on the proposed changes to the STI and LTI for 2025/2026.

Fixed Remuneration +

Delivery mechanism

- Cash payment consisting of base salary and statutory superannuation contributions

Considerations

- Scope and complexity of the role
- Experience and performance of the individual executive
- Internal and external benchmarking

Strategic objectives

- Set to attract, retain and motivate the right talent to deliver our strategic objectives
- Typically set at the median of the external market, allowing scope for progressive increases based on proven performance in the role

At-Risk Remuneration Short Term Incentive (STI) +

Delivery mechanism

- 75% cash payment and 25% of any STI reward to be in deferred equity for 12 months for the CEO and CFO
- In the context of the merger, the Board determined that 100% of the STI be awarded in cash for the 2024/2025 plan only

Performance measures

NPAT gateway

- Minimum performance level must be achieved to trigger any STI payments

Financial measures

- 60% STI is aligned to NPAT[1]
- Budgeted hurdle must be achieved for minimum payment and above budget stretch targets must be achieved for full payment

Non-financial measures

- 40% of STI is aligned to the achievement of non-financial goals that drive the strategic objectives of the Company

Strategic objectives

- NPAT gateway ensures a minimum acceptable level of profit before executives receive any STI reward
- Performance conditions designed to support the financial and strategic objectives of the Company and shareholder return
- Non-financial measures aligned to core values and key strategic and growth objectives
- Stretch targets must be achieved to obtain maximum STI available, encouraging a high performing culture

At-Risk Remuneration Long Term Incentive (LTI) =

Delivery mechanism

- Rights plan with a three-year performance period subject to vesting and forfeiture conditions

Performance measures

Absolute TSR

- 50% of LTI is measured against Absolute TSR[2]
- Vesting of the shares aligned to TSR will occur in accordance with a graduated vesting schedule during the performance period

Earnings per Share (EPS)

- 50% of LTI is measured against EPS[3]
- EPS will be progressively tested in years 1, 2 and 3 of the Performance Period against an EPS performance measure with any earned rewards only released at the end of year 3.

Strategic objectives

- Executive interests are aligned with shareholders, as executives are incentivised to deliver share price growth during the performance period to maximise reward
- Designed to encourage executives to focus on the key performance drivers which underpin sustainable growth in shareholder value
- Outcomes are subject to an external audit to maintain integrity of the reward

Total Reward

Strategic objectives

- Attract, retain and motivate suitably qualified and experienced executives
- Encourage a strong focus on high performance and outcomes
- Support the delivery of outstanding results for the Group over the short and long term
- Align executive and shareholder interests through equity ownership

1. NPAT refers to Normalised NPAT. This is defined as the NPAT (attributable to owners of the Company) adjusted by management for material non-recurring, one-off or extraordinary items in a financial year.
2. Total Shareholder Return (TSR) is defined as the total share price appreciation between the grant date and the vesting date plus the gross dividend returns. The opening share price is defined as the 20-day VWAP price leading up to and including the grant date. The closing share price is defined as the 20-day VWAP price leading up to and including the vesting date.
3. EPS refers to Earnings Per Share as defined and calculated in accordance with AASB 133.

Company Performance and Remuneration Outcomes

To evaluate Sigma's performance, benefits to shareholder wealth and remuneration for the Executives, the Board has considered a range of financial indices, including the following, with respect to the current and preceding four financial years.

In the preceding financial years, as reflected in the footnotes to the table, profitability measures (EBIT, NPAT) and the ROIC result were adjusted for transactions and events considered non-operating or non-recurring in nature. From 2023/24 and going forward, the Group will focus its financial reporting on reported results, minimising adjusting events where possible. This must be considered when reviewing the current period results against the comparatives.

		Financial Year				
12 months ended 31 January		**2024/25**	**2023/24**	**2022/23**	**2021/22**	**2020/21**
Share price ($)[1]		**2.869**	0.963	0.607	0.468	0.624
Dividends paid in the financial year (cps)		**1.0**	1.0	1.5	2.0	n/a
Earnings per share (cps)	Basic	**(0.9)**	0.4	0.2	(0.7)	4.4
	Diluted	**(0.9)**	0.4	0.2	(0.7)	4.3
TSR[2]		**78.4%**	64.63%	34.28%	(20.4%)	6.5%
Pre-tax ROIC[3]		**7.9%[9]**	5.6%[8]	11.2%[7]	7.9%[6]	10.1%[4]
EBIT ($m) – Normalised*		**$68.0[9]**	$30.7[8]	$65.0[7]	$47.6[6]	$50.1[5]
NPAT ($m) – Normalised (attributable to owners of the company)		**$41.9[9]**	$12.7[8]	$37.7[7]	$25.3[6]	$29.1[5]
NPAT ($m) – Reported (attributable to owners of the company)		**$(13.8)**	$4.5	$1.8	$(7.2)	$43.5

1. Share price is the volume weighted average price of the Company's shares traded on the ASX for the 20 trading days up to and including 31 January.
2. TSR = (share price appreciation + dividends + value of franking credits)/Sigma share price at the start of financial year.
3. Pre-tax ROIC = EBIT/(Total Shareholder Funds + Net Debt).
4. Adjusted for capital investment on new distribution centres and business acquisitions.
5. Adjusted for expenses from restructuring, integration and due diligence, gain on sale of assets and profit of non-controlling interests.
6. For the 2021/2022 financial year, this figure adjusts for a number of one-off items including SaaS change in accounting policy and restructuring costs.
7. Adjusted for a number of one-off items including losses associated with the cessation of Cura service contract and loss on the disposal of WholeLife, and inventory adjustments.
8. Adjusted for non-operating transaction costs associated with the proposed merger.
9. Adjusted for non-operating transaction costs associated with the proposed merger as well as CW onboarding costs.

* EBIT ($m) – Normalised, metric excludes contribution from non-controlling interest for determining ROIC.

Fixed Remuneration

The CEO/Managing Director was awarded a 3.50% increase, and the Chief Financial Officer was awarded a 2.50% increase to their fixed remuneration as part of the Company's annual remuneration review.

STI Outcomes

For executives to qualify for a payment under the STI plan, a pre-agreed level of Company profit must first be achieved (the gateway). Once the gateway has been achieved, the level of payment an executive receives is determined based on the achievement of their pre-defined financial and non-financial performance measures.

The Board retains discretion to review and where appropriate, amend any aspect of the STI plan including Group and/or individual performance, as the Board sees fit.

In determining the STI outcome, the Board acknowledged that the work performed in relation to the merger with Chemist Warehouse was a significant one-off event under the plan guidelines and approved that those costs not be included for the purpose of assessing performance against NPAT and determining the STI outcomes for this year. Targets for all non-financial measures were exceeded and as a result, the Board approved an STI payment of 100% of maximum STI for the CEO and CFO for the financial year.

The table below shows the STI outcomes for the 2023/24 financial year.

FINANCE	OBJECTIVE	METRIC
Weighting **60%** · % Achieved **100%** · Weighted Outcome **60%**	Improve Profitability (60%)	Budget Net Profit After Tax
The Company achieved adjusted NPAT of $41.9m, exceeding the target financial measure for the year's STI program.	**Achievement**	**$41.9m** (Significantly below / Below / Achieved / Exceeded)

OPERATIONS	OBJECTIVE	METRIC
Weighting **20%** · % Achieved **100%** · Weighted Outcome **20%**	Improve Core Operations (10%)	Delivered in Full
Our Logistics Operations performed exceptionally well, continuing to deliver market-leading operational results. This was particularly pleasing given the onboarding of the Chemist Warehouse Supply Contract which increased volume by almost 60% and exiting of Eastern Creek DC whilst maintaining very high service levels.	**Achievement**	**99.55%** (Significantly below / Below / Achieved / Exceeded)
	Improve Core Operations (10%)	Despatched on Time
	Achievement	**99.00%** (Significantly below / Below / Achieved / Exceeded)

HEALTH AND SAFETY	OBJECTIVE	METRIC
Weighting **10%** · % Achieved **100%** · Weighted Outcome **10%**	Improve Health & Safety Performance (5%)	TRIFR
	Achievement	**12.6**
		Significantly below · Below · Achieved · Exceeded
	Improve Health & Safety Performance (5%)	Positive Performance Indicators (PPIs)
	Achievement	**99.4%**
		Significantly below · Below · Achieved · Exceeded

The stretch TRIFR target was exceeded. This was an important milestone for the business in light of the increase in volume through our Distribution network and the additional number of new team members in our Distribution Centres upon the onboarding of the Chemist Warehouse Supply Contract. Our PPI measure captures proactive actions and events used to prevent injury and accidents.

CUSTOMER	OBJECTIVE	METRIC
Weighting **10%** · % Achieved **100%** · Weighted Outcome **10%**	Improve Customer Satisfaction (10%)	Voice of Customer (NPS)
	Achievement	**43.6**
		Significantly below · Below · Achieved · Exceeded

A number or improvements were made throughout the year to enhance Sigma Connect, our online ordering platform. This ongoing solution development work combined with improved operational performance has resulted in the Company exceeding its target on Voice of Customer.

The NPAT Gateway of 90% of budget must be achieved for Executives to qualify for a payment under the STI plan.

The table below shows the STI payments to each Executive for the 2023/24 financial year, as approved by the Board:

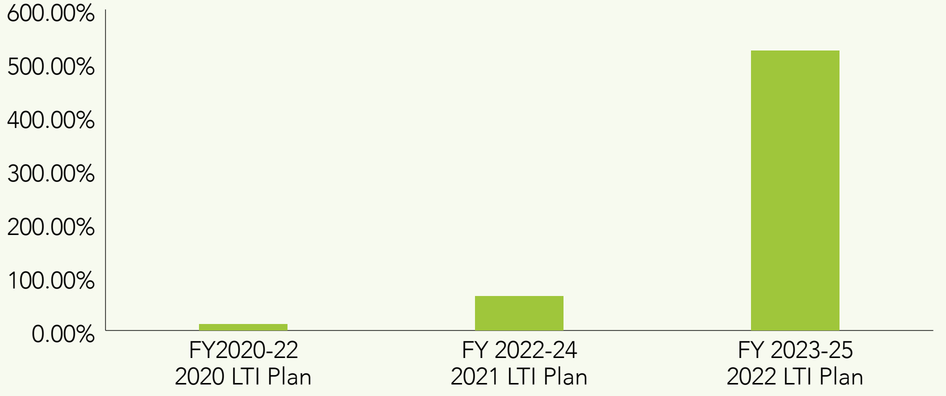
	2024/25							**2023/24**						
KMP	**Maximum STI**	**Target Opportunity $**	**Stretch Opportunity $**	**Total STI Awarded $**	**Cash STI Paid $**	**Performance Rights Issued[1] #**	**Deferral period[2]**	**Maximum STI**	**Target Opportunity $**	**Stretch Opportunity $**	**Total STI Awarded $**	**Cash STI Paid $**	**Performance Rights Issued[2] #**	**Deferral period[3]**
Mr V Ramsunder	100%	534,319	1,068,637	1,068,637	1,068,637	n/a	n/a	100%	516,250	1,032,500	955,063	716,297	242,994	1/2/24 – 31/1/25
Mr M Conway	50%	148,625	297,250	297,250	297,250	n/a	n/a	50%	37,923	75,846	70,158	52,618	17,850	1/2/24 – 31/1/25
TOTAL		682,944	1,365,887	1,365,887	1,365,887	n/a	n/a		554,173	1,108,346	1,025,221	768,915	260,844	

1. 100% of the STI awarded in cash for the 2024/2025 plan only.
2. The number of rights was calculated based on the volume weighted average price of a Share for the 5 trading days immediately preceding the end of the performance period.
3. These deferred rights are not lost if employment ends during the deferral period (other than in bad leaver circumstances).

LTI Outcomes

The LTI plan focuses on driving key performance outcomes that underpin sustainable growth and the creation of shareholder wealth in the longer term. This is achieved by motivating and rewarding executives to drive share price growth via improvements to TSR, ROIC and EPS. The following graph depicts the Company's Absolute TSR movement aligned to the applicable financial years measured over the past three LTI Plans.

Sigma Healthcare Limited Absolute TSR Movement – 1 February 2020 to 31 January 2025



2022 Long Term Incentive Plan

Pursuant to the terms of the 2022 LTI Loan Funded Share Plan Rules, upon a change of control event occurring, the Board is required to make a determination that the loan plan shares vest. In relation to the merger transaction, the Board considered the continued employment of LTI participants, the significant value delivered to Sigma shareholders through the merger and the key roles executives have performed in relation to the merger transaction in making the determination to vest the loan funded shares. Accordingly, in the context of the proposed merger, the Board determined that all Loan Funded Shares vested, with participants being required to satisfy the outstanding loan balance to exercise the shares.

2023/2024 "One-off" Executive Equity Grant

As indicated in last year's Remuneration Report, in the context of the merger the Board has given consideration to the treatment of the 2023/2024 "One-off" Executive Equity Grant Rights Plan (EEG). The Board considered the continued employment of executives both during the period of, and following approval of, the merger, the significant value delivered to Sigma Shareholders through the merger and the key roles executives have performed in relation to the merger. The Board has determined the rights under the 2023/2024 EEG are subject to the following treatment:

(i) a cash payment equal to the value of 25% of the EEG Rights (being the service based component of the grant) be made upon the 'normal' retention date in the EEG (being 31 January 2026) and the corresponding EEG Rights lapsing, (ii) a cash payment equal to the value of 37.5% of the EEG Rights be made upon the merger completing and the corresponding EEG rights lapsing, and (iii) 37.5% of the EEG Rights vest upon the merger completing. The ordinary shares in Sigma allocated on vesting of the rights will be subject to disposal restrictions until, and forfeiture for ceasing employment before, 31 January 2026.

If a participant gives notice of termination of employment prior to a settlement event as detailed above, their entitlements under the EEG (as modified) will be forfeited.

As required pursuant to ASX listing rules, Shareholder approval was obtained to convert 37.5% of the EEG Rights to ordinary shares, and to cancel the remaining EEG Rights and replace these with cash payments to participants.

Remuneration Governance, Strategy and Principles

The Board is responsible for determining Non-Executive Director and senior executive remuneration. The Nomination and Remuneration Committee (Committee) is responsible for providing advice and recommendations to the Board in regard to the remuneration strategy, policies and practices applicable to Non-Executive Directors, the CEO/Managing Director and senior executives.

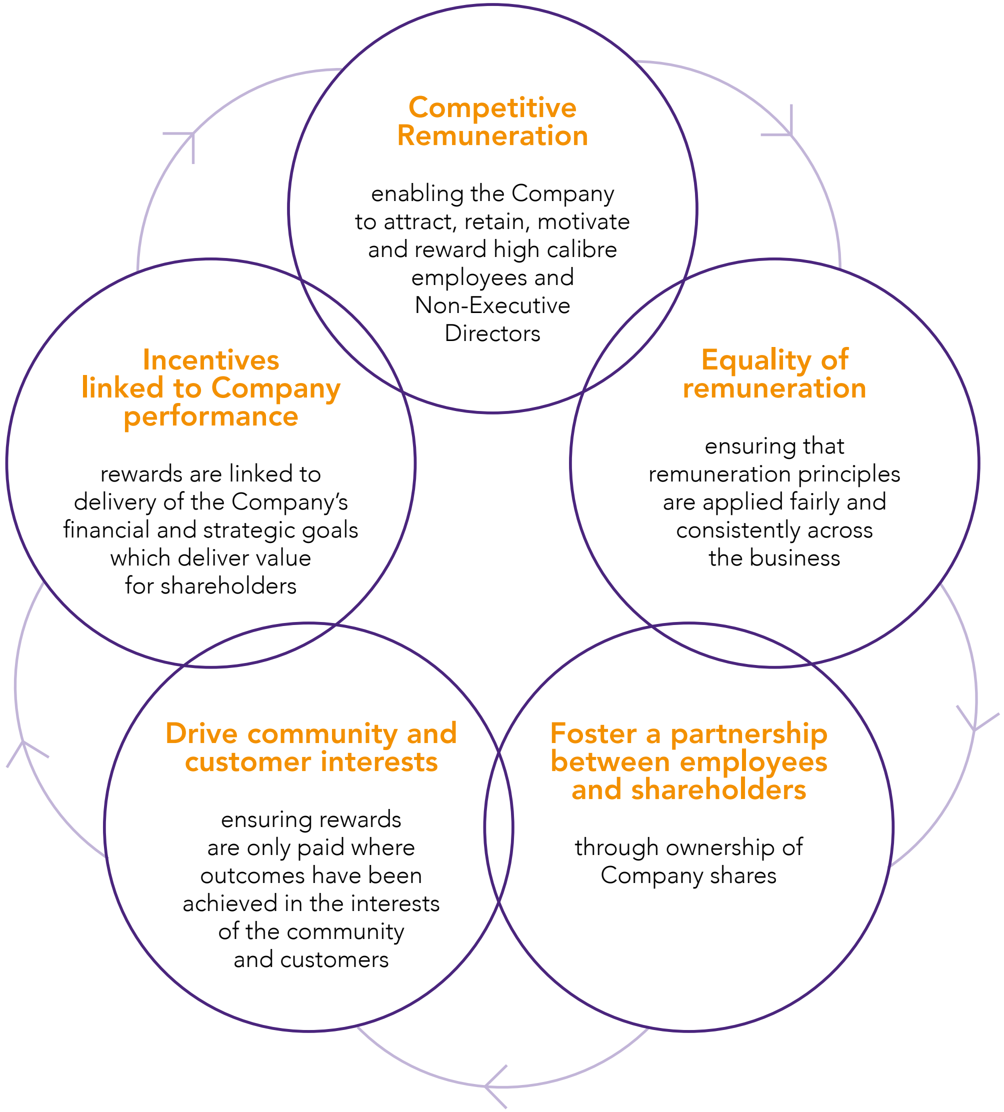
The Committee is governed by its Charter which is published on the Company's website at www.sigmahealthcare.com.au. The Committee is comprised of a minimum of three Non-Executive Directors. As at 31 January 2025 the Committee members were:

Name	Role
Ms K Spargo	Chair
Ms A Carey	Member
Mr M Sammells	Member

Upon implementation of the merger, Ms K Spargo retired from the Sigma Board and Ms A Carey was appointed as Chair of the Committee.

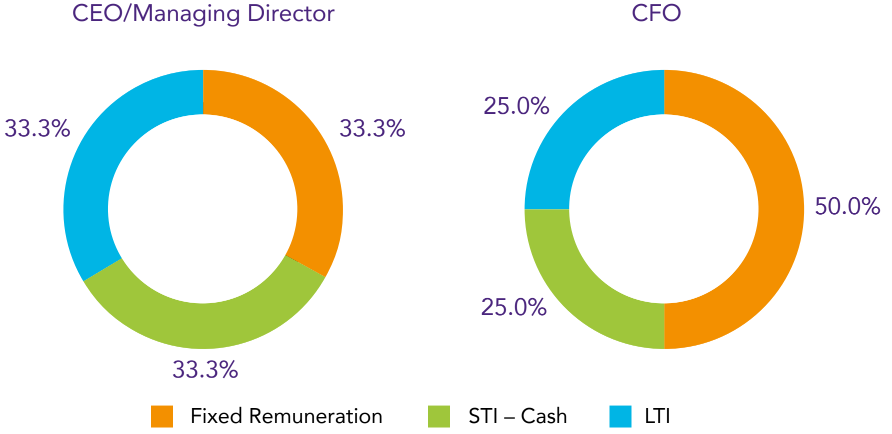
In accordance with section 206K of the *Corporations Act 2001*, the Committee has a process for engaging remuneration consultants. The Committee, on behalf of the Board, commissions and receives information, advice and recommendations directly from remuneration consultants, ensuring remuneration recommendations are free of undue influence by management. During the financial year, the Board received remuneration market data and advice on various matters relating to long term incentive plan design and issues from SW Corporate. No remuneration recommendations (as defined in the *Corporations Act 2001*) were made during the year.

The Company's remuneration strategy is designed to support the delivery of the business strategy and vision. Moving to the next phase of our business transformation, our remuneration strategy continues to evolve to attract, retain, motivate and reward employees by providing fair and reasonable rewards for achieving high performance. The remuneration strategy also aims to create sustained value for shareholders and acts in the interests of the community and the customers we serve. The remuneration strategy is underpinned by five principles:



Executive Remuneration Framework

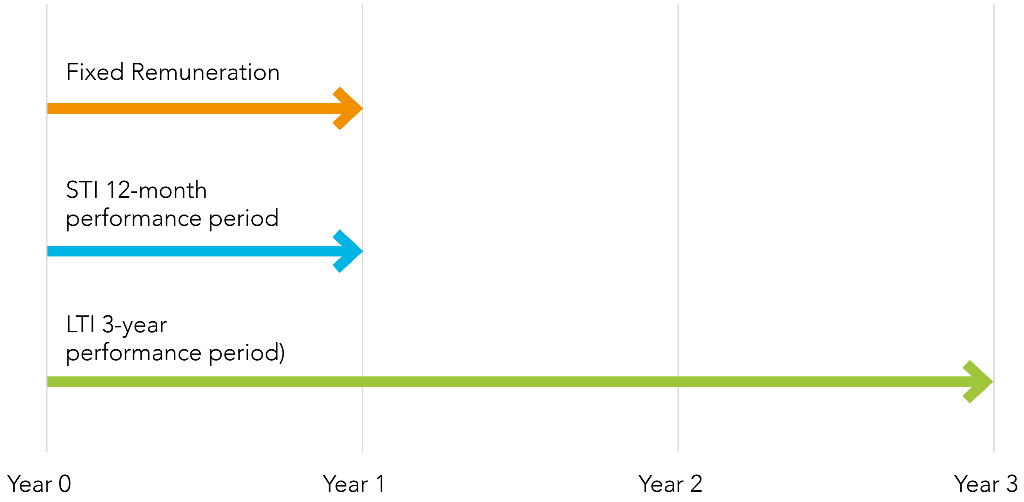
An appropriate reward mix structure is determined for the CEO/Managing Director and CFO, with the portion of at-risk remuneration reflecting the level of responsibility, influence and criticality of the role. The maximum potential reward mix is as follows for FY2024/2025:



The graphic above displays our remuneration framework. It excludes the retention arrangements for the CEO/Managing Director and CFO associated with the proposed merger referenced on page 13.

Changes to remuneration for the CEO/Managing Director and the CFO for FY2025/2026 are set out on page 28 under Executive Remuneration Updates.

The graph below depicts the executive remuneration delivery timeline for the financial year 2024/2025:



Fixed Remuneration

The fixed remuneration component of an executive's total reward consists of base salary and statutory superannuation contributions. Fixed remuneration is reviewed annually, however there are no guaranteed increases in any contracts of employment. Referenced to market median with scope for incremental increases for exceptional performance, fixed remuneration reflects the complexity of the individual's role, and their experience, knowledge and performance.

Short Term Incentive for the Financial Year 2024/2025

The STI component of an Executive's total reward is an annual at-risk incentive reward. The STI links a portion of Executive reward opportunity to specific financial and non-financial measures. The STI award granted during the financial year is detailed below.

Component	Commentary
Maximum STI Reward Value	100% of fixed remuneration for the CEO/Managing Director. 50% of fixed remuneration for the CFO.
Gateway Requirement	A NPAT gateway must be achieved to trigger any STI payment opportunity. The NPAT gateway is determined by the Board prior to the commencement of the financial year, taking into account the NPAT result for the concluding financial year and the budgeted NPAT target for the new financial year. The gateway excludes any significant uncontrollable or one-off events, initial impacts from business development initiatives, and any material costs associated with the merger as approved by the Board. NPAT was selected as an appropriate gateway as it is the best overall measure of Company performance, is reflective of the generation of shareholder value, and is a measure readily recognised by and reported to shareholders.

Component	Commentary
Performance Measures Financial	60% of maximum STI reward relate to NPAT. Budgeted NPAT has been set based with the appropriate balance that sets challenging targets that are deliverable. Budget must be met for the first level of STI payments and stretch targets are required to be achieved to trigger full payment under the STI Plan. Rationale for adopting NPAT as a performance measure NPAT was selected as an appropriate performance measure as it assesses overall Company performance and the generation of shareholder value. Group financial calculations under the STI plan exclude significant uncontrollable or one-off events, the initial impacts from business development initiatives, and any material costs associated with the merger as approved by the Board.
Performance Measures Non-financial	40% of maximum STI reward relate to non-financial measures, specifically: **Customer**: Voice of Customer **Operations**: Delivery Indicators **Health and Safety**: Health and Safety metrics Each non-financial measure is selected based on its alignment with key strategic priorities that lead to improved and sustainable shareholder value.

Component	Commentary
Governance	All performance measures under the STI are clearly defined and measurable. The Board, on recommendation from the Committee, approves the targets and assesses the performance outcome under the STI plan. The Board, on recommendation from the Committee, approves STI payments for the CEO/Managing Director and the CFO. Under the STI plan, the Board has discretion to adjust STI outcomes based on the achievements which are consistent with the Group's strategic priorities and in the opinion of the Board, enhance shareholder value.
Reward Mechanism	STI reward is to be delivered in a combination of cash and deferred equity for the CEO/Managing Director and the CFO as determined by the Board. In the context of the merger, the Board approved payment of the 25% deferred equity component to be delivered in cash for the 2024/2025 financial year. For the 2025/2026 financial year, the STI reward will revert to being delivered in a combination of cash at 67% and deferred ordinary shares of 33% with 50% of these shares being deferred for 12 months and the remaining 50% deferred for 24 months.
Financial Year Outcome	In determining the STI outcome, the Board acknowledged that the work performed in relation to the merger with Chemist Warehouse was a significant one-off event under the plan guidelines and approved that those costs not be included for the purpose of assessing performance against NPAT and determining the STI outcomes for this year. Refer to page 8 for further details.

Long Term Incentive for the Financial Year 2024/2025

The LTI component of an executive's total reward is an at-risk equity incentive designed to focus executives on key performance drivers that underpin sustainable growth in shareholder value. The LTI facilitates share ownership by executives and links a significant proportion of their at-risk remuneration to the Company's ongoing share price and returns to shareholders over the performance period.

In approving the terms and conditions of each LTI grant, the Board reviews a range of factors including business circumstances on an annual basis. The 2024/2025 LTI plan was delivered through a Rights Plan.

Component	Commentary
Maximum LTI Reward Value	The maximum LTI reward value for the CEO/Managing Director is 100% of fixed remuneration and 50% of fixed remuneration for the CFO.
Performance Period	Three financial years commencing on 1 February in the year of the grant with an extension of the performance period from 31 January 2027 to 30 June 2027 to align with the merged group's 30 June financial year end. ASIC has granted relief that will allow Sigma to meet its financial reporting obligations based on a notional financial year that runs to 30 June each year, enabling the merged group to report in accordance with Chemist Warehouse's financial year of 30 June. The performance period reflects the business cycle of the Company. As a wholesaler, strategic, operational and financial initiatives translate to a short to medium term impact on the financial performance of the Company. The performance period also reflects the competitive market practice in attracting, retaining and rewarding high-calibre executives.
Delivery Mechanism	Executives are provided with the opportunity to acquire Rights subject to the vesting conditions being met. The vesting period is 3 years and 5 months from the grant date, and Rights must be exercised before the expiry of the term, which is 5 years and 5 months from the grant date. The maximum number of Rights is determined by dividing the agreed maximum incentive opportunity by the 10-day volume weighted average price (VWAP) commencing on the start of the performance period.

Component	Commentary
Vesting Conditions	Up to 50% of shares will vest in accordance with the absolute TSR vesting schedule set out below: (i) 12.5% of the performance rights will vest if a minimum absolute TSR of 8% CAGR Compound Annual Growth Rate (CAGR) is achieved during the performance period; (ii) this will increase in a straight line to 25% of the performance rights vesting if an absolute TSR of 10% CAGR is achieved during the performance period; and (iii) this will increase in a straight line to a maximum vesting of this component at 12% CAGR. Absolute TSR = (Sigma share price appreciation + dividends + value of franking credits)/Sigma share price at the start of the performance period. Up to 50% of shares will vest in accordance with an Earnings per Share (EPS) measure as set out below: (i) EPS will be progressively tested in years 1, 2 and 3 of the performance period against an EPS performance measure with any earned rewards only released at the end of Year 3; (ii) The EPS performance measure will be set at the beginning of each year based on the outlook following the preceding year; and (iii) The vesting range is to be agreed and advised by the Board. The EPS target for the 2024/25 financial year was 1.3 cents. The merged group Board may review targets associated with the performance measures to ensure these are appropriate for the merged entity. As noted in last year's Remuneration Report, the 2024/2025 LTI does not include a service element.

Component	Commentary
Vesting Conditions continued	**Rationale for adopting Absolute TSR and EPS as vesting conditions** The use of absolute TSR is not limited by the challenges associated with selecting a fair and appropriate comparator group given the size of the industry in which the Company operates. In addition, the use of absolute TSR also avoids scenarios of windfall gains or losses to the Executives that can occur under certain circumstances within a comparator group. The Company is confident in its ability to set an absolute TSR vesting schedule at a level that benefits both the executives and shareholders. Absolute TSR was selected as an appropriate vesting condition as it measures the level of return to shareholders, taking into account share price growth and dividend payments including the value of any franking credits. EPS was selected as a suitable vesting condition as it is a universal standard measure on Company performance.
Re-testing	No re-testing applies – shares that do not vest after testing lapse.
Disposal Restrictions	Dealing, transferring or disposing of shares is prohibited until the end of the vesting period.
Forfeiture Conditions	In the event of resignation, unvested shares are typically forfeited (subject to Board discretion) and vested shares are retained. In the event of summary dismissal, unvested shares are forfeited. In the event of death or redundancy, the Board has discretion to determine an appropriate outcome.

Component	Commentary
Governance	All performance measures under the LTI are clearly defined and measurable. The Board, on recommendation from the Committee, approves the targets and assesses the performance outcome of each LTI plan. The Board, on recommendation from the Committee, approves LTI vesting for each plan. Confirmation of vesting only occurs once the audited year-end accounts have been approved by the Board.
Financial Year Outcomes	The 2022 LTI Loan Plan Rules required the Board to make a determination that the shares vest upon a Change of Control occurring. Accordingly, in the context of the merger, the Board determined that all Loan Funded Shares vested, with participants being required to satisfy the outstanding loan balance to exercise the shares.

Table 3a on page 31 sets out the movements of loan funded shares during the financial year.

KMP Retention Arrangements

As indicated in last year's Remuneration Report, retention arrangements were considered important to secure the services of the CEO and CFO in light of the proposed merger. For the CEO, these arrangements involved a cash payment in December 2024 of $1 million and one of $500,000 in December 2025. For the CFO, these payments are $290,000 each with the same payment date as that of the CEO.

Other Remuneration Disclosures

Equity Restrictions

Unvested equity under the LTI plan are personal to the executive and cannot be sold, transferred, mortgaged, charged, hedged, made subject to any margin lending arrangement or otherwise disposed of, dealt with or encumbered in any way. Breach of this provision will result in the immediate forfeiture of any unvested equity.

Dealing in Sigma shares by directors, officers and employees is subject to the Company's Share Trading Policy, which is published on the Company's website at www.sigmahealthcare.com.au.

Clawback Arrangements

The Board has discretion to adjust or cancel unvested LTI, unexercised LTI, vested LTI that is subject to an outstanding loan balance, or clawback acquired shares on exercise of Rights, should the Board determine the specific circumstance warrants such action.

Change of Control Event

Generally, if the Company becomes, or in the opinion of the Board is likely to become, subject to a Change of Control, the Board may at its absolute discretion make a determination that some or all of a participant's equity vests. As noted in the Table above, the performance period for the 2024/2025 LTI will be extended to align with the merged group's 30 June financial year end, and vesting will remain subject to the vesting conditions.

Minimum Shareholding Policy

A minimum shareholding policy has been implemented to align the interest of the directors and senior executives with the long-term interest of the Company's shareholders. The Board has reviewed the policy in anticipation of the merger and adjusted the minimum shareholding under the policy. The CEO/Managing Director is required to accumulate and maintain a minimum shareholding of 150% of annual fixed pay, and 100% of annual fixed pay for the CFO within a five-year period. The policy can be viewed on the Company's website at www.sigmahealthcare.com.au.

Loans to Executives

There were no loans to the executives during the financial year, except as allowed under the LTI plan. Loans are not provided to Non-Executive Directors.

Transactions with Directors

Transactions entered into by the Company and the Group with directors and their director-related entities are within normal employee, customer or supplier relationships on terms and conditions no more favourable than those available in similar arm's length dealings.

Service Agreements

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment which summarises the policies and terms, including remuneration, relevant to the office of Non-Executive Director.

The employment conditions and remuneration of the executives are formalised in individual contracts of employment. No fixed terms are specified within these employment contracts and the following termination provisions apply:

Executives	Notice Period by Company	Notice Period by Employee
Mr V Ramsunder	12 months	12 months
Mr M Conway	6 months	6 months

The Company may terminate an employment contract without cause by providing written notice or making a payment in lieu of the notice period based on the individual's fixed annual remuneration. Each employment contract provides for termination of employment without notice in circumstances sufficient to warrant summary termination.

Non-Executive Director Remuneration

Remuneration for the Company's Non-Executive Directors reflects the complexity of the Company's operations as well as the responsibilities, accountabilities and time commitments of the Non-Executive Directors. It consists of base fees, committee fees and superannuation within the current maximum aggregate fee limit of $2.5 million, as approved by shareholders at the Company's 2025 Extraordinary General Meeting.

The remuneration of Non-Executive Directors is not incentive based and Non-Executive Directors do not participate in employee share plans or receive performance shares, rights or options over the Company's shares.

To ensure the interests of Non-Executive Directors are aligned with those of shareholders and in accordance with the rules of the Non-Executive Directors Share Plan (Plan), for the year ended 31 January 2025 25% of each Non-Executive Director's post-tax fees were used to purchase Sigma shares on market every three months. Shares purchased under the Plan cannot be transferred or sold until the Non-Executive Director ceases being a director of the Company, or the first day of the financial year following the third anniversary of the purchase date, or a change of control of the Company, whichever occurs first.

During particular periods of discussion with Chemist Warehouse in relation to the merger and near completion, it was appropriate that the Plan was suspended for the September and December 2024 quarters. The 25% of fees that would ordinarily be directed toward a share purchase was paid in cash to directors.

As noted above, following the merger the updated Minimum Shareholding Policy will apply to Executive and Non-Executive Directors and the Non-Executive Directors Share Plan will be discontinued. The updated Minimum Shareholding Policy requires that Executive and Non-Executive directors accumulate and maintain for the duration of their position, a minimum shareholding equivalent to 100% of their Fixed Pay. The minimum shareholding is to be achieved by the 5th anniversary of the date they are appointed.

Non-Executive Director share holdings and movements under the Plan for the financial year are set out in Table 4a on page 33.

Having had no fee increase since 1 November 2021, the fees for directors were increased by 7% effective from 1 May 2024. Total fees and superannuation actually paid to the Non-Executive Directors for the financial year was $1,042,798, as set out in Table 1 on page 29.

As indicated in last year's Remuneration Report, in recognition of the significant additional workload associated with the proposed transformational merger with Chemist Warehouse, the Board approved an additional one-off fee of $150,000 for the Board Chair and $25,000 for the Chair of the Risk and Audit Committee for the period up to 11 December 2023. This was paid in the 2024/2025 financial year.

The table below shows the structure and level of Non-Executive Director fees for the financial year as approved by the Board.

Role	Annual Fee Structure* Since 1 May 2024
Chair of the Board	$310,300
Non-Executive Director	$128,400
Risk Management and Audit Committee – Chair	$42,800
Nomination and Remuneration Committee – Chair	$42,800
Risk Management and Audit Committee – Member	$16,050
Nomination and Remuneration Committee – Member	$16,050

* Includes the 25% of Non-Executive Director fees used for share acquisition and excludes Superannuation Guarantee contributions.

Fees for Non-Executive Directors are designed to be set at levels that fairly reflect the complexity of operations as well as the responsibilities, accountabilities and time commitments of the Directors and Committee members. Market capitalisation is also a determinant of fees. The Board and Committee structure on implementation of the merger is set out below.

Role	Annual Fee Structure*
Chair of the Board	$550,000
Non-Executive Director	$200,000
Independent Board Committee – Chair	$50,000
Audit Committee – Chair	$50,000
Nomination and Remuneration Committee – Chair	$50,000
Risk, Compliance and Sustainability – Chair	$50,000
Independent Board Committee – Member	$25,000
Audit Committee – Member	$25,000
Nomination and Remuneration Committee – Member	$25,000
Risk, Compliance and Sustainability – Member	$25,000

Executive Remuneration Updates

Moving into the new financial year to support the merger between Sigma Healthcare Limited and CW Group Holdings Limited, the Board approved changes to the fixed and variable pay structure for the CEO/Managing Director and CFO of the merged group.

Upon implementation of the merger, Mr Mark Davis, CFO of CW Group Holdings Limited, was appointed as the CFO of the merged group. A summary of the changes to the terms and conditions for FY2025/2026 for both Mr Ramsunder and Mr Davis, are set out below:

Fixed Remuneration	Following a review of benchmarking data for comparative companies within the ASX 20-100, the Board approved an increase to Mr Ramsunder's Fixed Remuneration to $1,600,000.00 which was effective from implementation of the merger. This positions Mr Ramsunder at the median of the market data for the comparison group and appropriately reflects the remit and deliverables of the CEO role in the merged entity, and Mr Ramsunder's experience in a similarly sized organisation. Effective from implementation of the merger, the Fixed Remuneration for Mr Davis is $1,200,000.00. This positions Mr Davis above the 75th percentile of the market data for the comparison group.
Short Term Incentive (STI)	Following a review of our remuneration arrangements in the context of the ASX 20-100 comparator group and in order to maintain a competitive remuneration framework, for the 2025/2026 financial year commencing on 1 July 2025, the Board has approved an increase to the deferred equity component from 25% to 33% (with 50% of these ordinary shares deferred for 12 months and the remaining 50% deferred for 24 months) with 67% of the STI being delivered in cash. This deferred equity will not be forfeited if employment was to end during the deferral period (other than in bad leaver circumstances). The Board has approved an increase to Mr Ramsunder's maximum total STI opportunity from 100% to 150%. Mr Ramsunder will be entitled to earn a maximum 'at target' benefit of 100% of his fixed annual remuneration and up to 50% of fixed annual remuneration 'at stretch'. Due to the financial year end change associated with the merger, Mr Ramsunder's maximum STI opportunity for the 2025/2026 financial year only will be 141.67% 'at target' and 70.83% 'at stretch' (for a total maximum STI benefit of 212.50%) based on a 17-month period (being 1 February 2025 to 30 June 2026). Mr Davis' maximum total STI opportunity approved by the Board at 120% (being a maximum 'at target' benefit of 80% of his fixed annual remuneration and up to 40% of his fixed annual remuneration 'at stretch'). The increase to maximum STI opportunity is effective upon implementation of the merger. The STI performance measures for FY2025/26 are yet to be determined, and is anticipated to be a combination of financial and non-financial measures.
Long Term Incentive (LTI)	Upon implementation of the merger, the 3-year LTI Plan for the 2025/2026 financial year will commence on 1 July 2025. The Board has approved an increase to Mr Ramsunder's maximum LTI opportunity from 100% to 150%, with Mr Davis' maximum LTI opportunity approved by the Board at 120%.

TABLE 1: Statutory remuneration disclosure for key management personnel of the Company and Group: financial year 2024/25

	Short Term Benefits				Post-employment Benefits				Value in Share-Based Plans			
	Salary and Base Fees[1] $	Committee Fees $	Short-term Incentive[2] $	One-off Awards $	Superannuation Benefits $	Other Long Term Benefits[3] $	Termination Payments $	Total Remuneration excluding Value in Share-Based Plans $	Rights[4] $	Loan Funded Shares[4] $	Total Remuneration including Value in Share-Based Plans $	Share Based Payments as Proportion of Remuneration[5] %
NON-EXECUTIVE DIRECTORS												
Ms A Carey	126,300	15,788	n/a	n/a	16,051	n/a	–	158,139	n/a	n/a	158,139	–
Mr N Mitchell	126,300	42,100	n/a	n/a	19,023	n/a	–	187,423	n/a	n/a	187,423	–
Dr C Roberts	126,300	15,788	n/a	n/a	16,051	n/a	–	158,139	n/a	n/a	158,139	–
Mr M Sammells	305,225	–	n/a	n/a	28,877	n/a	–	334,102	n/a	n/a	334,102	–
Ms K Spargo	126,300	57,888	n/a	n/a	20,807	n/a	–	204,995	n/a	n/a	204,995	–
Subtotal for Non-Executive Directors	810,425	131,564	n/a	n/a	100,809	n/a	–	1,042,798	n/a	n/a	1,042,798	–
EXECUTIVES												
Mr V Ramsunder	1,028,260	–	1,068,637	1,110,959[6]	28,877	5,281	–	3,242,014	703,923[7]	417,361	4,363,298	50
Mr M Conway	571,867	–	297,250	394,887[6]	28,877	1,517	–	1,294,398	62,788	–	1,357,186	5
Subtotal for Executives	1,600,127	–	1,365,887	1,505,846	57,754	6,798	–	4,536,412	766,711	417,361	5,720,484	43
TOTAL	2,410,552	131,564	1,365,887	1,505,846	158,563	6,798	–	5,579,210	766,711	417,361	6,763,282	38

1. For Non-Executive Directors, includes base fees paid in cash and shares as per the Non-Executive Directors Share Plan detailed on page 27. For the Executives, includes base salary and amounts in respect to annual leave expense movement.
2. Represents the reward under the 2024/25 STI plan. For the 2024/25 plan only, 100% of the STI was awarded in cash.
3. Includes amounts in respect to long service leave expense movement.
4. The value of the rights and loan funded shares determined using the Black-Scholes option pricing model is expensed over the vesting period, therefore the amount disclosed above for the current year includes loan funded shares allocated in prior years.
5. Includes amounts expensed in relation to rights and loan funded shares. Excludes share purchases under the Non-Executive Directors Share Plan.
6. Represents retention arrangements associated with the merger.
7. Year-on-year decrease is attributable to the modification of the 2023 EEG and 2024 LTI as outlined in the Remuneration Report.

TABLE 2: Statutory remuneration disclosure for key management personnel of the Company and Group: financial year 2023/24

	Short Term Benefits				Post-employment Benefits			Total Remuneration excluding Value in Share-Based Plans	Value in Share-Based Plans		Total Remuneration including Value in Share-Based Plans	Share Based Payments as Proportion of Remuneration[7]
	Salary and Base Fees[1] $	Committee Fees $	Short-term Incentive[2] $	One-off Awards[10] $	Superannuation Benefits $	Other Long Term Benefits[3] $	Termination Payments $	$	Rights[5] $	Loan Funded Shares5 $	$	%
NON-EXECUTIVE DIRECTORS												
Ms C Bartlett	102,308	34,103	n/a	n/a	14,672	n/a	–	151,083	n/a	n/a	151,083	–
Ms A Carey	100,000	12,500	n/a	n/a	12,206	n/a	–	124,706	n/a	n/a	124,706	–
Mr D Manuel	36,000	9,000	n/a	n/a	4,725	n/a	–	49,725	n/a	n/a	49,725	–
Mr N Mitchell	119,538	35,776	n/a	25,000[10]	19,224	n/a	–	199,538	n/a	n/a	199,538	–
Dr C Roberts	38,154	4,773	n/a	n/a	4,725	n/a	–	47,680	n/a	n/a	47,680	–
Mr M Sammells	290,000	(5,436)[4]	n/a	150,000[10]	26,521	n/a	–	461,085	n/a	n/a	461,085	–
Ms K Spargo	120,000	37,853	n/a	n/a	17,030	n/a	–	174,883	n/a	n/a	174,883	–
Subtotal for Non-Executive Directors	**806,000**	**128,569**	**n/a**	**175,000**	**99,103**	**n/a**	**–**	**1,208,700**	**n/a**	**n/a**	**1,208,700**	**–**
EXECUTIVES												
Mr V Ramsunder	943,121	–	716,297	174,658[11]	26,521	2,267	–	1,862,864	1,169,972	351,196	3,384,032	45
Mr M Conway[8]	148,059	–	52,618	260,781[9]	6,850	104	–	468,412	17,850	–	486,262	4
Mr N Simonsz[6]	345,660	–	–	–	15,105	(186)	–	360,579	–	–	360,579	0
Subtotal for Executives	**1,436,840**	**–**	**768,915**	**435,439**	**48,476**	**2,185**	**–**	**2,691,855**	**1,187,822**	**351,196**	**4,230,873**	**36**
TOTAL	**2,242,840**	**128,569**	**768,915**	**610,439**	**147,579**	**2,185**	**–**	**3,900,555**	**1,187,822**	**351,196**	**5,439,573**	**28**

1. For Non-Executive Directors, includes base fees paid in cash and shares as per the Non-Executive Directors Share Plan detailed on page 27. For the Executives, includes base salary and amounts in respect to annual leave expense movement.
2. Represents the reward under the 2023/24 STI plan. Of the STI payment made to Mr Ramsunder, $716,297 was paid in cash, with the remaining payment made by way of rights. Of the STI payment made to Mr Conway, $52,618 was paid in cash, with the remaining payment made by way of rights.
3. Includes amounts in respect to long service leave expense movement.
4. Represents an adjustment to Committee Fees paid to Mr Sammells in FY2022/2023 while being acting Chairman.
5. The value of the rights and loan funded shares determined using the Black-Scholes option pricing model is expensed over the vesting period, therefore the amount disclosed above for the current year includes loan funded shares allocated in prior years.
6. Chief Financial Officer until 31 August 2023.
7. Includes amounts expensed in relation to rights and loan funded shares. Excludes share purchases under the Non-Executive Directors Share Plan.
8. Appointed as Chief Financial Officer from 30 October 2023.
9. Represents a sign on payment for Mr Conway upon commencement.
10. Represents a one-off fee approved for the Board Chair and Chair of the Risk Management and Audit Committee in recognition of the significant work associated with the proposed merger.
11. Represents value of retention arrangements associated with the proposed merger.

TABLE 3a: LTI loan funded shares: details of movement during the financial year 2024/25

						Number of Loan Funded Shares						Loan Value and Balance[3]			
Executive	**Grant Date**	**Share Price at Grant $**	**Fair Value Per Share Grant Date[1] $**	**Exercise Price $**	**Exercise Date[2]**	**Balance at 01/02/24**	**Granted During the Year**	**Vested During the Year**	**Forfeited During the Year**	**Exercised During the Year**	**Balance at 31/01/25**	**Loan Value at Grant Date $**	**Loan Balance at 01/02/24 $**	**Loan Repayments During the Year[4] $**	**Loan Balance at 31/01/25 $**
Mr V Ramsunder	01/02/2022	0.4650	0.1100	0.4650	01/02/2025	10,179,605	–	10,179,605	–	–	10,179,605	4,733,516	4,617,905	59,732	4,558,173
Mr M Conway[5]	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

1. For accounting purposes, the fair value of the loan funded shares was calculated using the Black-Scholes option pricing model with Monte Carlo simulations.
2. Loan funded shares will only vest after satisfying the specific vesting conditions and will expire at the end of the five-year loan period subject to forfeiture conditions.
3. Loan value and balance are rounded to the nearest whole number.
4. Represents loan repayment through forfeited shares and/or dividend payment.
5. Mr M Conway was not eligible to participate in the 2022 LTI plan.

TABLE 3b: LTI loan funded shares: details of movement during the financial year 2023/24

						Number of Loan Funded Shares						Loan Value and Balance[3]			
Executive	**Grant Date**	**Share Price at Grant $**	**Fair Value Per Share Grant Date[1] $**	**Exercise Price $**	**Exercise Date[2]**	**Balance at 01/02/23**	**Granted During the Year**	**Vested During the Year**	**Forfeited During the Year**	**Exercised During the Year**	**Balance at 31/01/23**	**Loan Value at Grant Date $**	**Loan Balance at 01/02/23[7] $**	**Loan Repayments During the Year[4] $**	**Loan Balance at 31/01/24 $**
Mr V Ramsunder	01/02/2022	0.4650	0.1100	0.4650	01/02/2025	10,179,605	–	–	–	–	10,179,605	4,733,516	4,694,979	77,074	4,617,905
Mr M Conway[5]	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Mr N Simonsz[6]	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

1. For accounting purposes, the fair value of the loan funded shares was calculated using the Black-Scholes option pricing model with Monte Carlo simulations.
2. Loan funded shares will only vest after satisfying the specific vesting conditions and will expire at the end of the five-year loan period subject to forfeiture conditions.
3. Loan value and balance are rounded to the nearest whole number.
4. Represents loan repayment through forfeited shares and/or dividend payment.
5. Mr M Conway was not eligible to participate in the 2022 LTI plan.
6. Mr N Simonsz was not eligible to participate in the 2022 LTI plan.
7. Includes $12,361 dividend payment made to Mr Ramsunder in cash in FY2022/2023 and not removed from loan balance.

TABLE 3c: Rights: details of movement during the financial year 2024/25

Executive	Grant Date	Fair Value Per Right at Grant[1] $	Exercise Price $	Exercise Date[2]	Number of Rights: Balance at 01/02/24	Granted During the Year	Vested During the Year	Vested %	Forfeited During the Year	Exercised During the Year	Balance at 31/01/25	Vesting Date	Expiry Date
Mr V Ramsunder	01/02/2022	0.4200	–	01/02/2024	1,482,422	–	–	100%	–	–	1,482,422	31/01/2024	31/01/2026
	01/02/2023	0.4150	–	01/02/2026	3,112,283	–	–	–	–	–	3,112,283	31/01/2026	31/01/2028
	01/02/2023	0.6200	–	01/02/2024	240,462	–	240,462	100%	–	–	240,462	31/01/2024	31/01/2027
	01/02/2024	0.6700	–	01/02/2027	–	1,010,723	–	–	–	–	1,010,723	31/01/2027	31/1/2029
	01/02/2024	0.6200	–	01/02/2025	–	242,994	–	–	–	–	242,994	31/01/2025	31/1/2028
Mr M Conway	01/02/2024	0.6700	–	01/02/2027	–	281,141	–	–	–	–	281,141	31/01/2027	31/01/2029
	01/02/2024	0.6200	–	01/02/2025	–	17,850	–	–	–	–	17,850	31/01/2025	31/01/2028

1. For accounting purposes, the fair value of the rights was calculated using the Black-Scholes option pricing model with Monte Carlo simulations.
2. Rights will only vest after satisfying the specific vesting conditions and are subject to forfeiture conditions.

TABLE 3d: Rights: details of movement during the financial year 2023/24

Executive	Grant Date	Fair Value Per Right at Grant[1] $	Exercise Price $	Exercise Date[2]	Balance at 01/02/23	Number of Rights: Granted During the Year	Vested During the Year	Vested %	Forfeited During the Year	Exercised During the Year	Balance at 31/01/24	Vesting Date	Expiry Date
Mr V Ramsunder	01/02/2022	0.4400	–	01/02/2023	1,482,423	–	–	100%	–	(1,482,423)	–	31/01/2023	31/01/2026
	01/02/2022	0.4200	–	01/02/2024	1,482,422	–	1,482,422	100%	–	–	1,482,422	31/01/2024	31/01/2026
	01/02/2023	0.4150	–	01/02/2026	–	3,112,283	–	–	–	–	3,112,283	31/01/2026	31/01/2028
	01/02/2023	0.6200	–	01/02/2024	–	240,462	–	100%	–	–	240,462	31/01/2024	31/01/2027
Mr N Simonsz[3]	01/02/2023	0.4150	–	01/02/2026	–	1,940,467	–	–	(1,940,467)	–	–	31/01/2026	31/01/2028
	01/02/2023	0.6200	–	01/02/2024	–	39,138	–	–	(39,138)	–	–	31/01/2024	31/01/2027

1. For accounting purposes, the fair value of the rights was calculated using the Black-Scholes option pricing model with Monte Carlo simulations.
2. Rights will only vest after satisfying the specific vesting conditions and are subject to forfeiture conditions.
3. The number of rights at 31 January 2024 represents the balance at the date on which Mr N Simonsz ceased to be a KMP on 31 August 2023.

TABLE 4a: Shareholdings of key management personnel for financial year 2024/25

2025	Number of Shares at 01/02/2024	Number of Shares acquired through Share Plans during the year	Number of Shares purchased during the year	Number of Shares sold during the year	Other Changes	Number of shares at 31/01/2025
NON-EXECUTIVE DIRECTORS						
Ms K Spargo	710,192	9,487	–	–	–	719,679
Ms A Carey	13,894	7,318	–	–	–	21,212
Mr N Mitchell	21,621	8,674	–	–	–	30,295
Dr C Roberts[1]	4,696	7,318	–	–	–	12,014
Mr M Sammells	242,727	15,721	–	–	–	258,448
Subtotal for Non-Executive Directors	993,129	48,518	–	–	–	1,041,647
EXECUTIVES						
Mr M Conway	–	–	–	–	–	–
Mr V Ramsunder	1,482,423	–	–	–	–	1,482,423
Subtotal for Executives	1,482,423	–	–	–	–	1,482,423
TOTAL	2,475,552	48,518	–	–	–	2,524,070

1. Dr C Roberts is a Nominee Director of HMC, who had an approximate 7% shareholding in Sigma Healthcare as at 31 January 2025.

TABLE 4b: Shareholdings of key management personnel for financial year 2023/24

2024	Number of Shares at 01/02/2023	Number of Shares acquired through Share Plans during the year	Number of Shares purchased during the year	Number of Shares sold during the year	Other Changes	Number of shares at 31/01/2024
NON-EXECUTIVE DIRECTORS						
Mr D Manuel[1]	382,610	6,981			–	389,591
Ms K Spargo	448,212	20,702	241,278	–	–	710,192
Ms C Bartlett[2]	276,130	13,952	175,465	–	–	465,547
Ms A Carey[3]	–	10,186	3,708	–	–	13,894
Mr N Mitchell[4]	–	15,147	6,474	–	–	21,621
Dr C Roberts[5]	–	4,696	–	–	–	4,696
Mr M Sammells	125,383	35,900	81,444	–	–	242,727
Subtotal for Non-Executive Directors	**1,232,335**	**107,564**	**508,369**	**–**	**–**	**1,848,268**
EXECUTIVES						
Mr M Conway[6]	–	–	–	–	–	–
Mr V Ramsunder	–	1,482,423	–	–	–	1,482,423
Subtotal for Executives	**–**	**1,482,423**	**–**	**–**	**–**	**1,482,423**
TOTAL	**1,232,335**	**1,589,987**	**508,369**	**–**	**–**	**3,330,691**

1. The number of shares at 31 January 2024 represent the balance at the date on which Mr D Manuel ceased to be a KMP on 17 May 2023.
2. Ms C Bartlett ceased to be a KMP on 7 December 2023.
3. Ms A Carey commenced as a KMP on 1 April 2023.
4. Mr N Mitchell commenced as a KMP on 2 February 2023.
5. Dr C Roberts commenced as a KMP on 6 October 2023. Dr C Roberts is a Nominee Director of HMC, who had an approximate 7% shareholding in Sigma Healthcare.
6. Mr M Conway commenced as a KMP on 30 October 2023.

TABLE 4c: Performance rights and options (loan funded shares) holdings of key management personnel for financial year 2024/25

2025	Number of Rights/Options at 01/02/2024	Number of Rights/Options granted through Share Plans during the year	Number of Rights/Options Exercised during the year	Number of Rights/Options Lapsed/Forfeited during the year	Number of Rights/Options at 31/01/2025
NON-EXECUTIVE DIRECTORS					
Ms K Spargo	n/a	n/a	n/a	n/a	n/a
Ms A Carey	n/a	n/a	n/a	n/a	n/a
Mr N Mitchell	n/a	n/a	n/a	n/a	n/a
Dr C Roberts	n/a	n/a	n/a	n/a	n/a
Mr M Sammells	n/a	n/a	n/a	n/a	n/a
Subtotal for Non-Executive Directors	n/a	n/a	n/a	n/a	n/a
EXECUTIVES					
Mr V Ramsunder	15,014,772	1,253,717	–	–	16,268,489
Mr. M Conway	–	298,991	–	–	298,991
Subtotal for Executives	15,014,772	1,552,708	–	–	16,567,480
TOTAL	15,014,772	1,552,708	–	–	16,567,480

TABLE 4d: Performance rights and options (loan funded shares) holdings of key management personnel for financial year 2023/24

2024	Number of Rights/Options at 01/02/2023	Number of Rights/ Options granted through Share Plans during the year	Number of Rights/ Options Exercised during the year	Number of Rights/ Options Lapsed/ Forfeited during the year	Number of Rights/Options at 31/01/2024
NON-EXECUTIVE DIRECTORS					
Mr D Manuel[1]	n/a	n/a	n/a	n/a	n/a
Ms K Spargo	n/a	n/a	n/a	n/a	n/a
Ms C Bartlett[2]	n/a	n/a	n/a	n/a	n/a
Ms A Carey[3]	n/a	n/a	n/a	n/a	n/a
Mr N Mitchell[4]	n/a	n/a	n/a	n/a	n/a
Dr C Roberts[5]	n/a	n/a	n/a	n/a	n/a
Mr M Sammells	n/a	n/a	n/a	n/a	n/a
Subtotal for Non-Executive Directors	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
EXECUTIVES					
Mr V Ramsunder	13,144,450	3,352,745	(1,482,423)	–	15,014,772
Mr. M Conway[6]	–	–	–	–	–
Mr N Simonsz[7]	–	1,979,605	–	(1,979,605)	–
Subtotal for Executives	**13,144,450**	**5,332,350**	**(1,482,423)**	**(1,979,605)**	**15,014,772**
TOTAL	**13,144,450**	**5,332,350**	**(1,482,423)**	**(1,979,605)**	**15,014,772**

1. Mr D Manuel ceased to be a KMP on 17 May 2023.
2. Ms C Bartlett ceased to be a KMP on 7 December 2023.
3. Ms A Carey commenced as a KMP on 1 April 2023.
4. Mr N Mitchell commenced as a KMP on 2 February 2023.
5. Dr C Roberts commenced as a KMP on 6 October 2023.
6. Mr M Conway commenced as a KMP on 30 October 2023.
7. Mr N Simonsz ceased to be a KMP on 31 August 2023.

Auditor's Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Australia

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20 March 2025

The Board of Directors
Sigma Healthcare Limited
Level 6, 2125 Dandenong Road
Clayton VIC 3168

Dear Board Members

Auditor's Independence Declaration to Sigma Healthcare Limited

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

As lead audit partner for the audit of the financial statements of Sigma Healthcare Limited for the year ended 31 January 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Delaney

X Delaney
Partner
Chartered Accountants

Consolidated Statement of Comprehensive Income

For the Year Ended 31 January 2025

	Note	2025 $'000	2024 $'000
Sales revenue	2	**4,841,201**	3,322,058
Cost of goods sold		**(4,559,883)**	(3,103,916)
Gross profit		**281,318**	218,142
Other revenue	2	**84,473**	95,151
Other expense	3	**(5,472)**	–
Warehousing and delivery expenses		**(150,225)**	(134,557)
Sales and marketing expenses		**(44,934)**	(38,588)
Administration expenses		**(117,691)**	(88,622)
Depreciation and amortisation	3	**(25,812)**	(28,323)
Profit before financing costs and tax expense (EBIT)		**21,657**	23,203
Finance income		**8,003**	1,724
Finance costs		**(18,514)**	(16,303)
Net finance costs		**(10,511)**	(14,579)
Profit before income tax		**11,146**	8,624
Income tax expense	4	**(24,064)**	(3,313)
(Loss)/Profit for the year after tax		**(12,918)**	5,311
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(50)**	12
Income tax relating to components of other comprehensive income		**15**	(4)
Items that will not be reclassified to profit or loss:			
Net change in fair value of equity instruments	19	**2,653**	(530)
Income tax relating to components of other comprehensive income	4	**(796)**	159
Other comprehensive income/(loss) for the year (net of tax)		**1,822**	(363)
Total comprehensive (loss)/income for the year		**(11,096)**	4,948
Profit attributable to:			
Owners of the Company		**(13,842)**	4,509
Non-controlling interest	21	**924**	802
(Loss)/Profit for the year		**(12,918)**	5,311
Total comprehensive income attributable to:			
Owners of the Company		**(12,020)**	4,146
Non-controlling interest	21	**924**	802
Total comprehensive (loss)/income for the year		**(11,096)**	4,948
		Cents per share	**Cents per share**
(Losses)/Earnings per share (cents) attributable to owners of the Company			
– Basic earnings per share	5	**(0.9)**	0.4
– Diluted earnings per share	5	**(0.9)**	0.4

The above consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes to the consolidated financial statements.

Consolidated Balance Sheet

As at 31 January 2025

	Note	2025 $'000	2024 $'000
Current assets			
Cash and cash equivalents	31	**14,574**	356,496
Trade and other receivables	8	**952,722**	317,059
Inventories	9	**383,437**	221,129
Income tax receivable		**3,148**	2,906
Prepayments		**11,492**	8,206
Other current assets		**4,800**	–
Assets held for sale	15	**6,618**	6,704
Total current assets		**1,376,791**	912,500
Non-current assets			
Trade and other receivables	8	**22,330**	7,667
Property, plant and equipment	11	**182,376**	188,624
Goodwill and other intangible assets	12	**108,715**	110,253
Right-of-use assets	14b	**73,769**	83,152
Other financial assets	19	**8,524**	13,622
Other non-current assets		**16,400**	–
Net deferred tax assets	4	**41,662**	62,094
Total non-current assets		**453,776**	465,412
Total assets		**1,830,567**	1,377,912
Current liabilities			
Trade and other payables	10	**841,282**	353,571
Lease liabilities	14a	**10,640**	9,789
Provisions	13	**9,876**	7,356
Deferred income		**1,169**	141
Other current liabilities		**1,516**	–
Liabilities held for sale	15	**484**	423
Total current liabilities		**864,967**	371,280
Non-current liabilities			
Lease liabilities	14a	**121,446**	126,842
Provisions	13	**4,876**	7,179
Total non-current liabilities		**126,322**	134,021
Total liabilities		**991,289**	505,301
Net assets		**839,278**	872,611
Equity			
Contributed equity	16	**1,641,069**	1,637,023
Reserves	17	**(3,680)**	2,923
Accumulated losses		**(799,529)**	(769,176)
Non-controlling interest	21	**1,418**	1,841
Total equity		**839,278**	872,611

The above consolidated balance sheet is to be read in conjunction with the accompanying notes to the consolidated financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 31 January 2025

		Contributed equity		Reserves						
	Note	Issued capital $'000	Treasury shares $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Options/ performance rights reserve $'000	Employee share reserve $'000	Accumulated losses $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 February 2023		1,286,144	(51,682)	(1,712)	223	3,152	1,380	(761,587)	1,848	477,766
Profit for the year		–	–	–	–	–	–	4,509	802	5,311
Other comprehensive income/(loss)		–	–	(371)	8	–	–	–	–	(363)
Total comprehensive income/(loss) for the year		–	–	(371)	8	–	–	4,509	802	4,948
Transactions with owners in their capacity as owners:										
Issue of share capital	16(a)	396,228	–	–	–	–	–	–	–	396,228
Employee shares exercised	16(b)	–	2,157	–	–	–	–	–	–	2,157
Share-based remuneration plans		–	–	–	–	2,623	–	–	–	2,623
Dividends paid	6	–	–	–	–	–	220	(10,201)	(809)	(10,790)
Dividends applied to equity compensation plan		–	–	–	–	–	(321)	–	–	(321)
Reclassification of settled and expired share-based transactions		–	4,176	–	–	(2,030)	(249)	(1,897)	–	–
		396,228	6,333	–	–	593	(350)	(12,098)	(809)	389,897
Balance at 31 January 2024		1,682,372	(45,349)	(2,083)	231	3,745	1,030	(769,176)	1,841	872,611
Balance at 1 February 2024		**1,682,372**	**(45,349)**	**(2,083)**	**231**	**3,745**	**1,030**	**(769,176)**	**1,841**	**872,611**
Profit/(loss) for the year		–	–	–	–	–	–	(13,842)	924	(12,918)
Other comprehensive income/(loss)		–	–	1,857	(35)	–	–	–	–	1,822
Total comprehensive income/(loss) for the year		–	–	1,857	(35)	–	–	(13,842)	924	(11,096)
Transactions with owners in their capacity as owners:										
Employee shares exercised	16(b)	–	3,015	–	–	–	–	–	–	3,015
Share-based remuneration plans		–	–	–	–	(7,790)	–	–	–	(7,790)
Dividends paid	6	–	–	–	–	–	153	(15,938)	(1,347)	(17,132)
Dividends applied to equity compensation plan		–	–	–	–	–	(333)	–	–	(333)
Transfers related to share-based payments transactions		–	1,031	–	–	(140)	(65)	(826)	–	–
Transfers related to revaluation reserve for investment disposal from FV reserve to Accumulated losses		–	–	(250)	–	–	–	250	–	–
Other		–	–	–	–	–	–	3	–	3
		–	4,046	(250)	–	(7,930)	(245)	(16,511)	(1,347)	(22,237)
Balance at 31 January 2025		**1,682,372**	**(41,303)**	**(476)**	**196**	**(4,185)**	**785**	**(799,529)**	**1,418**	**839,278**

All items in the consolidated statement of changes in equity are net of tax.

The above consolidated statement of changes in equity is to be read in conjunction with the accompanying notes to the consolidated financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 31 January 2025

	Note	2025 $'000	2024 $'000
Cash flows from operating activities			
Receipts from customers		**5,352,920**	3,747,603
Payments to suppliers and employees		**(5,658,647)**	(3,690,698)
Interest received		**8,042**	1,685
Interest paid		**(17,718)**	(16,954)
Income taxes refunded/(paid)		**(188)**	329
Net cash (outflow)/inflow from operating activities	31	**(315,591)**	41,965
Cash flows from investing activities			
Payments for property, plant and equipment, software and intangibles		**(7,910)**	(4,718)
Proceeds from sales of financial assets		**6,311**	1,526
Proceeds from sale of property, plant and equipment		**–**	8,926
Net cash (outflow)/inflow from investing activities		**(1,599)**	5,734
Cash flows from financing activities			
Proceeds from issue of shares		**–**	394,281
Proceeds from borrowings	31	**400,000**	725,000
Repayment of borrowings	31	**(400,000)**	(805,000)
Repayment of principal component of lease liabilities	14a	**(10,280)**	(9,502)
Proceeds from employee shares exercised		**2,682**	1,836
Dividends paid – Sigma		**(15,785)**	(9,981)
Dividends paid – non-controlling interests	6, 21	**(1,347)**	(809)
Net cash (outflow)/inflow from financing activities		**(24,730)**	295,825
Net (decrease)/increase in cash and cash equivalents		**(341,920)**	343,524
Cash and cash equivalents held at the beginning of the financial year		**356,496**	12,969
Effects of exchange rate changes on cash and cash equivalents		**(2)**	3
Net cash and cash equivalents at the end of the financial year[1]	31	**14,574**	356,496

1. Net cash and cash equivalents include cash and cash equivalents and bank overdraft as reported in the consolidated balance sheet.

The above consolidated statement of cash flows is to be read in conjunction with the accompanying notes to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended 31 January 2025

About this report

This section provides information about the consolidated Group and how the financial statements have been prepared.

Sigma Healthcare Limited (the "Company") is a for-profit company incorporated and domiciled in Australia. The financial report was authorised for issue by the Directors on 20 March 2025.

Basis of preparation

The consolidated financial statements are general purpose financial statements that:

- have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB");
- have been prepared on a historical cost basis, except for investments which have been measured at fair value; and
- are presented in Australian dollars (Sigma's functional and presentation currency) with all values rounded to the nearest thousand dollars unless otherwise stated, in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*.

Change in Financial Year-End, ASIC relief and ASX confirmations

These financial statements have been prepared for the financial year ended 31 January 2025. Following the implementation of the merger with Chemist Warehouse, Sigma will change its financial year-end from 31 January to 30 June as ASIC has granted relief under Section 340(1) of the *Corporations Act 2001* to allow Sigma and its subsidiaries to prepare and lodge financial reports as if their statutory financial year ends on 30 June. Half-year financial statements will be prepared for the six-month period ending 31 December each year. The relief granted by ASIC will allow Sigma to meet its financial reporting obligations based on a notional financial year that runs to 30 June each year, enabling the merged group to report in accordance with Chemist Warehouse's financial year of 30 June (notwithstanding that Sigma's statutory financial year end date will remain 31 January). In light of the ASIC relief, ASX provided confirmations to Sigma regarding the application of certain requirements in Chapter 4 of ASX Listing Rules that would otherwise require the lodgement of half and full year results (including Sigma's annual reports, half-yearly reports and Appendices 4D and 4E) based on a 31 January financial year end (and 31 July half-financial year end). ASX's confirmations provide that ASX will apply Listing Rules 4.2A, 4.2B, 4.3A, 4.3B, 4.5.1 and 4.7 as if Sigma's half year balance date is 31 December and not 31 July and its full year balance date is 30 June and not 31 January (subject to the satisfaction of certain conditions which require that the ASIC relief remain in force and Sigma complies with any conditions of that relief).

Going concern

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the Group has applied the going concern basis of accounting in preparing the consolidated financial statements.

Material accounting policies

Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Other significant accounting policies are contained in the notes to the consolidated financial statements to which they relate.

Principles of consolidation

These consolidated financial statements are of the consolidated entity consisting of the Company and its subsidiaries (together referred to as "Sigma" or the "Group"). The Group controls an entity when it has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Refer to Note 22 for a list of subsidiaries controlled at year end.

The financial report includes the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such an entity. In preparing the financial report, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity, are eliminated in full. Non-controlling interests are presented separately in the consolidated financial statements.

Inventory provision

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of standard cost. Net realisable value represents the estimated selling price less estimated costs necessary to make the sale.

The net realisable value is based on management judgement, with consideration given to historical inventory write-offs, inventory turnover trends and other analysis. The actual amount of inventory write-offs could be higher or lower than the allowance made.

Goods and services tax ("GST")

Revenues, expenses, liabilities and assets are recognised net of GST, except for receivables and payables which are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability. Cash flows are included in the consolidated cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Finance costs

Finance costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of qualifying assets. Finance costs which are directly attributable to the acquisition of, or production of, a qualifying asset are capitalised as part of the cost of that asset using the weighted average cost of borrowings.

Significant changes in the current reporting period

The introduction of new accounting standards did not lead to any material change in measurement or disclosure in these financial statements. Refer to Note 32 for details of other new accounting standards and interpretations, as well as standards issued but not yet effective.

Key judgements and estimates

Preparation of the financial report requires management to make judgements, estimates and assumptions about future events. Information on material estimates and judgements used in applying the accounting policies can be found in the following notes:

Judgement area	Note
Recognition of deferred tax assets	4
Carrying value of receivables	8
Carrying value of inventory	9
Employee share plans and share-based payments	30

Financial performance

This section provides the information that is most relevant to understanding the financial performance of the Group during the year and, where relevant, the accounting policies applied, and the critical judgements and estimates made.

1. Segment information

Information on segments

Management has determined the operating segments based on the reports reviewed and used by the Group's chief operating decision makers (CODM) to make strategic and operating decisions. The CODM have been identified as the Chief Executive Officer and Managing Director (CEO) and Chief Financial Officer (CFO) as disclosed in the Remuneration Report on pages 12 to 36. For the year ended 31 January 2025, it was concluded that the Group continues to operate only in the Healthcare segment.

The aggregation criteria under AASB 8 *Operating segments* has been applied to include the results of the operations of Sigma, Sigma Healthcare Logistics (*formerly Central Healthcare Services*), NostraData, and Medication Packaging Systems Australia (MPS) within the Healthcare segment. Sigma, NostraData and MPS are separate cash generating units for impairment testing purposes.

Segment information provided to the CODM

The CODM primarily uses Net Profit After Tax (attributable to owners of the company), EBITDA and EBIT to assess the operating performance of the business.

Geographical segments

The Group operates predominantly within Australia.

Information on major customers

One customer group contributed revenues which forms 57% of the Group revenues (2024: 33%). Sales revenue for the financial year ended to 31 January 2025 was $2,758.4 million (2024: $1,098.9 million).

2. Sales and other revenue

	2025 $'000	2024 $'000
Sales revenue	**4,841,201**	3,322,058
Other revenue		
Commissions and fees	**41,612**	41,567
Membership revenue	**11,123**	12,141
Marketing services and promotional revenue	**31,520**	30,060
Sundry revenue	**218**	11,383
Total other revenue	**84,473**	95,151

Recognition and measurement

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the revenue streams summarised above and, in the tables, below.

The presentation of sales revenue and other revenue is consistent with the segment reporting (refer to Note 1) as the Group has one reportable segment.

For each revenue stream, the Group has assessed the recognition of revenue, including the timing, in accordance with AASB 15 *Revenue from Contracts with Customers*. A summary of the nature, performance obligations under the relevant contracts and timing of revenue recognition by stream is summarised below.

Sales revenue

Revenue stream	Description	Performance obligation	Timing of recognition
Sale of goods	Sales of goods to customers, which include an agreed period over which the inventory can be returned. Consideration recognised is net of settlement credits (including customer rebates and discounts) and a provision for returns.	Delivery of goods to customer	Point in time
Community service obligation (CSO) income	Income earned from the Government to fulfil minimum delivery requirements for specified medicines to pharmacies in accordance with the Community Pharmacy Agreement ('CPA').	Compliance with obligations of the CPA	Over time

Other revenue

Revenue stream	Description	Performance obligation	Timing of recognition
Commissions and fees	Fees billed for services performed by the Group, including deliveries of dangerous goods and administration of discounts on products sold, and packaging fees.	Completion of services to be provided	Point in time
Membership revenue	Fees received to provide access to use the intellectual property associated with the Group's banners.	Over the term of the licence agreement	Over time
Marketing services and promotional revenue	Income received from suppliers for promotional and advertising services rendered.	Completion of services to be rendered	Point in time
Sundry revenue	(i) Revenue from other services provided, including provision of data and other licencing fees; (ii) Sale of assets	(i) Completion of the service requirements; (ii) Transfer of assets to buyer	(i) Over time; (ii) Point in time

Contract costs

The Group provides upfront incentives to franchisees upon signing of the franchise agreement. These costs represent incremental costs of obtaining a contract and are deferred and amortised over the life of the agreements.

3. Expenses

	Note	2025 $'000	2024 $'000
Profit before tax includes the following specific expenses:			
Employee benefits expense		**149,848**	134,731
Defined contribution plans		**9,375**	7,940
Employee share-based payments expense	30	**2,963**	2,754
Total employee benefits expense		**162,186**	145,425
Amortisation – brand names	12	**683**	484
Amortisation – software	12	**2,528**	3,353
Depreciation – buildings	11	**1,732**	1,769
Depreciation – plant and equipment	11	**10,177**	12,122
Depreciation – right-of-use assets	14c	**10,692**	10,595
Total depreciation and amortisation		**25,812**	28,323
Write down of inventories to net realisable value		**3,455**	4,885
Net impairment (reversal) on trade debtors	8	**(1,649)**	(2,879)
Right-of-use asset impairment	14b	**4,740**	–
Leasehold improvement write-off	11	**736**	–
Total impairment		**7,282**	2,006

Employee benefits expense

Employer contributions to defined contribution superannuation plans are recognised as an expense in the profit or loss as they are paid or payable. Refer to Note 13 for details on provisions for employee benefits and Note 30 for details of share-based payments.

Write down of inventories

Included in cost of goods sold in the consolidated statement of comprehensive income. Refer to Note 9 for details of inventories.

Impairment of trade debtors

Included in sales and marketing expenses in the consolidated statement of comprehensive income. Refer to Note 8 for details of trade and other receivables.

Right-of-use asset impairment and leasehold improvement write-off

Relates to the expected effects of partial termination of the original lease and the resulting adjustment to the right-of-use asset and leasehold improvements from such terminations of planned consolidation of corporate office space due to the merger, calculated on a proportionate basis and is based on the estimated exit date of each site.

4. Taxation

	2025 $'000	2024 $'000
(a) Income tax expense		
Current tax	**1,155**	1,120
Deferred tax	**24,100**	1,570
Adjustments for current income tax of prior periods	**(1,191)**	623
Total income tax expense	**24,064**	3,313
(b) Numerical reconciliation of income tax expense to prima facie tax payable:		
Profit before income tax	**11,146**	8,624
Tax at the Australian company tax rate of 30% (2024: 30%)	**3,344**	2,587
Tax effect of differential corporate tax rates	**(5)**	(6)
Tax effect of amounts which are not deductible in calculating taxable income:		
Tax effect of income not taxable in determining taxable profit	**–**	(3,205)
Tax effect of expenses that are not deductible in determining taxable profit	**12,997**	2,512
Tax effect of dividends and imputed tax	**158**	653
Tax effect of change in capital losses recorded	**–**	509
Derecognition of previously recognised tax losses	**8,235**	–
Other items	**22**	(47)
Amounts under/(over) provided in prior periods	**(686)**	310
Total income tax expense	**24,064**	3,313
(c) Amounts recognised directly in equity		
Net change in fair value of financial asset	**796**	(159)
Exchange differences on translation of foreign operations	**(2)**	2
Deferred tax impact arising from equity transaction cost	**(4,486)**	(1,947)
Total amounts recognised directly in equity	**(3,692)**	(2,104)

4. Taxation continued

	2025 $'000	2024 $'000
(d) Deferred tax		
Trade and other receivables	**3,773**	4,298
Inventories	**3,251**	4,883
Trade and other payables and accruals	**261**	4,421
Provisions for employee benefits	**3,192**	3,435
Intangible assets	**(46)**	(99)
Property, plant and equipment	**9,987**	13,374
Right-of-use assets and lease liabilities	**18,728**	17,371
Capital losses	**2,528**	2,527
Revenue losses	**–**	10,150
Other	**(12)**	1,734
Net deferred tax assets	**41,662**	62,094
Deferred tax assets	**75,511**	88,315
Deferred tax liabilities	**(33,849)**	(26,221)
Net deferred tax assets	**41,662**	62,094
Balance at the beginning of the year	**62,094**	61,676
Amount credited to profit and loss	**(13,951)**	(11,212)
Amount credited to other comprehensive income	**(796)**	157
Amount credited to equity	**4,486**	1,947
Transfer to non-current assets held for sale	**(23)**	(115)
Tax losses utilised	**(1,915)**	(509)
Derecognition of previously recognised tax losses	**(8,235)**	–
Tax losses recognised within deferred tax assets	**–**	10,150
Other	**2**	–
Balance at the end of the year	**41,662**	62,094

All movements in temporary differences above have been charged to income except for exchange differences on foreign operations and tax on the fair value change of investments, which were recognised in other comprehensive income. The Company's transactions costs relating to the capital raise in the second half of FY24 were recognised as a deduction from equity as these were assessed as incremental costs directly attributable to the equity transaction.

Unrecognised deferred tax losses

Deferred tax assets have not been recognised in respect of capital losses of $191,517,415 tax effected (2024: $191,490,750) because it is not probable that the Group will have sufficient future capital gains available against which the deferred tax asset could be utilised. These capital losses predominantly arose from the historic sale of the Group's pharmaceutical division. There are no unrecognised revenue tax losses.

For Sigma to carry forward and subsequently utilise revenue and capital losses in the determination of its taxable income in accordance with the *Income Tax Assessment Act 1997*, the company generally needs to satisfy at least one of two tests in the year of recoupment:

1. the continuity of ownership test (**COT**),
2. the business continuity test (**BCT**).

On 3 February 2025, Sigma announced that the Federal Court of Australia had made orders approving the proposed scheme of arrangement (Scheme) under which Sigma would acquire 100% of the issued shares in CW Group Holdings Limited (Chemist Warehouse). On the 12 February 2025, the implementation of the Scheme completed alongside the issuance of new Sigma shares under the Scheme. The completion of the Scheme marks the commencement of the merged group.

Management has assessed that the COT and BCT tests was not satisfied upon completion of the merger, resulting in the inability to utilise any of the $191,517,415 capital losses for offset against future capital gains of the merged group.

Income tax – recognition and measurement

Current tax

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

Deferred tax

Deferred tax is calculated using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting and taxation purposes. Deferred tax is measured at the rates that are expected to apply in the period in which the liability is settled or asset realised, based on tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit or in relation to the initial recognition of goodwill.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and tax offsets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The FY24 financial statements reported $10.15 million revenue losses in deferred tax assets. During FY25 Sigma has been able to utilise $1.91m of these revenue losses. The remaining $8.24m deferred tax assets that relate to revenue losses have been derecognised on the basis of being irrecoverable given management's assessment of Sigma not satisfying the COT and BCT tests upon merger completion. A corresponding charge to income tax expense for the derecognised balance has been reflected in FY25.

Income tax is recognised in the consolidated statement of comprehensive income except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case, the tax is also recognised there.

Australian tax consolidation

The Company and its wholly owned Australian resident entities have formed a tax-consolidated Group with effect from 19 December 2005 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated Group is Sigma Healthcare Limited and has assumed the current tax liabilities and any deferred tax assets arising from unused tax losses of the members in the tax consolidated group. Refer to Note 22 for disclosure of the wholly owned subsidiaries which are members of the tax consolidated group.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated Group are recognised in the separate financial statements of the members of the tax-consolidated Group using the "separate taxpayer within the Group" approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Nature of tax funding arrangements and tax sharing arrangements

Entities in the tax consolidated group entered into a tax funding arrangement with the head entity. The arrangements require payments to/(from) the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivables/(payables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated Group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the consolidated financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

5. Earnings per share

	2025 Cents per share	2024 Cents per share
(a) Basic and diluted earnings per share		
Basic earnings per share	**(0.9)**	0.4
Diluted earnings per share	**(0.9)**	0.4

	2025 $'000	2024 $'000
(b) Reconciliation of earnings used in calculating basic and diluted earnings per share		
Profit/(loss) attributable to owners of the Company	**(13,842)**	4,509

	2025 No '000	2024 No '000
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**1,571,640**	1,024,448
Adjustments for calculation of diluted earnings per share:		
Performance rights/options	**31,937**	34,377
Effect of shares held under Sigma Employee Share Plan	**4,452**	4,490
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	**1,608,029**	1,063,315

Performance rights and options

Rights and options are considered dilutive and are included in the calculation of diluted earnings per share. Full details of share rights and options are included in Note 30 and in the Remuneration Report.

6. Dividends

	2025 Cents per share	2025 $'000	2024 Cents per share	2024 $'000
Recognised amounts				
Final dividend – prior year	**0.5**	**8,159**	0.5	5,296
Interim dividend – current year	**0.5**	**8,159**	0.5	5,296
Dividends recognised by the parent entity		**16,318**		10,592
Less: dividends paid on the shares held by Sigma Employee Share Plan		**(380)**		(391)
Less: dividends paid on the shares issued under the Sigma Employee Share Plan		**(153)**		(220)
Dividends recognised by non-controlling interests		**1,347**		809
Dividends paid by the Group		**17,132**		10,790

All dividends declared and subsequently paid by the Company have been franked to 100% at the 30% company income tax rate. Dividends are recognised when an obligation to pay a dividend arises, following declaration of the dividend by the Company's Board of Directors.

	2025 $'000	2024 $'000
Dividend franking account		
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2024: 30%)	**170**	2,031

The above amounts represent the balance of the franking account as at the end of the year.

7. Subsequent events

Subsequent to 31 January 2025, the following events and transactions have occurred:

Implementation of merger with CW Group Holdings Limited

On 3 February 2025, Sigma announced that the Federal Court of Australia had made orders approving the proposed scheme of arrangement (Scheme) under which Sigma would acquire 100% of the issued shares in CW Group Holdings Limited (Chemist Warehouse). On the 12 February 2025, the implementation of the Scheme completed alongside the issuance of new Sigma shares under the Scheme. The completion of the Scheme marks the commencement of the merged group.

These financial statements have been prepared for the financial year ended 31 January 2025. Following the implementation of the merger with Chemist Warehouse, Sigma will change its financial year-end from 31 January to 30 June as ASIC has granted relief under Section 340(1) of the *Corporations Act 2001* to allow Sigma and its subsidiaries to prepare and lodge financial reports as if their statutory financial year ends on 30 June. Half-year financial statements will be prepared for the six-month period ending 31 December each year. The relief granted by ASIC will allow Sigma to meet its financial reporting obligations based on a notional financial year that runs to 30 June each year, enabling the merged group to report in accordance with Chemist Warehouse's financial year of 30 June (notwithstanding that Sigma's statutory financial year end date will remain 31 January). In light of the ASIC relief, ASX provided confirmations to Sigma regarding the application of certain requirements in Chapter 4 of ASX Listing Rules that would otherwise require the lodgement of half and full year results (including Sigma's annual reports, half-yearly reports and Appendices 4D and 4E) based on a 31 January financial year end (and 31 July half-financial year end). ASX's confirmations provide that ASX will apply Listing Rules 4.2A, 4.2B, 4.3A, 4.3B, 4.5.1 and 4.7 as if Sigma's half year balance date is 31 December and not 31 July and its full year balance date is 30 June and not 31 January (subject to the satisfaction of certain conditions which require that the ASIC relief remain in force and Sigma complies with any conditions of that relief).

Debt facility

On 10 February 2025, Sigma terminated the existing bank debt facilities with a total facility limit of $500 million due to mature in November 2026 and entered into a new secured syndicated facility totalling $1,500 million maturing in February 2028. A binding agreement for the new Senior Syndicated Facility was in place at the reporting date, however a condition precedent of the agreement was the Court approval of the Scheme be satisfied in order for the new debt facility to become effective and the funds to be available for drawdown.

Other than the matters discussed above, there has not been any other matters or circumstances that have arisen since 31 January 2025 that have significantly affected, or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent years not otherwise disclosed.

Operating assets and liabilities

This section provides information relating to the operating assets and liabilities of the Group used to generate the Group's performance.

8. Trade and other receivables

	2025 $'000	2024 $'000
Current		
Trade receivables	**929,193**	304,181
Provision for expected credit losses	**(7,252)**	(9,307)
Other receivables	**30,781**	22,185
Total current receivables	**952,722**	317,059
Non-current		
Other receivables	**22,330**	7,667
Total non-current receivables	**22,330**	7,667
Movements in the provision for expected credit losses:		
Carrying value at the beginning of the year	**(9,307)**	(14,404)
Provision released during the year	**1,649**	2,879
Receivables written off during the year as uncollectible	**406**	2,218
Carrying value at the end of the year	**(7,252)**	(9,307)

Trade receivables

Trade and other receivables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment (expected credit losses). They are presented as current assets unless collection is not expected for more than 12 months after the reporting date. Trade debtors generally have terms of 30 days (2024: 30 days).

Other receivables

This relates to income earned from government under the Community Service Obligation in addition to the recognition of incremental costs incurred in obtaining contracts with customers that the Company would not otherwise have incurred had the contract with the customer not been obtained. Incremental costs are capitalised as the Company expects to recover those costs from future cash flows generated by the contract with the customer.

Impairment of trade receivables

The Group measures the provision for expected credit losses (ECL) using the simplified approach to measure ECL, which uses a lifetime expected loss allowance for all trade receivables. The Group determines lifetime expected credit losses for groups of trade receivables with shared credit risk characteristics. Groupings are based on customer, trading term and ageing.

An expected credit loss rate is determined for each group, based on the historic credit loss rates for the group, adjusted for other current observable data that may materially impact the Group's future credit risk. This other observable data includes the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. For trade receivables with significant balances and/or are credit impaired, these are assessed for ECL on an individual basis. There has been no change in the estimation techniques during the current reporting period.

For information on the Group's credit risk management refer to Note 19.

	Not due $'000	0-30 days $'000	31-60 days $'000	60+ days $'000	Total $'000
2025					
Expected loss rate	**0.35%**	**11.22%**	**19.23%**	**54.07%**	**0.78%**
Gross carrying amount of trade receivables	**916,112**	**5,515**	**1,870**	**5,696**	**929,193**
Provision for expected credit losses	**3,193**	**619**	**360**	**3,080**	**7,252**
2024					
Expected loss rate	1.50%	13.23%	17.82%	59.48%	3.06%
Gross carrying amount of trade receivables	288,765	6,614	2,750	6,052	304,181
Provision for expected credit losses	4,342	875	490	3,600	9,307

9. Inventories

	2025 $'000	2024 $'000
At Cost		
Finished goods	**394,274**	237,408
Provision for obsolescence	**(10,837)**	(16,279)
Net inventories	**383,437**	221,129

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of standard cost. Net realisable value represents the estimated selling price less estimated costs necessary to make the sale.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

The provision for inventory obsolescence is based on management judgement, with consideration given to historical inventory write-offs, inventory turnover trends and other analysis. The actual amount of inventory write-offs could be higher or lower than the allowance made.

10. Trade and other payables

	2025 $'000	2024 $'000
Current		
Trade payables	**726,385**	303,356
Other payables and accruals	**114,897**	50,215
Total current payables	**841,282**	353,571

Trade payables, other payables and accruals represent liabilities for goods and services provided to the Group prior to the end of the year which are unpaid. Trade and other payables are stated at amortised cost. Trade payables are unsecured and are normally settled within 30 to 60 days of the invoice date.

The carrying amounts of the Group's trade and other payables are denominated in Australian dollars. For an analysis of the financial risks associated with trade and other payables refer to Note 19.

11. Property, plant and equipment

	Note	Land and buildings $'000	Plant and equipment $'000	Work in progress $'000	Total $'000
At 1 February 2023					
Cost		109,771	144,125	–	253,896
Accumulated depreciation		(4,942)	(48,723)	–	(53,665)
Net book amount		104,829	95,402	–	200,231
Year ended 31 January 2024					
Opening net book amount		104,829	95,402	–	200,231
Additions		355	965	1,146	2,466
Disposals		(5)	–	–	(5)
Depreciation	3	(1,769)	(12,122)	–	(13,891)
Transfer to asset held for sale	15	–	(177)	–	(177)
Closing net book amount		103,410	84,068	1,146	188,624
At 31 January 2024					
Cost		110,122	144,348	1,146	255,616
Accumulated depreciation		(6,712)	(60,280)	–	(66,992)
Net book amount		**103,410**	**84,068**	**1,146**	**188,624**
Year ended 31 January 2025					
Opening net book amount		**103,410**	**84,068**	**1,146**	**188,624**
Additions		**–**	**5,845**	**1,028**	**6,873**
Disposals		**–**	**(476)**	**–**	**(476)**
Impairment	3	**–**	**(736)**	**–**	**(735)**
Depreciation	3	**(1,732)**	**(10,177)**	**–**	**(11,909)**
Transfers		**–**	**1,146**	**(1,146)**	**–**
Closing net book amount		**101,678**	**79,670**	**1,028**	**182,376**
At 31 January 2025					
Cost		**110,122**	**142,132**	**1,028**	**253,282**
Accumulated depreciation		**(8,444)**	**(62,462)**	**–**	**(70,906)**
Net book amount		**101,678**	**79,670**	**1,028**	**182,376**

Capital work in progress

The costs remain in work in progress during the construction phase and transferred to the property, plant and equipment asset class when the item is considered ready for their intended use and then depreciated over their expected useful lives as noted below.

Recognition and measurement

Property, plant and equipment is recorded at cost less accumulated depreciation and impairment (if any). Cost includes expenditure that is directly attributable to the acquisition of the item. Property, plant and equipment, other than freehold land, is depreciated or amortised on a straight-line basis over the expected useful life for the asset. Estimated useful lives and depreciation methods are reviewed at the end of the reporting period. The following estimated useful lives are used in the calculation of depreciation:

Item	Useful life	Depreciation method
Land	n/a	No depreciation
Buildings	40 years	Straight line
Plant and equipment	2 to 20 years	Straight line

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its continued use. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the period the item is derecognised.

Property, plant and equipment is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or groups of assets (CGU).

12. Goodwill and other intangible assets

	Note	Goodwill $'000	Brand names $'000	Software $'000	Work in progress $'000	Total $'000
At 1 February 2023						
Cost		95,221	25,543	34,575	122	155,461
Accumulated amortisation		–	(14,377)	(22,841)	–	(37,218)
Net book amount		95,221	11,166	11,734	122	118,243
Year ended 31 January 2024						
Opening net book amount		95,221	11,166	11,734	122	118,243
Additions		–	–	933	1,319	2,252
Transfers		–	–	250	(250)	–
Foreign currency movements		–	7	–	–	7
Amortisation	3	–	(484)	(3,353)	–	(3,837)
Transfer to assets held for sale	15	(6,157)	–	(255)	–	(6,412)
Closing net book amount		89,064	10,689	9,309	1,191	110,253
At 31 January 2024						
Cost		89,064	25,643	34,199	1,191	150,097
Accumulated amortisation		–	(14,954)	(24,890)	–	(39,844)
Net book amount		**89,064**	**10,689**	**9,309**	**1,191**	**110,253**
Year ended 31 January 2025						
Opening net book amount		**89,064**	**10,689**	**9,309**	**1,191**	**110,253**
Additions		**–**	**–**	**1,517**	**163**	**1,680**
Transfers		**–**	**–**	**690**	**(690)**	**–**
Foreign currency movements		**–**	**(7)**	**–**	**–**	**(7)**
Amortisation	3	**–**	**(683)**	**(2,528)**	**–**	**(3,211)**
Closing net book amount		**89,064**	**9,999**	**8,988**	**664**	**108,715**
At 31 January 2025						
Cost		**89,064**	**25,532**	**36,319**	**664**	**151,579**
Accumulated amortisation		**–**	**(15,533)**	**(27,331)**	**–**	**(42,864)**
Net book amount		**89,064**	**9,999**	**8,988**	**664**	**108,715**

12. Goodwill and other intangible assets continued

Capital work in progress

The costs remain in work in progress during the development phase and transferred to computer software when the item is considered ready for their intended use and then amortised over their expected useful lives as noted below.

Other intangibles consist of customer relationships and supplier contracts.

Recognition and measurement

Intangibles are carried at cost less accumulated amortisation and impairment losses where applicable. Intangible assets acquired separately are capitalised at cost or if arising from a business combination at fair value as at the date of acquisition.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets acquired at the date of acquisition. Goodwill is measured at cost and subsequently measured at cost less any impairment losses.

Brand names

Brand names have a finite useful life and are carried at cost less accumulated amortisation. Where acquired in a business combination, cost represents the fair value at the date of acquisition. They are amortised over their expected useful lives, which vary from 25 to 60 years.

Software

Software assets acquired by the Group are initially recognised at cost, and subsequently measured at cost less accumulated amortisation and any impairment losses. Internally developed systems are capitalised once the project is assessed to be feasible. The costs capitalised include consulting, licensing and direct labour costs. Costs incurred in determining project feasibility are expensed as incurred. Software assets are amortised on a straight-line basis over their useful lives. The estimated useful lives are generally 3 to 7 years. The estimated useful lives and amortisation method are reviewed annually at the end of the reporting period.

Impairment of goodwill, intangible assets and non-current assets

Assets with finite useful lives are subject to amortisation and are reviewed for impairment at each reporting period and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purpose of assessing impairment, assets are grouped into CGUs. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment testing of goodwill

Goodwill is tested for impairment annually, or more frequently when indicators of impairment are identified. In testing for impairment, the carrying amount of each Cash Generating Unit (CGU) is compared against the recoverable amount.

For the MPS CGU, the recoverable amount has been calculated based on the value in use, using a discounted cash flow (DCF) approach. The DCF uses post-tax cash flow projections based on the most recent one-year approved budget and two years financial forecasts, with the terminal value extrapolated using a growth rate and is discounted at an appropriate after-tax discount rate, taking into account the Group's weighted average cost of capital adjusted for any risks specific to the CGU.

For Sigma and Nostra Data CGUs, the recoverable amount has been calculated based on the Fair Value Less Cost of Disposal (FVLCD), which shows no impairment exists as at the reporting date.

Subsequent to year-end, the Group merged with the Chemist Warehouse Group. The anticipated acquisition price supports the current carrying amounts of the group's assets. The fair values have been determined with reference to the active transaction in relation to the acquisition of the company, in accordance with AASB 13.

13. Provisions and contingencies

Provisions

	2025 $'000	2024 $'000
Current		
Employee benefits	**9,876**	7,028
Redundancy	**–**	166
Other	**–**	162
Total current provisions	**9,876**	7,356
Non-current		
Employee benefits	**765**	2,756
Lease make good	**4,111**	4,423
Total non-current provisions	**4,876**	7,179

Provisions are recognised when a present legal, equitable or constructive obligation exists as a result of a past event, it can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, it is recorded at the present value of those cash flows.

Employee benefits

The employee benefits liability represents accrued wages and salaries, leave entitlements and other incentives recognised in respect of employees' services up to the end of the reporting period. These liabilities are measured at the amounts expected to be paid when they are settled and include related on-costs, such as worker's compensation insurance, superannuation and payroll tax.

The provision for employee benefits is measured at the remuneration rates expected to be paid when the liability is settled. Benefits expected to be settled beyond twelve months from the reporting date are measured at the present value of estimated future payments for the services provided by employees up to the end of the reporting period. This calculation requires judgement in determining future increase in wages and salary rates, future on-cost rates and expected settlement dates based on staff turnover history. The liability is discounted using the Australian corporate bond rates which most closely match the terms to maturity of the entitlement.

Redundancy

Redundancy provisions are recognised at the point when a detailed plan for the restructure has been developed and implementation has commenced. The cost of redundancy provided is the estimated future cash flows, discounted at the appropriate rate which reflects the risks of the cash flow.

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of a current employee according to a detailed formal plan without possibility of withdrawal or upon the provision of an offer to encourage voluntary redundancy.

Lease make good

A provision for lease make good/restoration is recognised in relation to the properties held under lease. The Group recognises the provision for property leases which contain specific clauses to restore the property to a specific condition. The provision at balance date represents management's best estimate of the present value of the future make good costs required.

Contingent liabilities

There are no contingent liabilities (FY24: Nil).

14. Right-of-use assets and lease liabilities

The Group leases various distribution centres and premises as well as warehouse machinery, motor vehicles and office equipment, typically for fixed periods of 3 to 15 years. The Group's leases may have extension options in order to maximise operational flexibility when managing contracts. These options are exercisable only by the Group and not the respective lessor. The lease agreements are negotiated individually and do not impose any covenants.

(a) Lease liabilities

The table below shows the movement in the Group's lease liabilities for the year:

	2025 $'000	2024 $'000
Movement:		
Carrying amount of lease liabilities at start of period	**136,631**	143,304
Additions	**6,571**	2,925
Terminations	**(836)**	(96)
Interest expense	**6,692**	6,868
Payments for the interest component of lease liabilities	**(6,692)**	(6,868)
Repayment of the principal component of lease liabilities	**(10,280)**	(9,502)
Carrying amount of lease liabilities at end of financial year	**132,086**	136,631
Current lease liabilities	**10,640**	9,789
Non-current lease liabilities	**121,446**	126,842
Carrying amount of lease liabilities at end of financial year	**132,086**	136,631

Maturity table for lease liabilities:

	2025 $'000	2024 $'000
Lease liabilities payable:		
Within one year	**16,773**	15,852
Within a period of more than one year but not exceeding two years	**16,555**	14,966
Within a period of more than two years but not exceeding five years	**57,308**	43,997
Within a period of more than five years	**85,036**	111,369
	175,672	186,184
Less: unearned interest	**(43,586)**	(49,553)
	132,086	136,631

(b) Right-of-use assets

The recognised right-of-use assets relate to the following assets:

	Land and buildings $'000	Plant and equipment $'000	Total $'000
At 31 January 2023			
Cost	103,930	6,066	109,996
Accumulated depreciation	(15,822)	(3,482)	(19,304)
Net book amount	**88,108**	**2,584**	**90,692**
Year ended 31 January 2024			
Opening net book amount	**88,108**	**2,584**	**90,692**
Additions	**2,821**	**340**	**3,161**
Disposals	**(97)**	**(9)**	**(106)**
Depreciation	**(9,292)**	**(1,303)**	**(10,595)**
Closing net book amount	**81,540**	**1,612**	**83,152**
At 31 January 2024			
Cost	**101,734**	**5,774**	**107,508**
Accumulated depreciation	**(20,194)**	**(4,162)**	**(24,356)**
Net book amount	**81,540**	**1,612**	**83,152**

	Land and buildings $'000	Plant and equipment $'000	Total $'000
At 31 January 2024			
Cost	101,734	5,774	107,508
Accumulated depreciation	(20,194)	(4,162)	(24,356)
Net book amount	**81,540**	**1,612**	**83,152**
Year ended 31 January 2025			
Opening net book amount	**81,540**	**1,612**	**83,152**
Additions	**3,468**	**3,401**	**6,869**
Impairment[1]	**(4,740)**	**–**	**(4,740)**
Disposals	**(352)**	**(468)**	**(820)**
Depreciation	**(9,028)**	**(1,664)**	**(10,692)**
Closing net book amount	**70,888**	**2,881**	**73,769**
At 31 January 2025			
Cost	**97,740**	**8,160**	**105,900**
Accumulated depreciation	**(26,852)**	**(5,279)**	**(32,131)**
Net book amount	**70,888**	**2,881**	**73,769**

1. Impairment relates to the expected effects of partial termination of the original lease and the resulting adjustment to the right-of-use asset and leasehold improvements from such terminations of planned consolidation of corporate office space due to the merger, calculated on a proportionate basis and is based on the estimated exit date of each site.

(c) Amounts recognised in the consolidated statement of comprehensive income

	Note	2025 $'000	2024 $'000
Depreciation expense on right-of-use assets	3	**10,692**	10,595
Interest expense on lease liabilities		**6,692**	6,868
Right-of-use asset impairment	3	**4,740**	–
Operating expenses on leases		**2,818**	1,785

Operating expenses on leases are for short-term leases and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. These leases are not included in right-of-use assets or corresponding lease liabilities in accordance with AASB 16 *Leases*.

(d) Leases – recognition and measurement

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on the definition of a lease in accordance with AASB 16. In line with the standard, a contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a corresponding lease liability at the lease commencement date for all leases with the exception of leases of low value assets (predominantly office equipment) or short-term leases. The Group recognises lease payments associated with low value or short-term leases as an expense on a straight-line basis over the lease term.

Lease liabilities

Lease liabilities are initially measured at the present value of all lease payments that are not paid at the commencement of the contract, discounted using the rate implicit in the lease, or if a rate is not implied, the Group's incremental borrowing rate.

Lease payments included for the purpose of measuring the lease liability include:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on a rate or index;
- expected payments under residual value guarantees; and
- payments of penalties for termination of a lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Lease payments are allocated between the lease liability and finance costs. The finance cost is recorded to profit or loss over the lease term (interest expense) to produce a constant periodic rate of interest on the lease liability for each year.

Lease liabilities are remeasured when there is a lease modification, a change in future lease payments (e.g. a change in an index or rate) or a change in lease term, most notably if the Group changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded to profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

14. Right-of-use assets and lease liabilities continued

Right-of-use assets

Right-of-use assets are recorded at cost comprising the following amounts:

- the amount of the initial lease liability;
- lease payments made at or prior to the lease commencement, less any lease incentives received;
- initial direct costs incurred; and
- estimated costs to dismantle, remove or restore the leased asset.

Right-of-use-assets are subsequently measured at cost less accumulated depreciation and any impairment losses. The assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment as per Note 11.

Right-of-use assets are assessed for impairment in accordance with AASB 136 *Impairment of Assets* as disclosed in Note 12. The value of right-of-use assets will be reduced by any impairment losses and adjusted for certain remeasurements of the lease liabilities.

Extension periods (lease term)

The Group assesses at lease commencement whether it is reasonably certain to exercise any applicable lease extension options, and when reasonably certain, such a period is included in the lease term for determining the lease liability. In making the determination, management considers all facts and circumstances that create an economic incentive to exercise an extension option.

The assessment is reviewed if a significant event or significant change in circumstances occurs which affects this assessment that is within the control of the Group.

15. Assets and liabilities held for sale

	2025 $'000	2024 $'000
Goodwill and other intangible assets	6,324	6,412
Property, plant and equipment	156	177
Net deferred tax assets	138	115
Assets held for sale	**6,618**	6,704
Provisions	484	423
Liabilities held for sale	**484**	423

The Group is currently engaged in a sale process for certain non-core assets. This qualifies certain assets and associated liabilities to be reclassified as held for sale in the consolidated statement of financial position. The value of the assets and liabilities associated with those assets (referred to as a disposal group), have been classified as held for sale. The table above aggregates financial information for the non-core assets, which are individually immaterial to the Group. The proceeds of disposal are expected to exceed the carrying amount of the related net assets and accordingly no impairment losses have been recognised on the classification of these operations as held for sale. The information disclosed reflects the amounts presented in the financial report of those relevant entities.

Capital structure and financing

This section provides information relating to the Group's capital structure and its exposure to financial risks, how they affect.

16. Contributed equity

	2025 $'000	2024 $'000
Issued capital:		
Ordinary shares fully paid	**1,682,372**	1,682,372
Issued capital held by equity compensation plan:		
Treasury shares	**(41,303)**	(45,349)
Total contributed capital	**1,641,069**	1,637,023

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of shares held. Every ordinary shareholder present at a meeting of the Company in person or by proxy, is entitled to one vote, and upon a poll each ordinary share is entitled to one vote. Ordinary shares have no par value. Incremental costs directly attributable to the issue of new shares are shown in equity as a reduction, net of tax, from the proceeds.

Treasury Shares

The shares held by the Sigma Employee Share Administration Pty Ltd are treasury shares which are the Company's ordinary shares which, as at the end of the year, have not vested to Group employees, and are therefore controlled by the Group.

(a) Movements in ordinary share capital

	No. of Shares	$'000
Balance at 1 February 2023	1,059,276,416	1,286,144
Shares bought on market	572,589,719	396,228
Balance at 31 January 2024	**1,631,866,135**	**1,682,372**
Issued during the year	–	–
Balance at 31 January 2025	**1,631,866,135**	**1,682,372**

(b) Movements in treasury share capital

	No. of Shares	$'000
Balance at 1 February 2023	(66,790,005)	(51,682)
Employee shares exercised	5,495,862	2,157
Reclassification of settled and expired share-based transactions	–	4,176
Balance at 31 January 2024	**(61,294,143**	**(45,349)**
Employee shares exercised	**4,104,954**	**3,015**
Reclassification of settled and expired share-based transactions	–	**1,031**
Balance at 31 January 2025	**(57,189,189)**	**(41,303)**

Capital management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern so it can continue to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to minimise the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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For the Year Ended 31 January 2025

17. Reserves

	2025 $'000	2024 $'000
Reserves:		
Fair value reserve	**(476)**	(2,083)
Foreign currency translation reserve	**196**	231
Options/performance rights reserve	**(4,185)**	3,745
Employee share reserve	**785**	1,030
Total	**(3,680)**	2,923

The Group's reserves are presented in the consolidated statement of changes in equity. The nature and purpose of each reserve is presented below.

Fair value reserve

The fair value reserve represents the cumulative gains and losses arising on the revaluation of the investment in other financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in profit or loss when the net investment is disposed of.

Option/performance rights reserve

This reserve is used to recognise the fair value of shares, performance rights and options issued to employees.

Employee share reserve

This reserve is used to recognise dividends paid by the Company that were eliminated on consolidation on unvested shares held by Sigma Employee Share Plan referred to in Note 30. The reserve will reverse against share capital held by the equity compensation plan when the shares vest.

18. Borrowings

	2025 $'000	2024 $'000
Current		
Secured bank overdraft	–	–
Total current borrowings	–	–
Non-current		
Secured cash advance facilities	–	–
Total non-current borrowings	–	–

Recognition and measurement

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequently, borrowings are stated at amortised cost. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months from balance date and intends to do so. At the 31 January 2025 the Group did not have borrowings and all debt was repaid. Working capital is currently being funded by surplus cash and cash equivalents as shown in Note 31.

Credit facilities

The Group maintains the following credit facilities:

	2025		2024	
	Total facility $'000	Unused $'000	Total facility $'000	Unused $'000
Secured bank overdraft facility (Tranche A)	**250,000**	**250,000**	135,000	135,000
Secured cash advance facilities (Tranche B)	**250,000**	**250,000**	115,000	115,000
Corporate credit card	**1,500**	**1,286**	1,500	1,265

Westpac debt facility (Receivables Purchase Facility)

As at 31 January 2025, the Company has a debt facility with the Westpac Banking Corporation (Westpac), which includes:

- Tranche A – an overdraft facility of $250 million. This expires 19 November 2026.
- Tranche B – a cash advance facility of $250 million. This expires 19 November 2026.

Tranche A and Tranche B are secured using eligible trade receivables of Sigma Healthcare Limited and Sigma Healthcare Logistics Pty Ltd. The facility imposes rights and obligations on the Group with respect to the quality and maintenance of the receivables, collection of receivables, settlement and reporting to the financier.

Subsequent to the end of the financial year, Sigma terminated its Receivable Purchase Agreement facility with Westpac, effective 10 February 2025. On the same date, Sigma entered into a new Senior Secured Syndicated Facility Agreement with its lenders, which includes:

- Facility A – a revolving cash advance facility of $940 million. This expires 10 February 2028.
- Facility C – re-drawable multi-option facility of $60 million. This expires 10 February 2028.
- Facility D – a revolving cash advance facility of $500 million. This expires 10 February 2028.

Borrowing costs capitalised

The borrowing costs of $0.8 million were capitalised for the year ended 31 January 2025 and then subsequently expensed. The capitalised borrowing costs as at 31 January 2025 was nil (2024: nil). The interest rate applicable to the debt facilities is variable, and Sigma does not hedge the interest rate. The costs associated with the debt facilities are recorded in "finance costs" in the consolidated statement of comprehensive income.

Debtor securitisation programme (Sigma Rewards Facility)

The Sigma Rewards Facility has been voluntarily terminated early, effective from 12 August 2024. The voluntary closure of this facility does not impact the Group's available debt funding facilities or headroom. The Sigma Rewards program continues to operate for eligible customers and is unaffected by the voluntary termination of the Sigma Rewards debt facility.

19. Financial risk management

The Group's activities expose it to a variety of financial risks, including market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group seeks to minimise the effects of these risks which includes the use of financial instruments, including derivatives, if deemed appropriate, although use of derivatives is minimal, both in the current period and historically.

The Group Treasury Policy, approved by the Board, governs the management of foreign currency risk, interest rate risk, credit risk and liquidity risk, with mandatory monthly reporting requirements. The use of financial derivatives is also governed by the Treasury Policy which provides written principals on their use. The Group does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group holds the following financial assets and liabilities at year end:

	2025 $'000	2024 $'000
Financial assets		
Cash and cash equivalents	**14,574**	356,496
Trade and other receivables	**975,052**	324,726
Other financial assets	**8,524**	13,622
Total financial assets	**998,150**	694,844
Financial liabilities		
Trade and other payables	**841,282**	353,571
Lease liabilities	**132,086**	136,631
Total financial liabilities	**973,368**	490,202

(a) Market risk

(i) Foreign exchange risk

The Group operates predominantly within Australia with the majority of operations denominated in Australian dollars. The Group does make payments to some suppliers in foreign currencies, predominantly in United States dollars, Euros and New Zealand dollars, which does provide exposure to fluctuations in the value of these financial commitments due to the changes in foreign currency rates.

In accordance with the Treasury Policy, the Group manages the risk of foreign currency rate fluctuations by using forward foreign exchange contracts to fix the exchange rates when committed cashflows in foreign currencies are above an approved criteria. In practice, the use of these instruments and having contracts outstanding as at period end dates has not been common, as often payment commitments are not significant, or short term in nature.

(ii) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk from changes in interest rates on the Group's interest-bearing liabilities. As interest rates fluctuate, the amount of interest payable on financing where the interest rate is not fixed will also fluctuate.

The Group may seek to mitigate its exposure to fluctuations in interest rates by entering into interest rate hedging contracts for a portion of forecast interest rate exposures. The Group did not enter into any interest rate hedge contracts during the year ended 31 January 2025 (2024: nil).

19. Financial risk management continued

The following table summarises the principal amount on outstanding balances at balance date and the weighted average interest rate for these balances throughout the year. The table also summarises the Group's exposure to interest rate risk using a sensitivity analysis performed using a 100-basis point variation. The sensitivity has been measured by the quantitative impact on profit before tax ("profit" in the table) if the variation were to occur.

	31 January 2025				31 January 2024			
	Balance $'000	Weighted avg. rate	-1% Profit $'000	+1% Profit $'000	Balance $'000	Weighted avg. rate	-1% Profit $'000	+1% Profit $'000
Cash and cash equivalents	**14,574**	**4.44%**	**(146)**	**146**	356,496	4.34%	(3,565)	3,565
Total (decrease)/ increase			**(146)**	**146**			(3,565)	3,565

(iii) Equity price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices, rather than changes in interest rates and/or exchange rates. These price movements may be caused by factors specific to the individual financial asset, its issuer, or factors affecting all similar financial assets traded on the market.

The Group has exposure to equity price risk through investments in shares of listed entities that are traded in an active market and investments in shares in unlisted entities not traded in an active market recorded in "Other financial assets". These investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

The potential impact of movements in price risk on the Group's profit and loss and equity resulting from 10% increase/decrease in value of equity securities at reporting date are shown below. The sensitivity has been performed using a 10% variation as management consider this to be reasonable having regard to historic movements in equities. The sensitivity has been measured by the quantitative impact on profit before tax ("profit" in the table) if the variation were to occur.

	31 January 2025			31 January 2024		
	Balance $'000	-10% Equity $'000	+10% Equity $'000	Balance $'000	-10% Equity $'000	+10% Equity $'000
Other financial assets						
Investments – active market (Level 1)	**1,575**	**(158)**	**158**	3,673	(367)	367
Investments – other observable input (Level 2)	**–**	**–**	**–**	–	–	–
Investments – non-traded (Level 3)	**6,949**	**(695)**	**695**	9,949	(995)	995

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. The Group has endeavoured to minimise credit risk by dealing with creditworthy counterparties.

The principal activity of the Group gives rise to a significant trade receivables value within the financial assets of the Group. The credit risk on the trade receivables of the Group is generally the carrying amount, net of any provisions for impairment losses.

Credit assessments are undertaken to determine the credit quality of the customer, taking into account their financial position, past experience and other relevant factors. Individual risk limits are granted in accordance with the internal credit policy and authorised via appropriate personnel as defined by the Group's delegation of authority manual. The utilisation of credit limits by customers, and associated security arrangements, are monitored by management.

The Group registers its retention of title on the Personal Properties Securities Register and seeks additional security as collateral where appropriate in accordance with its credit policy.

(c) Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash reserves, marketable securities and access to cash via committed credit facilities in order to meet commitments as and when they fall due. Forecast and actual cash flows are closely monitored in line with Sigma's Treasury Policy and reported to the Board on a monthly basis.

The Group's finance facilities and the amounts unused at balance date are summarised in Note 18. The weighted average term to maturity of committed bank facilities and rolling cash flow forecasts are periodically provided to management and the Board. As at 31 January 2025, predominantly all the Group's financial assets and liabilities are due within the next twelve months, except for the Group's debt facility which matures on 19 November 2026. However, subsequent to the end of the financial year, Sigma terminated the Receivable Purchase Agreement with Westpac, effective 10 February 2025. On the same date, Sigma entered into a Senior Secured Syndicated Facility Agreement with certain lenders, which includes:

- Facility A – a revolving cash advance facility of $940 million. This expires 10 February 2028.
- Facility C – re-drawable multi-option facility of $60 million. This expires 10 February 2028.
- Facility D – a revolving cash advance facility of $500 million. This expires 10 February 2028.

(d) Fair value of financial instruments

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 – inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs are unobservable inputs for the asset or liability.

The Group currently holds Level 3 financial assets designated at FVOCI. The fair value of financial assets designated as FVOCI is calculated based on the latest available valuation inputs at each reporting date, including unlisted equity investee's financial information and recent transactions.

Financial instruments at fair value

The financial assets and liabilities recorded at fair value by the Group are investments (other financial assets) and forward foreign exchange contracts.

The investments in listed entities are considered Level 1 financial instruments as the fair value is based on a quoted price in an active market, and investments in unlisted entities are considered Level 3 financial instruments as the fair value is based on unobservable inputs for the asset or liability.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, except for impairment losses which are recognised in profit or loss.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Balance at 1 February 2024	3,673	–	9,949	13,622
Purchases	–	–	–	–
Disposals/transfers	(4,751)	–	(3,000)	(7,751)
Movements in fair value – gain	2,653	–	–	2,653
Balance at 31 January 2025	1,575	–	6,949	8,524

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For the Year Ended 31 January 2025

Group structure

This section provides information about Sigma's group structure and how any changes have affected the financial position and performance of the Group.

20. Business acquisitions

Recognition and measurement

Business combinations are accounted for using the acquisition method. Identifiable assets, liabilities and contingent liabilities acquired are measured at fair value at the acquisition date.

The fair value of the consideration transferred comprises the initial cash paid to the sellers and an estimate for any future payments the Group may be liable to pay, based on future performance of the business. This latter amount is classified as contingent consideration and is classified as a financial liability. Amounts classified as a financial liability are subsequently measured at fair value with any changes in fair value recognised in profit or loss. Acquisition related costs are expensed as incurred in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (no more than 12 months from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

21. Non-controlling interest

	2025 $'000	2024 $'000
Non-controlling interest		
Balance at beginning of the year	**1,841**	1,848
Share of profit for the year	**924**	802
Dividends paid	**(1,347)**	(809)
Total	**1,418**	1,841

The non-controlling interests on the date of acquisition is measured at the non-controlling shareholders' proportion of the net fair value of the identifiable assets assumed. Transactions with non-controlling interests are recorded directly in retained earnings.

22. Details of controlled entities

The consolidated financial statements include the assets, liabilities and results of the following controlled entities:

	Country of incorporation	Ownership interest 2025 %	2024 %
Parent Entity			
Sigma Healthcare Limited [b]	Australia		
Subsidiaries			
Chemist Club Pty Limited [a,c]	Australia	**100**	100
Sigma Company Limited [a,c]	Australia	**100**	100
Allied Master Chemists of Australia Limited [a,c]	Australia	**100**	100
Guardian Pharmacies Australia Pty Ltd [a,c]	Australia	**100**	100
Sigma Employee Share Administration Pty Ltd	Australia	**100**	100
Sigma NZ Limited	New Zealand	**100**	100
Pharmacy Wholesalers (Wellington) Limited	New Zealand	**100**	100
QDL Limited [a,c]	Australia	**100**	100
Sigma (W.A.) Pty Ltd [a,c]	Australia	**100**	100
ACN 141 734 723 Pty Ltd [a,c,e]	Australia	**100**	100
Sigma Healthcare Logistics Pty Ltd [a,c,d]	Australia	**100**	100
Linton Street Pty Ltd [a,c]	Australia	**100**	100
PriceSave Pty Ltd [a,c]	Australia	**100**	100
PharmaSave Australia Pty Ltd [a,c]	Australia	**100**	100
Discount Drugstores Pty Ltd [a,c]	Australia	**100**	100
NostraData Pty Ltd	Australia	**51**	51
MPS Hold Co. Pty Ltd [a,c]	Australia	**100**	100
Medical Industries Australia Hold Co. Pty Ltd [a,c]	Australia	**100**	100
Crucible Health Pty Ltd [a,c]	Australia	**100**	100
Sigma Healthcare Hospital Services Pty Ltd [a,c]	Australia	**100**	100
Tromax Pty Ltd [a,c]	Australia	**100**	100
ACN 133 432 096 Pty Ltd [a]	Australia	**100**	100

a. These wholly owned companies are subject to a deed of cross guarantee (see Note 25).
b. Sigma Healthcare Limited is the head entity within the tax consolidated group.
c. These wholly owned subsidiaries are members of the tax consolidated group.
d. Sigma Healthcare Logistics Pty Ltd (formerly Central Healthcare Services Pty Ltd).
e. ACN 141 734 723 Pty Ltd (formerly Central Healthcare Pty Ltd).

23. Related party disclosures

The Company

Sigma Healthcare Limited is the parent entity of the Group.

Controlled entities

Interests in controlled entities are set out in Note 22. The Company transacted business throughout the financial period with certain controlled entities in respect of purchases of goods and services. These transactions were undertaken on normal commercial terms and conditions.

Key management personnel

Disclosures relating to key management personnel are set out in Note 29 and in the Remuneration Report.

Other transactions with Directors

Other transactions entered into by Sigma Healthcare Limited and the Group with Directors and their Director-related entities are within normal employee, customer or supplier relationships on terms and conditions no more favourable than those available in similar arm's length dealings.

24. Parent company financial information

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

	2025 $'000	2024 $'000
Balance sheet		
Current assets	**320,213**	319,697
Non-current assets	**365,667**	375,633
Total assets	**685,880**	695,330
Current liabilities	**23,344**	12,843
Total liabilities	**23,344**	12,843
Net assets	**662,536**	682,487
Equity		
Issued capital	**677,739**	677,739
Reserves	**1,678**	1,941
Accumulated profit	**(16,881)**	2,807
Total equity	**662,536**	682,487
Financial performance		
Profit/(loss) for the year	**(3,369)**	4,872
Total comprehensive (loss)/income for the year	**(3,369)**	4,872

(a) Guarantees entered into by parent entity

The parent entity has provided financial guarantees in respect of the total debt facility (Note 18). As at 31 January 2025, the balance drawn from the total facility is nil (2024: $nil). The facility is secured by way of deed over eligible trade receivables.

In addition, under the terms of a Deed of Cross Guarantee dated 20 January 2006, entered into accordance with the *ASIC Corporations (Wholly-Owned Companies) Instrument 2016/785*, the Company has undertaken to meet any shortfall which might arise on the winding up of controlled entities which are party to the Deed (see Note 22). No deficiencies of assets exist in any of these entities. No liability was recognised by the parent entity or the Group in relation to these cross guarantees, as the fair value of the guarantees is immaterial.

24. Parent company financial information continued

(b) Parent company investment in subsidiary companies

Investments in subsidiaries are carried at cost in the individual financial statements of Sigma Healthcare Limited. An impairment loss is recognised whenever the carrying amount of the investment exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less costs of disposal. The carrying value of the parent's investment in subsidiaries as at 31 January 2025 was $363,511,000 (2024: $363,511,000).

(c) Receivables from controlled entities

The parent entity did not have any impairment in respect of any intercompany loan receivable during the current period (2024: nil). The parent loan receivable is not overdue and eliminates on consolidation.

(d) Contingent liabilities of the parent entity

Refer to Note 13 for further information on contingent liabilities for the Group. The parent entity did not have any other contingent liabilities as at 31 January 2025 (2024: nil).

(e) Contractual commitments for the acquisition of property, plant or equipment

The parent entity did not have any contractual commitments for the acquisition of property, plant and equipment as at 31 January 2025 (2024: nil).

25. Deed of cross guarantee

Pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* the wholly owned Australian controlled entities listed in Note 22 footnote (a) are relieved from the *Corporations Act 2001* requirements for the preparation, audit and lodgement of financial reports. These entities which are also referred to in the Directors' declaration are, together with the Company, all members of the 'Extended Closed Group' as defined under the ASIC Corporations Instrument and are parties to a Deed of Cross Guarantee dated 20 January 2006 which provides that the parties to the Deed will guarantee to each creditor payment in full of any debt of these entities on winding up of that entity.

A statement of comprehensive income and balance sheet comprising the Company and those Australian controlled entities which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee at 31 January 2025, are set out below:

(a) Statement of comprehensive income

	2025 $'000	2024 $'000
Sales revenue	**4,841,200**	3,322,692
Cost of goods sold	**(4,559,883)**	(3,103,916)
Gross profit	**281,317**	218,776
Other revenue	**75,825**	85,417
Other expense	**(5,472)**	–
Warehousing and delivery expenses	**(150,225)**	(134,557)
Sales and marketing expenses	**(39,118)**	(32,813)
Administration expenses	**(116,673)**	(87,636)
Depreciation and amortisation	**(25,493)**	(27,987)
Profit before financing costs and tax expense (EBIT)	**20,161**	21,200
Finance income	**7,990**	1,708
Finance costs	**(18,514)**	(16,303)
Net finance costs	**(10,524)**	(14,595)
Profit before income tax	**9,637**	6,605
Income tax expense	**(23,305)**	(2,161)
Profit/(loss) for the year	**(13,668)**	4,444
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(50)**	12
Income tax relating to components of other comprehensive income	**15**	(4)
Items that will not be reclassified to profit or loss:		
Net change in fair value of equity instruments	**2,653**	(530)
Income tax relating to components of other comprehensive income	**(796)**	159
Other comprehensive loss for the year (net of tax)	**1,822**	(363)
Total comprehensive income/(loss) for the year	**(11,846)**	4,081
Summary of movements in consolidated accumulated losses		
Accumulated losses at the beginning of the financial period	**(769,922)**	(762,268)
Profit/(loss) for the year	**(13,668)**	4,444
Reclassification of settled and expired share-based transactions	**(826)**	(1,897)
Dividends paid	**(15,938)**	(10,201)
Transfers	**248**	–
Accumulated losses at the end of the financial period	**(800,106)**	(769,922)

(b) Balance sheet

	2025 $'000	2024 $'000
Current assets		
Cash and cash equivalents	**12,866**	355,214
Trade and other receivables	**950,216**	314,384
Inventories	**383,437**	221,130
Income tax receivable	**3,456**	3,149
Prepayments	**11,249**	8,074
Assets held for sale	**6,618**	6,704
Other current assets	**4,800**	–
Total current assets	**1,372,642**	908,655
Non-current assets		
Trade and other receivables	**22,076**	8,107
Property, plant and equipment	**182,543**	188,507
Goodwill and other intangible assets	**102,963**	104,238
Right-of-use assets	**73,769**	83,152
Other financial assets	**16,336**	21,434
Net deferred tax assets	**39,063**	56,569
Other non-current assets	**16,400**	–
Total non-current assets	**453,150**	465,007
Total assets	**1,825,792**	1,373,662
Current liabilities		
Trade and other payables	**813,510**	327,097
Lease liabilities	**10,640**	9,789
Provisions	**9,393**	6,933
Deferred income	**190**	82
Liabilities held for sale	**484**	423
Other current liabilities	**1,517**	–
Total current liabilities	**835,734**	344,324
Non-current liabilities		
Lease liabilities	**121,446**	126,842
Provisions	**4,876**	7,179
Total non-current liabilities	**126,322**	134,021
Total liabilities	**962,056**	478,345
Net assets	**863,736**	895,317
Equity		
Contributed equity	**1,682,372**	1,662,546
Reserves	**(18,530)**	2,693
Accumulated losses	**(800,106)**	(769,922)
Total equity	**863,736**	895,317

Other disclosures

This section provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements.

26. Expenditure commitments
27. Auditors' remuneration
28. Guarantees
29. Key management personnel compensation
30. Employee share plans and share-based payments
31. Notes to the statement of cash flows
32. New accounting standards

26. Expenditure commitments

Expenditure commitments existed at the end of year in respect of:

	2025 $'000	2024 $'000
Capital expenditure contracted but not provided for in the financial report and payable	**2,456**	3,546
Total expenditure commitments	**2,456**	3,546

27. Auditors' remuneration

During the year the auditors of Sigma Healthcare Limited earned the following remuneration:

	2025 $	2024 $
Auditors of the parent entity – Deloitte Touche Tohmatsu		
Audit and review of financial reports of the entity or any controlled entity	**725,140**	721,800
Other advisory services	**199,590**	–
Total remuneration	**924,730**	721,800

28. Guarantees

Guarantees existed at the end of year in respect of:

	2025 $'000	2024 $'000
Bank guarantees	**6,644**	6,644
Total guarantees	**6,644**	6,644

As at 31 January 2025, the Group has obtained bank guarantees from a financial institution of $6,644,000 (2024: $6,644,000) for securing the leased premises and warehouses held under the Group and with $nil (2024: nil) being utilised as at year end.

29. Key management personnel compensation

The compensation paid or payable to key management personnel of the Group is set out below:

	2025 $	2024 $
Short-term employee benefits	**5,413,849**	3,750,791
Post-employment benefits	**158,563**	147,579
Long-term benefits	**6,798**	2,185
Share-based payments	**1,184,072**	1,539,018
Total key management personnel compensation	**6,763,282**	5,439,573

Key management personnel ("KMP") and remuneration disclosures are provided in the Remuneration Report on pages 12 to 36.

Disclosures relating to related party transactions with Directors or key management personnel are set out in Note 23.

30. Employee share plans and share-based payments

Expenses arising from share-based payment transactions

Expenses arising from share-based payment transactions attributable to employees recognised during the period were as follows:

	2025 $'000	2024 $'000
Share-based payment expense:		
Shares (loan funded) issued under the employee share plan and executive long-term incentive plan	**568**	412
Rights issued under the executive long-term incentive plan	**2,858**	1,751
Rights issued under the short-term incentive plan	**–**	460
Cash settled performance rights under long-term incentive plan	**(463)**	131
Total	**2,963**	2,754

The Group has an employee share plan and share-based remuneration schemes for executive and non-executive management (excluding non-executive Directors).

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the options/performance rights reserve.

Where an equity-settled share-based payment scheme is modified during the vesting period, an additional charge is recognised over the remainder of that vesting period to the extent that the fair value of the revised scheme at the modification date exceeds the fair value of the original scheme at the modification date. Where the fair value of the revised scheme does not exceed the fair value of the original scheme, the Group continues to recognise the charge required under the conditions of the original scheme. Where an equity-settled share-based payment scheme is modified to cash-settled and the fair value of the original scheme at the date of modification exceeds the grant date fair value of the scheme, the excess is recognised as a reduction to equity. Individuals must be employed by the Group at the time of vesting, and not in their notice period, to be entitled to the equity incentives.

The amount payable to team members in respects of cash-settled share-based payments is recognised as an expense, with a corresponding increase in liabilities, over the period which the team members become unconditionally entitled to the payment. The liability is measured at each reporting date and at settlement date based on the fair value, with any changes in the liability being recognised in profit or loss.

Employee share plan

Up until the financial year 2021/22, the Group's Employee Share Plan periodically offered ordinary shares to all full or part time employees of the Group. The ordinary shares issued under the plan rank equally with all other fully paid ordinary shares on issue. Interest free loans are offered to acquire the shares. The price at which shares are issued is determined by the weighted average price of ordinary shares over the five trading days prior to and including the date of issue of shares. The Employee Share Plan is administered by Sigma Employee Share Administration Pty Ltd (SESA), a controlled entity. At balance date 4,123,000 shares are on issue (2024: 6,924,000).

Interest free loans from SESA to employees are for a period of 10 years and are secured by the shares issued. The loans are repayable from dividends received on the shares and from voluntary loan repayments. If an employee leaves employment within the Group, they can repay the loan in full and acquire unrestricted ownership of the shares. If the employee does not wish to acquire the shares and repay the loan, the shares are transferred to SESA for later sale on market to repay the remaining balance of the loan.

Upon deciding to introduce a companywide Short Term Incentive Plan for financial year 2022/2023, the Company decided not to run an employee share scheme offering for this financial year. While the existing loan funded plans from previous years remain on foot, a companywide scheme has the potential to deliver a more immediate financial return than the employee loan funded share plan.

Share-based remuneration schemes

The Group has the following share-based remuneration schemes:

Executive loan funded share plan (long-term incentive plan):

The Group has loan funded share plans for executives and senior employees. Participants are provided an interest free limited recourse loan to purchase shares in the Company if pre-defined vesting conditions are met three years from grant date. For the year ended 31 January 2022 (grant date: 1 February 2021) and the year ended 31 January 2023, the Group used a loan funded share plan for the executive long-term incentive (LTI) plan. For the year ended 31 January 2024, the Group used a rights issue (see below) for the executive LTI.

Executive long-term incentive plan – rights issue (zero exercise price):

As noted above, for the year ended 31 January 2024 (grant date: 1 February 2023) the Company implemented a rights issue for the executive long-term incentive plan. Participants were issued rights with a three-year performance period subject to service and forfeiture conditions.

Executive short-term incentive plans – rights issue (zero exercise price):

During the year ended 31 January 2023, the Company implemented a short-term incentive (STI) deferred rights plan for the CEO and CFO. The deferred rights STI plan was also used for the year ended 31 January 2024 and 31 January 2025. During the year ended 31 January 2023, the Company also provided a sign on rights issue to the new CEO (grant date: 1 February 2022) covering the 24-month period to 31 January 2024. In the context of the merger, the Board approved payment of the 25% deferred equity component to be delivered in cash for the financial year ended 31 January 2025 as disclosed earlier in the Remuneration Report.

In accordance with the provisions of these share-based remuneration schemes, executives and non-executive managers within the Group are granted options to purchase ordinary shares at various issue prices (loan funded schemes) or acquire shares at a zero-exercise price (rights issues).

2023/2024 "One-off" Executive Equity Grant

As indicated in last year's Remuneration Report, in the context of the merger the Board has given consideration to the treatment of the 2023/2024 "One-off" Executive Equity Grant Rights Plan (EEG). The Board considered the continued employment of executives both during the period of, and following approval of, the merger, the significant value delivered to Sigma Shareholders through the merger and the key roles executives have performed in relation to the merger. The Board has determined the rights under the 2023/2024 EEG are subject to the following treatment:

(i) a cash payment equal to the value of 25% of the EEG Rights (being the service based component of the grant) be made upon the 'normal' retention date in the EEG (being 31 January 2026) and the corresponding EEG Rights lapsing, (ii) a cash payment equal to the value of 37.5% of the EEG Rights be made upon the merger completing and the corresponding EEG rights lapsing, and (iii) 37.5% of the EEG Rights vest upon the merger completing. The ordinary shares in Sigma allocated on vesting of the rights will be subject to disposal restrictions until, and forfeiture for ceasing employment before, 31 January 2026.

If a participant gives notice of termination of employment prior to a settlement event as detailed above, their entitlements under the EEG (as modified) will be forfeited.

As required pursuant to ASX listing rules, Shareholder approval was obtained to convert 37.5% of the EEG Rights to ordinary shares, and to cancel the remaining EEG Rights and replace these with cash payments to participants.

Details of the features of each share-based remuneration scheme are provided on pages 24 to 26 of the Remuneration Report.

Loan funded share plans

Unvested shares held under any loan funded share plans are owned by the Group until they vest. Unvested shares are held at cost and are eliminated on consolidation within equity.

Dividends paid by Sigma Healthcare Limited on shares held under loan funded share plans not issued to employees are eliminated in full on consolidation. Any Dividends applied to repay loan balances are recorded in a separate reserve account as they represent part of the exercise price "paid" by the employee. Dividends of forfeited shares are subsequently transferred back to retained earnings/accumulated losses.

30. Employee share plans and share-based payments continued

Outstanding share options and rights

The tables below reconcile the outstanding share options granted under the Group's share-based remuneration schemes at the beginning and end of the financial year.

Executive loan funded share plan (long-term incentive (LTI) plan)

	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year
2025					
Number of outstanding loan funded shares	**17,185,646**	**–**	**–**	**(2,972,660)**	**14,212,986**
Weighted average exercise price	**$0.51**	**–**	**–**	**$0.68**	**$0.47**
2024					
Number of outstanding loan funded shares	22,886,910	–	–	(5,701,264)	17,185,646
Weighted average exercise price	$0.53	–	–	$0.60	$0.51

Executive long-term incentive (LTI) plan – rights issue (zero exercise price)

	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year
2025					
Number of outstanding performance rights	**12,160,471**	**2,455,802**	**–**	**(2,367,446)**	**12,248,827**
Total	**12,160,471**	**2,455,802**	**–**	**(2,367,446)**	**12,248,827**
2024					
Number of outstanding performance rights	–	14,100,938	–	(1,940,467)	12,160,471
Total	–	14,100,938	–	(1,940,467)	12,160,471

Executive short-term incentive (STI) plans – rights issue (zero exercise price)

	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year
2025					
Number of outstanding performance rights	**1,482,422**	**–**	**–**	**–**	**1,482,422**
Total	**1,482,422**	**–**	**–**	**–**	**1,482,422**
2024					
Number of outstanding performance rights	4,016,160	–	(2,439,362)	(94,376)	1,482,422
Total	4,016,160	–	(2,439,362)	(94,376)	1,482,422

Deferral Short-term incentive (STI) Plan – Rights issue (Zero exercise price)

	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year
2025					
Number of outstanding performance rights	**240,462**	**260,844**	**–**	**–**	**501,306**
Total	**240,462**	**260,844**	**–**	**–**	**501,306**

Fair value of options granted

The fair value of options granted are independently determined by an external consultant engaged by the Company. The fair value of each performance rights granted was determined on the date of grant using the Black-Scholes option pricing model that considers the terms and components on the option for those rights with non-market based vesting conditions and using the Monte Carlo methods for those rights with market-based vesting conditions.

The fair value and inputs into the valuation for share rights granted during the year and unexercised are set out below:

	Executive LTI plan – rights issue – EPS (Zero exercise price)	Executive LTI plan – rights issue – TSR (Zero exercise price)
Grant date	1 February 2024	1 February 2024
Fair value	$0.93	$0.41
Inputs into the model:		
Grant date share price	$1.01	$1.01
Exercise price	$0.000	$0.000
Expected volatility	30%	30%
Vesting life	3 Years	3 Years
Option life	4 Years	4 Years
Expected dividend yield	2.00%	2.00%
Risk free interest rate	3.50%	3.50%

During the financial year ended 31 January 2025, Sigma's Board and shareholders approved the cancellation and changes to existing Performance Rights in the context of the merger and the change of control provisions within the incentive schemes. The inputs used in the measurement of the fair values of the share-based payments schemes at the modification date were as follows:

	2023 LTI EEG			2024 LTI	
	Tranche A Non-market	Tranche B Non-market	Tranche C Market	EPS Non-market	TSR Market
Grant date	1-Feb-23	1-Feb-23	1-Feb-23	1-Feb-24	1-Feb-24
Exercise price	Zero	Zero	Zero	Zero	Zero
Share price at grant date	$0.65	$0.65	$0.65	$1.01	$1.01
Fair value at grant date	$0.57	$0.57	$0.26	$0.93	$0.41
Modification date	29-Jan-25	29-Jan-25	29-Jan-25	29-Jan-25	29-Jan-25
Share price pre-modification	$3.03	$3.03	$3.03	$3.03	$3.03
FV (pre-modification)	$2.95	$3.03	$2.95	$2.88	$2.84
Share price post-modification	$3.10	$3.10	$3.10	$3.10	$3.10
FV (post-modification)	$3.02	$3.10	N/A	$2.85	$2.79
Vesting life	3 Years	3 Years	3 Years	3 Years	3 Years
Option life	4 Years	4 Years	4 Years	4 Years	4 Years
Expected volatility	30.00%	30.00%	30.00%	30.00%	30.00%
Expected dividend yield	2.00%	2.00%	2.00%	2.00%	2.00%
Risk free interest rate	4.00%	4.00%	4.00%	3.50%	3.50%

31. Notes to the statement of cash flows

Reconciliation of cash and cash equivalents

Cash and cash equivalents comprise cash balances and highly liquid investments and notes with maturity of three months or less when purchased. The year-on-year decrease in the Group's cash balance reflects the inventory build-up ahead of the new CWG supply agreement that commenced 1 July 2024 and the investment in working capital to support the new CWG supply contract.

	Note	2025 $'000	2024 $'000
Cash and cash equivalents:			
Cash and bank balances		**14,574**	356,496
Total		**14,574**	356,496

Reconciliation of profit for the year to net cash flows from operating activities

	2025 $'000	2024 $'000
Profit/(loss) for the year	**(12,918)**	5,311
Depreciation expense	**22,601**	24,486
Amortisation expense	**3,211**	3,837
Impairment of goodwill and other assets	**5,476**	–
Share-based payments expense	**2,963**	2,754
(Gain)/loss on disposal of property, plant and equipment and investments	**(752)**	(1,477)
Gain on disposal of hospital operations	**–**	(9,235)
Change in assets and liabilities:		
Change in inventories	**(162,307)**	103,723
Change in net taxes	**23,876**	3,642
Change in prepayments	**(3,287)**	(1,308)
Change in trade and other receivables	**(670,385)**	10,884
Change in trade payables	**423,763**	(102,652)
Change in provisions	**324**	(2,017)
Change in other payables and deferred income	**51,844**	4,017
Net cash flows from operating activities	**(315,591)**	41,965

31. Notes to the statement of cash flows continued

Reconciliation of liabilities arising from financing activities

	Secured loans $'000	Unsecured loans $'000	Total $'000
2024			
Total liability 1 February 2023	80,000	–	80,000
Proceeds on borrowings	725,000	–	725,000
Repayment on borrowings	(805,000)	–	(805,000)
Non-cash flow	–	–	–
Total liability 31 January 2024	–	–	–
2025			
Proceeds on borrowings	**400,000**	–	**400,000**
Repayment on borrowings	**(400,000)**	–	**(400,000)**
Non-cash flow	–	–	–
Total liability 31 January 2025	–	–	–

The secured bank overdraft facility is not included in financing activities as it is considered with cash and cash equivalents.

32. New accounting standards

New accounting standards and interpretations

In the current period, the Financial Statements have been prepared based on accounting standards consistent with prior year, except for new Accounting Standards, Amendments and Interpretations, which became effective for the Group from 1 February 2024. The adoption of these new Standards, Amendments and Interpretations did not have a material impact on the amounts recognised in current or prior periods.

Standards on issue but not yet effective

The following new accounting standards and interpretations have been published that are not mandatory for the 31 January 2025 year end reporting period and have not yet been applied by the Group within this financial report:

- AASB 18 *Presentation and Disclosure in Financial Statements* – effective date 1 January 2027.
- AASB 2024-2 *Amendments to Australian Accounting Standards* – Classification and measurement of financial instruments – effective date 1 January 2026.

The Group does not believe these new accounting standards, amendments and interpretations will have a material impact on the financial statements in future periods.

Consolidated Entity Disclosure Statement

As at 31 January 2025

Name of Entity	Entity Type (Body Corporate, partnership or trust)	Bodies Corporate: Place formed or incorporated	Bodies Corporate: % of share capital held	Tax Residency: Australian or foreign tax resident	Tax Residency: Foreign jurisdiction
Sigma Healthcare Limited	Body Corporate	Australia	N/A	Australian	N/A
Chemist Club Pty Limited	Body Corporate	Australia	100	Australian	N/A
Sigma Company Limited	Body Corporate	Australia	100	Australian	N/A
Allied Master Chemists of Australia Limited	Body Corporate	Australia	100	Australian	N/A
Guardian Pharmacies Australia Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Sigma Employee Share Administration Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Sigma NZ Limited	Body Corporate	New Zealand	100	Foreign	New Zealand
Pharmacy Wholesalers (Wellington) Limited	Body Corporate	New Zealand	100	Foreign	New Zealand
QDL Limited	Body Corporate	Australia	100	Australian	N/A
Sigma (W.A.) Pty Ltd	Body Corporate	Australia	100	Australian	N/A
ACN 141 734 723 Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Sigma Healthcare Logistics Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Linton Street Pty Ltd	Body Corporate	Australia	100	Australian	N/A
PriceSave Pty Ltd	Body Corporate	Australia	100	Australian	N/A
PharmaSave Australia Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Discount Drugstores Pty Ltd	Body Corporate	Australia	100	Australian	N/A
NostraData Pty Ltd	Body Corporate	Australia	51	Australian	N/A
MPS Hold Co. Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Medical Industries Australia Hold Co. Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Crucible Health Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Sigma Healthcare Hospital Services Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Tromax Pty Ltd	Body Corporate	Australia	100	Australian	N/A
ACN 133 432 096 Pty Ltd	Body Corporate	Australia	100	Australian	N/A

Consolidated Entity Disclosure Statement continued

As at 31 January 2025

Basis of preparation

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

Determination of tax residency

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

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

- Australian tax residency: The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.
- Foreign tax residency: The consolidated entity has applied current legislation and judicial precedent in the determination of foreign tax residency.

In addition, where necessary, the consolidated entity has used independent tax advisers to assist in its determination of tax residency.

Directors' Declaration

For the year ended 31 January 2025

In the opinion of the Directors of Sigma Healthcare Limited:

(a) The consolidated financial statements and notes, 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 consolidated entity's financial position as at 31 January 2025 and of its performance for the year ended on that date; and

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

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) The Consolidated entity disclosure statement set out on page 71 to 72 required by section 295(3A) of the *Corporations Act 2001* is true and correct as at 31 January 2025.

There are reasonable grounds to believe that the Company and the controlled entities identified in Note 22 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those controlled entities pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*.

Within the "About this report" section in the notes to the financial statements is confirmation that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer for the year ended 31 January 2025 pursuant to Section 295A of the *Corporations Act 2001*.

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

For and on behalf of the Board.

Mr Michael Sammells
Chairman

Vikesh Ramsunder
CEO and Managing Director

Melbourne
20 March 2025

Independent Auditor's Report

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Quay Quarter Tower
Level 46, 50 Bridge St
Sydney, NSW, 2000
Australia

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Independent Auditor's Report to the members of Sigma Healthcare Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sigma Healthcare Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated balance sheet as at 31 January 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration and the consolidated entity disclosure statement.

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

(i) giving a true and fair view of the Group's financial position as at 31 January 2025 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Key Audit Matters

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

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Accounting for Modifications to Share-Based Payment Arrangements On 11 December 2023, the Group entered into a Merger Implementation Agreement to merge with CW Group Holdings Limited through a scheme of arrangement. This pending change in control triggered the Board's discretion under the "Change in Control" provisions of Sigma's share-based payment (SBP) arrangements, leading to modifications in the terms of previously granted SBP awards to executives and employees. The accounting for such modifications is complex and requires significant judgment, particularly in determining: • Modification date: establishing the appropriate date of modification in accordance with AASB 2 *Share-based Payment* (AASB 2), considering both the communication to employees and the requisite approvals. • Classification: assessing the classification of the modified awards, as to whether the awards are cash settled and/or equity settled. • Fair value measurement: assessing the fair value of modified awards, including any changes in vesting conditions and the impact on previously recognised expenses. • Probability of vesting: evaluating changes in the likelihood of vesting conditions being met, particularly if the probability has increased due to the anticipated change in control. The magnitude of these modifications and the judgment required in accounting for them, result in share-based payment arrangements being considered a key audit matter.	Our procedures included, but were not limited to: 1. Evaluating management's assessment on the treatment of the modifications to the share-based payment arrangements in accordance with AASB 2; 2. Agreeing the terms of the share-based payment arrangements issued and modified during the year to offer letters and rules of the share option plan; 3. Evaluating the appropriateness of the modification date by examining communications with employees, Board meeting minutes and relevant approvals; 4. Assessing, in conjunction with our internal valuation experts, the appropriateness of the valuation methodology used by management's specialist and the key input assumptions such as volatility rates, current share price, expected dividends, expected life, risk-free interest rate and probability of achieving the market-based performance conditions; 5. Assessing management's judgements in relation to the classification of share-based payment awards and the probability of achieving non-market based vesting conditions; 6. Recalculating the share-based payments expense recorded in the profit or loss over the relevant vesting periods. We also assessed the adequacy of the disclosures in the remuneration report and notes to the financial statements.

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Valuation and existence of inventory *Refer to note 9* The Group has total net inventory of $383.4 million as at 31 January 2025, which is recognised at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average cost. Net realisable value represents the estimated selling price less estimated costs necessary to make the sale. The Group has recognised an inventory provision of $10.8 million as at 31 January 2025, a decrease of $5.4 million in the current financial year. Significant judgement is involved in relation to determining the inventory provision and includes current customer demands, historical inventory write-offs, inventory turnover trends and other analysis. The Group performs either cycle counts or periodic stocktakes depending on the inventory held at the specific distribution centre. The materiality of the inventory balance and the number of distribution centres used by the Group result in inventory valuation and existence being considered a key audit matter.	Our procedures included, but were not limited to: • Obtaining an understanding of the process undertaken by management to identify individual inventory balances that are obsolete, slow moving or have other characteristics that suggest the balance is not recoverable; • Reviewing the Group's inventory provision policy and assessing the design and implementation of relevant controls within management's inventory costing and provision processes; • Challenging management's view of slow moving and obsolete inventory by: o Assessing the completeness of management's assessment through audit procedures on the determination of cost and net realisable value; and o Assessing the adequacy of the provision against current customer demands, historical inventory write-offs and inventory turnover. • Attending cycle counts close to year-end and performing independent inventory count procedures at locations deemed to have a material risk to the Group's financial report; and • Validated that variances (if any) in quantities observed during the cycle counts attended were appropriately recognised. We also assessed the adequacy of the disclosures in the notes to the financial statements.
Operation of financial reporting Information Technology (IT) controls The Group's IT systems are key to the daily operations and the integrity of the financial reporting process. Ensuring the IT systems have appropriate general IT controls is fundamental in mitigating the potential for fraud and/or error as a result of change/s to an application or underlying data. We assessed the general IT control environment as it relates to SAP S/4HANA ("SAP") and the supporting infrastructure. During the previous audits there were various deficiencies identified which required remediation to enable a control reliance approach. The Group has invested significant efforts to strengthen the general IT control environment for SAP and its related infrastructure, throughout the reporting period.	Our procedures included, but were not limited to: • Obtaining an understanding of key business processes and their associated IT systems and general IT controls as it relates to SAP and the supporting infrastructure; • Obtaining an understanding of the remediation of the general IT control deficiencies identified in previous financial years; • Evaluating and testing the design, implementation and operating effectiveness of the general IT controls as it relates to SAP and supporting infrastructure with the assistance of our IT audit specialists related to key business processes which indicated significant remediation has occurred throughout and up to the end of the reporting period; • Considering the broader IT environment including the governance process and controls to monitor and enforce control awareness across the Group; and

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	• Responding to the identified IT control findings by designing and performing mitigating controls/procedures and/or varying the nature, timing and extent of the substantive procedures performed.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 January 2025, but does not include the financial reports and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible:
- For the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 41 of the Directors' Report for the year ended 31 January 2025.

In our opinion, the Remuneration Report of Sigma Healthcare Limited, for the year ended 31 January 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

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Partner
Chartered Accountants
Sydney, 20 March 2025

Shareholder Information

Equity security holders

As at 18 March 2025, the Company has 11,543,702,836 ordinary shares on issue. Further details of the Company's equity securities are as follows:

Largest holders

The following table shows the 20 largest registered shareholders as at 18 March 2025 (as named on the register of shareholders):

Rank	Name	A/C designation	18 Mar 2025	%IC
1	MFV FAMILY FOUNDATION PTY LTD	<M&F VERROCCHI FAM FNDTN A/C>	**2,481,681,027**	**21.50**
2	JEG FAMILY FOUNDATION PTY LTD	<J&E GANCE FAMILY FNDTN A/C>	**1,551,034,201**	**13.44**
3	SG FAMILY FOUNDATION PTY LTD	<S GANCE FAMILY FNDTN A/C>	**1,421,222,384**	**12.31**
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED		**871,241,938**	**7.55**
5	CITICORP NOMINEES PTY LIMITED		**445,477,631**	**3.86**
6	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED		**359,556,170**	**3.11**
7	DGSR FAMILY FOUNDATION PTY LTD	<D GANCE/S ROBERTSON FF A/C>	**353,829,615**	**3.07**
8	AV FAMILY FOUNDATION PTY LTD	<A VERROCCHI FAM FNDTN A/C>	**313,784,873**	**2.72**
8	MJV FAMILY FOUNDATION PTY LTD	<M&J VERROCCHI FAM FNDTN A/C>	**313,784,873**	**2.72**
9	MR SUNIL NARULA		**165,893,114**	**1.44**
10	BOND STREET CUSTODIANS LIMITED	<PITPAR – D99777 A/C>	**150,545,209**	**1.30**
11	MAT FAMILY FOUNDATION PTY LTD	<M & A TASCONE FAM FDN A/C>	**148,144,781**	**1.28**
12	HMC CAPITAL PARTNERS HOLDINGS PTY LTD	<HMC CAP PRTNS HLDS A/C>	**103,399,008**	**0.90**
13	MS NANCY FEI FEI JIAN		**86,118,340**	**0.75**
14	RISPIN MOTT NOMINEES PTY LTD	<STRATOSPHERE A/C>	**81,458,599**	**0.71**
15	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA		**75,333,468**	**0.65**
16	MR AZMAN RASHID HAROON		**64,502,845**	**0.56**
17	MS DANIELLE DI PILLA		**61,243,218**	**0.53**
18	MR CLAUDIO AVENDANO		**55,986,398**	**0.48**
19	CITICORP NOMINEES PTY LIMITED	<COLONIAL FIRST STATE INV A/C>	**51,603,737**	**0.45**
20	BOND STREET CUSTODIANS LIMITED	<PITPAR – D99961 A/C>	**48,455,727**	**0.42**
Total			**9,204,297,156**	**79.73**
Balance of register			**2,339,405,680**	**20.27**
Grand total			**11,543,702,836**	**100.00**

Shareholder Information continued

Substantial shareholders

The following table shows the substantial holders as notified to the Company in substantial holding notices as at 14 March 2025:

Name	Noted date of change	Number of equity securities	Voting power
Mario Verrocchi	12 February 2025	2,555,284,920	22.13%
Jack Gance	12 February 2025	1,579,050,058	13.67%
Sam Gance	12 February 2025	1,446,864,015	12.53%

Holdings distribution

Range	Number of holders
100,001 and Over	796
10,001 to 100,000	6,330
5,001 to 10,000	4,434
1,001 to 5,000	11,830
1 to 1,000	9,775
Total	33,165
Unmarketable Parcels	824

Voting rights

The voting rights attaching to each class of equity securities are set out as below:

Ordinary shares

Holders of ordinary shares have the right to vote at every general meeting of the Company and at separate meetings of holders of Ordinary Shares. At a general or separate meeting, every holder of ordinary shares present in person or by proxy has, on poll, one vote for each ordinary share held.

Performance rights

Performance rights have been issued to employees as part of long-term and short-term incentive plans for the financial year ended 31 January 2025.

- The maximum number of ordinary shares which may be issued if the performance conditions are achieved is 2,716,646 (2024: 14,806,923).
- Participants do not have voting rights.

Five-year Summary

	2025 $'m	2024 $'m	2023 $'m	2022 $'m	2021 $'m
Operating results					
Sales revenue	**4,841.2**	3,322.1	3,660.2	3,446.2	3,400.4
EBITDA	**47.5**	51.5	49.6	30.0	68.6
EBIT	**21.7**	23.2	19.3	2.3	40.0
Profit/(loss) before tax	**11.1**	8.6	5.5	(8.3)	28.6
Profit/(loss) after tax	**(12.9)**	5.3	3.0	(6.3)	45.0
Financial position					
Working capital	**579.0**	212.6	230.0	313.3	294.2
Fixed assets (including intangibles)[5]	**364.9**	382.0	409.2	409.6	417.0
Lease liabilities	**132.1**	136.6	143.3	143.1	148.9
Other assets/(liabilities)	**12.9**	58.1	48.9	58.2	2.4
Capital employed[1]	**824.7**	516.1	544.8	638.0	564.6
Net debt/(cash)	**(14.6)**	(356.5)	67.0	149.2	50.3
Net assets	**839.3**	872.6	477.8	488.8	514.4
Shareholder related					
Dividend					
– ordinary per share	**1.0c**	1.0c	1.5c	2.0c	–
– total dividends	**16.30**	10.60	15.9	21.2	–
Earnings/(loss) per share	**(0.9c)**	0.4c	0.2c	(0.7c)	4.4c
Dividend payout ratio	**n/a**	200%	530%	n/a	–
Net tangible asset backing per share	**45c**	47c	34c	34c	36c
Market capitalisation (balance date)	**4,683**	1,689	673	477	699
Ratio and returns					
EBIT margin[2]	**0.4%**	0.7%	0.5%	0.1%	1.2%
Gearing[3]	**(1.8%)**	(69.1%)	12.3%	23.4%	8.9%
Interest cover[4]	**4.5x**	3.5x	3.6x	2.8x	6.0x

1. Net assets plus borrowings less cash and cash equivalents.
2. EBIT/sales revenue.
3. Net debt/capital employed (year-end).
4. Reported EBITDA/Net financing costs (times).
5. Includes right-of-use assets.

Contact

Company Details

Sigma Healthcare Limited

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Tel 1800 500 760
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Board of Directors and Executive Leadership

www.sigmahealthcare.com.au

Company Secretary

Kara McGowan
General Counsel and
Company Secretary
Level 6, 2125 Dandenong Road
Clayton VIC 3168 Australia
Tel +61 (0)3 9215 9215

Corporate Affairs (investor, media or government enquiries)

Gary Woodford
Head of Corporate Affairs
Level 6, 2125 Dandenong Road
Clayton VIC 3168 Australia

Tel +61 (0)3 9215 9215
Email investor.relations@sigmahealthcare.com.au

Auditors

Deloitte Touche Tohmatsu
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Australia

Share Registry Details

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Australia

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Tel (international) +61 (0)2 8280 7111
Email registrars@linkmarketservices.com.au

www.linkmarketservices.com.au

Sigma Healthcare Distribution Centres

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Kemps Creek NSW 2178

12 William Dean Street
Eastern Creek NSW 2766

53–101 Wayne Goss Drive
Berrinba QLD 4117

35 Burma Road
Pooraka SA 5095

16 –20 Bell Street
Townsville QLD 4810

115 Coonawarra Road
Winnellie NT 0820

10 Craft Street
Canning Vale WA 6155

15 Woodrieve Road
Bridgewater TAS 7030

580-610 Dohertys Road
Truganina VIC 3029

MPS Sites

8 Clunies Ross Court
Eight Mile Plains QLD 4113

29 Connell Road
Oakleigh VIC 3166

11 Spireton Place
Pendle Hill NSW 2145

Tel 1800 003 938 (within Australia)

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Sigma Healthcare