Appendix 4D

HALF-YEAR REPORT
Blackmores Limited - ACN 009 713 437
For the period ended 31 December 2020

This Half-Year Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Current Reporting Period:	Half-Year ended 31 December 2020
Previous Corresponding Period:	Half-Year ended 31 December 2019

Revenue and Net Profit	**Amount $'000**	**Up / Down**	**Movement**
Revenue from ordinary activities[1]	302,562	up	3.1%
Profit after tax attributable to members[2]	18,912	up	3.7%
Net profit attributable to members[2]	18,912	up	3.7%

Dividend Information	**Amount per Security**	**Franked Amount per Security**	**Tax Rate for Franking**
Interim dividend	29¢	29¢	30%

The Company's Dividend Reinvestment Plan (DRP) remains active. The current discount applying to shares issued under the plan is 2.5%. The last date for receipt of a valid election notice by our Share Registry for participation in the Plan is 24 March 2021. The DRP trading period will be the five trading days from 24 March to 30 March 2021. Any shares issued pursuant to the Plan will rank equally with other existing shares.

Interim Dividend Dates

Ex-dividend date	22 March 2021
Record date	23 March 2021
Payment date	12 April 2021

	31 December 2020	31 December 2019
Net tangible assets per security[3]	$14.54	$6.47

Additional Appendix 4D disclosure requirements can be found in the Blackmores Limited Half-Year Report for the period ended 31 December 2020.

The Appendix 4D is based on the Blackmores Limited Half-Year Report for the period ended 31 December 2020 which has been reviewed by Deloitte Touche Tohmatsu. This should be read in conjunction with the most recent Annual Financial Report as at and for the year ended 30 June 2020.

1. Revenue from ordinary activities excludes $7m relating to Global Therapeutics which is classified as a discontinued operation.
2. Profit after tax attributable to members and Net profit attributable to members includes both continuing and discontinued operations.
3. Net tangible assets per security excludes right-of use assets.

BLACKMORES® GROUP

Financial Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Contents

PAGE

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

The Directors of Blackmores Limited submit herewith the Financial Report of Blackmores Limited and its subsidiaries (the Group) for the half-year ended 31 December 2020. In order to comply with the provisions of the Corporations Act 2001, the Directors' Report is as follows:

The names of the Directors of the Company during and since the end of the half-year were:

Chairman:
Anne Templeman-Jones (appointed 28 October 2020)
Brent Wallace (resigned 27 October 2020)

Directors:
David Ansell
John Armstrong (resigned 8 September 2020)
Marcus Blackmore (resigned 23 October 2020)
Christine Holman
Alastair Symington

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The Directors report that revenue for the six months to 31 December 2020 was $303 million, up 3% on the prior corresponding period (pcp), delivering a net profit after tax attributable to Blackmores shareholders of $18.9 million.

Following the restructure and transformation of the Group during 2020, the Group's operating segments changed to align with how the business is now managed and reported internally. There are three revenue generating segments as follows:

1. **ANZ** which includes revenue from the Blackmores, BioCeuticals and PAW brands sold across Australia and New Zealand;
2. **China** which includes revenue from the Blackmores brand in mainland China as well as through our Australian-based China Export Division; and
3. **International** which comprises Indonesia, Thailand, Malaysia, Singapore, Hong Kong (China), Taiwan (China), Korea, Vietnam, Pakistan and Kazakhstan.

A fourth corporate segment is also reported which contains costs that are not allocated to regions as part of our global support model.

We were particularly pleased that our International segment continued its underlying momentum from the prior year. First half FY21 revenue grew 19% to $78 million at constant foreign exchange (FX) rates (although the strong Australian dollar (AUD) meant reported revenue growth was 13%).

Our fastest growing market of Indonesia accelerated in the first half with strong sales up 73% (59% in AUD) driven by broadening our distribution footprint across the region and in-store advice and promotion from our 650+ product advisors.

Other notable markets in International – Thailand and Malaysia – recorded double-digit growth, while our Blackmores Infant Formula business in Vietnam continued to perform strongly.

These solid performances more than offset markets such as Singapore, Hong Kong and Korea which experienced declines largely related to COVID-19 and travel restrictions.

Earnings Before Interest and Tax (EBIT) for International was up 61% during the half, increasing at a rate faster than revenue growth and continuing to demonstrate the operating leverage in this region which became evident in FY20.

Revenue in our China segment was up 27% (25% in AUD) compared to the first half of FY20. This was underpinned by robust performance in the important Double 11 e-commerce shopping festival, with Blackmores the third most popular Vitamin and Dietary Supplement (VDS) brand on Tmall[1] on the back of new product innovations in Modern Parenting and focused investments in Move and nutritional oils. Blackmores China is pacing ahead in cross-border e-commerce (CBEC) with Gross Merchandise Value (GMV) up 31% versus last year compared to national CBEC VDS growth of 26%[2].

China EBIT grew in line with revenue up 26% compared to pcp despite higher investment in our teams, capability and marketing spend.

In November, Blackmores once again had a major presence at the China International Import Expo (CIIE) in Shanghai and we launched a premium line of products designed specifically for our Modern Parenting consumer growth platform out of our newly established Global Innovation Centre in Shanghai.

In total, the reported revenue of our China and International Segments now exceeds 51% of Group revenue which gives us confidence that our increased investments in Asia are driving growth.

Revenue in the ANZ segment of $148 million was down $16 million (-10%) on pcp, with COVID-19 impacting retail foot traffic and consumer behaviour in our category in Australia. Border closures and travel restrictions meant retail sales from international students and visitors were down almost 50% in the six months to December, impacting all brands. Social distancing and isolation resulted in a reduced cold and flu season in 2020.

1. SmartPath Data, units sold 31/12/2020
2. SmartPath Data 31/12/2020

This influenced sales of our BioCeuticals brand which was further affected by significantly lower replenishment rates for select immunity products like ArmaForce.

As shared previously, we made some decisive moves in the short term to ensure the long-term success of our ANZ business. In November we completed our organisational redesign to ensure better alignment against our strategic priorities, as well as our implementation of a new go-to-market model. We have a strong focus on improving unit price and product mix along with disciplined cost control measures to ensure the ANZ segment continues to deliver important profit to the Group. This redesign and the decrease in revenue, resulted in a 22% decline in earnings to $17 million.

Brand health measures across the Group are strong with Blackmores remaining the leading VDS brand in Australia[3] (where one in five households use our products[4]), Thailand[5] and Malaysia[6]. BioCeuticals is the leading VDS practitioner brand in pharmacies across Australia[7] and despite the sales decline of ArmaForce in the first half BioCeuticals is still the leading practitioner brand in the cold and flu segment[8].

Aligned to the growing global trend in specialised health products for pets, our animal health brand PAW by Blackmores is gaining momentum with revenue up 53% on pcp with 82% of pet households aware of the brand[9]. This was driven by increased marketing investment and building long-term relationships with our vet partners including an ongoing PAW student advocacy program and media partnerships with Bondi Vet, Good Weekend and Sunday Life.

We made important strides forward in our demand and supply planning capabilities, and we are confident that Braeside is becoming a key competitive advantage for the Group enabling stronger focus on growth and product innovation along with greater control over Australian production and quality.

Our Braeside manufacturing plant is included in the Group for the full half-year, compared with only two months in the prior year. While this created a $10 million cost headwind for the Group, we offset over one-third of this by initiating our 'Leading Value Position' supply savings program which began to ramp up in the first half. This savings program will continue to accelerate in the second half and focuses on important improvements such as factory efficiencies, portfolio simplification, reformulation of our products and procurement savings.

Newly created strategic revenue management capabilities have enabled us to review pricing corridors and pricing opportunities across markets and key segments. We implemented a price increase of 3% on average across ANZ and China in October, with at least two-thirds of this expected to be retained over time after adjustments in our promotional programs. Pricing from the first half will further support gross margin delivery in the second half of the year and beyond.

Blackmores Institute, the academic and professional arm of the Group, continued to lead excellence in education, winning four prestigious LearnX Awards including Platinum for 'Best Learning Design Team'. They ranked number one for retail education in Australian pharmacy[10], with 44,000 education modules completed by health care professionals and pharmacy assistants over the first half. Championing evidence-based research in natural medicine, they were a finalist for 'Best Research Project in APAC' in the 2020 NutraIngredients Awards for a series of Executive B clinical trials and supported 13 PhD students across the region.

As communicated in our strategy, there was a need to dramatically simplify our portfolio and focus resources on our three core brands – Blackmores, BioCeuticals and PAW. We were pleased to announce the sale of our Global Therapeutics business for $27 million[11] in October 2020. Our IsoWhey and Wheyless brands were sold for $1 million in August 2020.

The Australian JobKeeper subsidy allowed Blackmores to reinstate affected employees from a 20% reduced work week back to full hours, and also mitigate other costs and impacts related to COVID-19.

However, Blackmores has determined that a portion of the $10.4 million in government assistance it received was in excess to the impacts experienced by Blackmores during the Australian JobKeeper 1.0 period.

Subsequent to 31 December 2020, Blackmores has decided that the Company will repay $2.4 million of pre-tax Australian JobKeeper funds during H2 FY21.

FINANCIAL POSITION OF THE GROUP

The Blackmores balance sheet remains in a very solid position at the end of the half-year.

Total Net Assets increased by $67 million to $374 million in the half, while Total Current Assets of the Group decreased by $3 million to $304 million. Receivables of $114 million were $16 million higher than June 2020 largely due to higher revenue in the final months of the current first half period. Inventory of $101 million was $20 million lower than June 2020 due to higher sales in November and December and a continued

3. Nielsen AU Pharmacy & Grocery FYTD 19/12/20 Domestic (Retail & Practitioner).
4. Nielsen Homescan MAT to 27/12/2.
5. IQVIA CHR Sell-out MAT 09/2020.
6. IQVIA Malaysia National Sales Audit (Pharmacy channel) Q1 2020.
7. Nielsen AU Pharmacy & Grocery (Practitioner sales only) FYTD 19/12/20.
8. Nielsen AU Pharmacy & Grocery (Practitioner sales only) FYTD 19/12/20.
9. Kantar pet healthcare brand awareness survey 09/2020.
10. Advantage Analytics Survey 10/2020.
11. Sale price of $27 million with net working capital adjustments expected to be completed in the second half.

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

focus on improved inventory management. However, the Group needs to resolve some out of stocks in the BioCeuticals brand in particular (and select Asian products which have seen higher than expected growth) and this will require some investment in inventory in the second half and beyond.

Current Liabilities of the Group increased by $4 million to $139 million during the half-year largely due to timing of supplier payments as at 31 December 2020.

Non-current Liabilities of the Group significantly decreased during the half-year to $34 million, down $86 million since June 2020. Following the successful completion of the capital raise all debt was repaid as at 31 December 2020 compared to $85 million outstanding at 30 June 2020. All pre-existing debt facilities remain in place. As at 31 December 2020 the Group is in a net cash position with a surplus of $71 million compared with net debt of $37 million at 30 June 2020. Cash generated from operations of the Group was $59 million, an increase of 27% ($13 million) compared with the first half of FY20.

EVENTS AFTER THE REPORTING PERIOD

Interim Dividend

On 24 February 2021 the Directors declared an interim dividend of 29 cents per share fully franked. The record date is 23 March 2021 and the dividend is payable on 12 April 2021.

The Board and management continue to evaluate a range of investment opportunities designed to support the Company's strategic priorities. Moving forward we believe a disproportionate amount of our growth will be generated from digital sales and communication channels. To stay ahead of this shift, we are exploring where technology, data and insights can enable us to move to a completely different way of working. We will share more details at our upcoming Investor Day, 22 April 2021.

JobKeeper

As disclosed in Note 2.1 of the Financial Statements, due to the impact of COVID-19, Blackmores received $10.4m in government assistance through Australia's JobKeeper Program and other government programs in countries where Blackmores operates.

As previously outlined, subsequent to 31 December 2020, Blackmores decided that the Company will repay $2.4 million in pre-tax JobKeeper Australia assistance received in the first half as this amount was deemed to be above the costs and impacts of COVID-19 during the JobKeeper period.

The financial effects of these subsequent events have not been brought to account in the Consolidated Interim Financial Report for the half-year ended 31 December 2020 and will be recognised in subsequent financial statements.

Other than the foregoing, no other matter or circumstance has arisen since 31 December 2020 that has significantly affected or may significantly affect the Group's operations, or the Group's state of affairs in future years.

LOOKING AHEAD

As we look to the second half, revenue growth in Asia will continue with positive signs of health and economic recovery underway. The Australian vitamin and supplement market will continue to face structural challenges as international borders remain closed and the focus on vaccine rollout will disrupt consumer behaviour for the rest of the calendar year.

Despite a full half of realisation from our 1 October price increases, revenue for the second half will be slightly lower than the first half which was impacted by seasonal and key customer events. In the second half we will maintain our focus on cost management.

Importantly, we have identified savings generated through our Business Improvement Plan (BIP) that will be reinvested into much needed brand investments in the second half of FY21, in particular in Australia.

We will continue to respond to changing retail demands while investing in brand building activities but due to continued uncertainty around COVID-19 we are unable to provide profit guidance at this stage.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is included on page 4 of this half-year Financial Report.

ROUNDING OFF AMOUNTS

The Company is a company of the kind referred to in ASIC Corporations Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report and the half-year Financial Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of Directors made pursuant to s.306 (3) of the Corporations Act 2001.

On behalf of the Directors

Anne Templeman-Jones
Chairman

Dated in Sydney, 24 February 2021

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Eclipse Tower
60 Station Street
Parramatta
Sydney, NSW, 2150
Australia

Phone: +61 2 9840 7000
www.deloitte.com.au

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

24 February 2021

Dear Board Members

Auditor's Independence Declaration to Blackmores Limited

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

As lead audit partner for the review of the half year financial report of Blackmores Limited for the half year ended 31 December 2020, 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 review; and

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

Yours faithfully

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Delaney
X Delaney
Partner
Chartered Accountants

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Eclipse Tower
60 Station Street
Parramatta
Sydney, NSW, 2150
Australia

Phone: +61 2 9840 7000
www.deloitte.com.au

Independent Auditor's Review Report to the members of Blackmores Limited

We have reviewed the accompanying half-year financial report of Blackmores Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 25.

Directors' Responsibilities for the Half-year Financial Report

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

Auditor's Responsibilities

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Blackmores Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Half-year Financial Report section of our report. We are independent of Blackmores Limited in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

INDEPENDENT AUDITOR'S REVIEW REPORT

Deloitte.

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Blackmores Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Delaney

X Delaney
Partner
Chartered Accountants
Parramatta, 24 February 2021

DIRECTORS' DECLARATION

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

The Directors declare that:

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

(b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

Anne Templeman-Jones
Chairman

Dated in Sydney, 24 February 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	NOTES	31 December 2020 $'000	31 December[1] 2019 $'000
Revenue	2.1	**302,562**	293,482
Other income	2.1	**11,054**	478
Gain arising from bargain purchase	3.2	**-**	5,736
Revenue and other income		**313,616**	299,696
Raw materials and consumables used		**115,350**	119,826
Employee benefits expense		**89,214**	79,500
Selling and marketing expenses		**29,845**	29,559
Depreciation and amortisation expenses		**14,525**	9,885
Facility and maintenance expenses		**8,835**	7,087
Professional and consulting expenses		**3,057**	7,108
Freight expenses		**6,414**	6,196
Licences and registration expenses		**3,780**	3,130
Impairment of financial assets		**428**	1,179
Impairment of non-financial assets		**9,601**	-
Loss on derecognition of receivables		**-**	67
Other expenses		**6,719**	10,682
Total expenses		**287,768**	274,219
Earnings before interest and tax	2.2.2	**25,848**	25,477
Interest revenue		**58**	68
Interest expense		**(2,294)**	(2,648)
Net interest expense		**(2,236)**	(2,580)
Profit before tax		**23,612**	22,897
Income tax expense		**(8,144)**	(5,457)
Profit after tax from continuing operations		**15,468**	17,440
Profit after tax from discontinued operations	3.1.1	**5,367**	1,032
Profit for the year		**20,835**	18,472
Attributable to:			
– Owners of the parent		**18,912**	18,242
– Non-controlling interests		**1,923**	230
		20,835	18,472
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences arising on translation of foreign controlled entities		**(3,360)**	426
– Net gain/(loss) on hedging instruments entered into for cash flow hedges (net of tax)		**432**	(83)
Other comprehensive (expense)/income for the period (net of tax)		**(2,928)**	343
Total comprehensive income for the period		**17,907**	18,815
Total comprehensive income attributable to:			
– Owners of the parent		**16,416**	18,581
– Non-controlling interests		**1,491**	234
		17,907	18,815
EARNINGS PER SHARE			
From continuing operations			
– Basic earnings per share (cents)	4.3.1	**70.2**	99.0
– Diluted earnings per share (cents)		**70.1**	98.9
From continuing and discontinued operations			
– Basic earnings per share (cents)	4.3.1	**98.0**	104.9
– Diluted earnings per share (cents)		**97.8**	104.9

1. In accordance with AASB 5 non-current assets held for sale and discontinued operations, the comparatives have been restated for discontinued operations. Refer to note 3.1.1.

Notes to the Condensed Consolidated Financial Statements are included on pages 12 to 25.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	NOTES	31 December 2020 $'000	30 June 2020 $'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		**71,030**	47,655
Receivables		**113,975**	97,859
Inventories		**100,570**	120,716
Tax assets		**3,596**	-
Other assets		**12,852**	10,963
Derivative assets	5.1	**235**	12
Assets held for sale	3.1.3	**2,160**	30,657
Total current assets		**304,418**	307,862
NON-CURRENT ASSETS			
Property, plant and equipment		**137,449**	139,244
Right-of-use assets		**28,492**	28,894
Goodwill and intangible assets		**56,353**	63,756
Deferred tax assets		**17,743**	19,627
Other financial assets		**1,715**	1,749
Total non-current assets		**241,752**	253,270
Total assets		**546,170**	561,132
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		**114,523**	101,846
Tax liabilities		**32**	1,855
Lease liabilities		**7,732**	7,186
Provisions		**14,393**	14,797
Other liabilities		**718**	882
Liabilities directly associated with assets held for sale		**-**	6,676
Derivative liabilities	5.1	**1,413**	1,764
Total current liabilities		**138,811**	135,006
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	4.1	**-**	85,000
Lease liabilities		**20,199**	20,632
Deferred tax liabilities		**10,303**	10,559
Provisions		**2,925**	1,449
Other liabilities		**335**	1,847
Total non-current liabilities		**33,762**	119,487
Total liabilities		**172,573**	254,493
Net assets		**373,597**	306,639
EQUITY			
CAPITAL AND RESERVES			
Issued capital	4.2	**194,594**	146,388
Reserves		**1,461**	3,112
Retained earnings		**174,707**	155,795
Equity attributable to shareholders of Blackmores Ltd		**370,762**	305,295
Equity attributable to non-controlling interests		**2,835**	1,344
Total equity		**373,597**	306,639

Notes to the Condensed Consolidated Financial Statements are included on pages 12 to 25.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	ISSUED CAPITAL	EQUITY-SETTLED EMPLOYEE BENEFITS RESERVE	CASH FLOW HEDGING RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	ATTRIBUTABLE TO OWNERS OF BLACKMORES LTD	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 July 2019	53,039	67	(321)	4,617	149,890	207,292	427	207,719
Profit for the period	-	-	-	-	18,242	18,242	230	18,472
Other comprehensive income/(expense) for the period (net of tax)	-	-	(83)	422	-	339	4	343
Total comprehensive income for the period	-	-	(83)	422	18,242	18,581	234	18,815
Dividends declared	-	-	-	-	(12,209)	(12,209)	-	(12,209)
Share-based payments expense	-	69	-	-	-	69	-	69
Issue of shares under Dividend Reinvestment Plan (DRP)	2,292	-	-	-	-	2,292	-	2,292
Issue of shares under employee Long-Term Incentive plans (net of on-market purchases and tax)	67	(67)	-	-	-	-	-	-
Balance as at 31 December 2019	55,398	69	(404)	5,039	155,923	216,025	661	216,686
Balance at 1 July 2020	**146,388**	**234**	**(1,226)**	**4,104**	**155,795**	**305,295**	**1,344**	**306,639**
Profit for the period	**-**	**-**	**-**	**-**	**18,912**	**18,912**	**1,923**	**20,835**
Other comprehensive income/(expense) for the period (net of tax)	**-**	**-**	**432**	**(2,928)**	**-**	**(2,496)**	**(432)**	**(2,928)**
Total comprehensive income for the period	**-**	**-**	**432**	**(2,928)**	**18,912**	**16,416**	**1,491**	**17,907**
Dividends declared	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Share-based payments expense	**-**	**845**	**-**	**-**	**-**	**845**	**-**	**845**
Issue of shares under Dividend Reinvestment Plan (DRP)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Issue of shares under employee Long-Term Incentive plans (net of on market purchases and tax)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Issue of shares under Capital Raise (net of transaction costs)	**48,206**	**-**	**-**	**-**	**-**	**48,206**	**-**	**48,206**
Balance as at 31 December 2020	**194,594**	**1,079**	**(794)**	**1,176**	**174,707**	**370,762**	**2,835**	**373,597**

Notes to the Condensed Consolidated Financial Statements are included on pages 12 to 25.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	NOTES	31 December[1] 2020 $'000	31 December[1] 2019 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (net of promotional and other rebates)		**327,712**	399,993
Payments to suppliers and employees[2]		**(268,420)**	(353,438)
Cash generated from operations		**59,292**	46,555
Interest and other costs of finance paid		**(2,295)**	(3,412)
Income taxes paid		**(11,579)**	(10,120)
Net cash flows from operating activities		**45,418**	33,023
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**70**	106
Proceeds from disposal of property, plant and equipment		**-**	155
Proceeds from disposal of assets	3	**30,260**	-
Payments for business combinations		**-**	(33,000)
Payments for property, plant and equipment		**(8,629)**	(14,905)
Payments for intangible assets		**(237)**	(209)
Dividends received		**43**	24
Net cash flows from/(used in) investing activities		**21,507**	(47,829)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank borrowings		**35,000**	551,000
Repayments of bank borrowings		**(120,000)**	(517,000)
Proceeds from other borrowings		**-**	4,604
Repayments of other borrowings		**(1,335)**	(1,382)
Repayments of lease liabilities		**(4,282)**	(3,605)
Dividends paid		**-**	(9,917)
Proceeds from the issue of share capital (net of transaction costs)	4.2	**48,206**	-
Net cash (used in)/from financing activities		**(42,411)**	23,700
Net increase in cash and cash equivalents		**24,514**	8,894
Cash and cash equivalents at the beginning of the period		**47,655**	24,516
Effects of exchange rate changes on the balance of cash held in foreign currencies		**(1,139)**	326
Cash and cash equivalents at the end of the period		**71,030**	33,736

1. The Condensed Consolidated Statement of Cash Flows includes both continuing and discontinuing operations. Amounts relating to discontinued operations are disclosed in note 3.1.1.
2. Payments to suppliers and employees is net of COVID-19 relief payments including JobKeeper.

Notes to the Condensed Consolidated Financial Statements are included on pages 12 to 25.

Notes to the Condensed Consolidated Financial Statements

FOR THE
HALF-YEAR ENDED
31 DECEMBER 2020

01 General Information

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

Blackmores Limited's registered office and its principal place of business is as follows:
20 Jubilee Avenue, Warriewood, NSW 2102
Telephone +61 2 9910 5000

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

1.1 REPORTING ENTITY

Blackmores Limited (the Company) is a company domiciled in Australia. The Consolidated Interim Financial Report (Financial Report) of Blackmores as at and for the half-year ended 31 December 2020 comprises Blackmores and its subsidiaries (the Group).

The Consolidated Annual Financial Report of the Group as at and for the year ended 30 June 2020 is available upon request from the registered office of Blackmores at 20 Jubilee Avenue, Warriewood, NSW 2102 or online at blackmores.com.au.

1.2 STATEMENT OF COMPLIANCE

The half-year Financial Report is a General Purpose Financial Report prepared in accordance with the Corporations Act 2001 and AASB134 'Interim Financial Reporting'. Compliance with AASB 134 'Interim Financial Reporting' ensures compliance with the International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in a Annual Financial Report and should be read in conjunction with the most recent Annual Financial Report as at and for the financial year ended 30 June 2020.

1.3 BASIS OF PREPARATION

The half-year Financial Report has been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

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

The accounting policies and methods of computation adopted in the preparation of the half-year Financial Report are consistent with those adopted and disclosed in the Group's 2020 Annual Financial Report for the year ended 30 June 2020 except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

1.4 ONGOING IMPACT OF COVID-19

The full impact of the COVID-19 pandemic continues to evolve at the date of this report. Management is actively monitoring the global situation and its impact on the Group's financial condition, liquidity, operations, suppliers and industry. Given the daily evolution of the COVID-19 pandemic and the global responses to curb its spread, the Group is not able to estimate the effects of the COVID-19 pandemic on its results of operations, financial condition or liquidity for the 2020-21 financial year.

Although the Group cannot estimate the length or gravity of the impact of the COVID-19 pandemic at this time, if the pandemic continues, it may have a material adverse effect on the Group's results of future operations, financial position and liquidity for 2020-21.

01 General Information

1.5 ESTIMATES

The preparation of the half-year Financial Report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this half-year Financial Report, the significant judgements made by management in applying the Group's accounting policies and the key sources of uncertainty in estimation were the same as those applied to the Annual Financial Report for the financial year ended 30 June 2020.

Accounting policies are selected and applied in a manner which 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 are reported.

1.6 APPLICATION OF NEW AND REVISED STANDARDS

Standards and interpretations adopted during the period

	Effective for annual periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2018-6 Amendments to Australian Accounting Standards Definition of a Business	1-Jan-20	30-Jun-21
AASB 2018-7 Amendments to Australian Accounting Standards Definition of Material	1-Jan-20	30-Jun-21
AASB 2019-1 Amendments to Australian Accounting Standards References to the Conceptual Framework	1-Jan-20	30-Jun-21

The adoption of these standards did not have an effect on the half-year Financial Report.

02 Our Operations

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

2.1 REVENUE AND OTHER INCOME

	Consolidated Half-year ended	
	31 December 2020 $'000	31 December[1] 2019 $'000
Sales (net of discounts)	**369,050**	372,921
Promotional and other rebates	**(66,488)**	(79,439)
Revenue	**302,562**	293,482
COVID-19 relief payments including JobKeeper	**10,424**	-
Gain arising from disposal of assets	**181**	-
Other	**449**	478
Other income	**11,054**	478
Gain arising from bargain purchase	**-**	5,736
Revenue and other income	**313,616**	299,696

1. In accordance with AASB 5 non-current assets held for sale and discontinued operations, the comparatives have been restated for discontinued operations. Refer to note 3.1.1.

Accounting policies

Revenue

Revenue is measured at the expected amount of the consideration to be received. Revenue is reduced for discounts, estimated customer returns and promotional and other rebates.

Sale of goods

Revenue from the sale of goods is recognised when the performance obligation of the sale has been fulfilled and control of the goods has been transferred to the customer. Specifically, revenue from the sale of goods is recognised when goods are delivered and legal title is passed.

Sale of goods on consignment

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

Discounts, promotional and other rebates

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

2.2 SEGMENT INFORMATION

Following the restructure and transformation of the Group during 2020, the Group's reportable operating segments have changed and therefore the comparative figures below have been restated. Information reported to the Group's Chief Operating Decision maker for the purpose of resource allocation and assessment of segment performance is now focused on three key regions. The Group now reports three revenue generating operating segments and a fourth corporate segment. The ANZ segment now includes the BioCeuticals business, this was previously included in the BioCeuticals Group segment in conjunction with the discontinued operations of Global Therapeutics. The reportable segments under AASB 8 are now as follows:

ANZ	CHINA	INTERNATIONAL	CORPORATE
Comprising the Blackmores, PAW by Blackmores, Impromy and BioCeuticals practitioner brands sold across Australia and New Zealand, including the benefit of sales made to customers which are ultimately intended for Asian markets and manufacturing on behalf of third parties within our Braeside facility.	Comprising Blackmores and PAW by Blackmores brands in China (in country) and China Export Division.	Comprising the Blackmores and PAW by Blackmores brands in Thailand, Malaysia, Singapore, Hong Kong (China), Taiwan (China), Korea, Indonesia, Vietnam, Pakistan and Kazakhstan.	Those costs which cannot be reliably allocated to a specific segment, or which have been incurred for long-term growth opportunities.

2.2.1 Revenue by segment

	Consolidated Half-year ended	
	31 December 2020 $'000	31 December 2019 $'000
ANZ[1]	**147,637**	163,297
China	**77,321**	61,737
International	**77,604**	68,448
	302,562	293,482

1. The ANZ segment now includes the operations of the BioCeuticals business and excludes the discontinued operations of Global Therapeutics (comparatives have been restated).

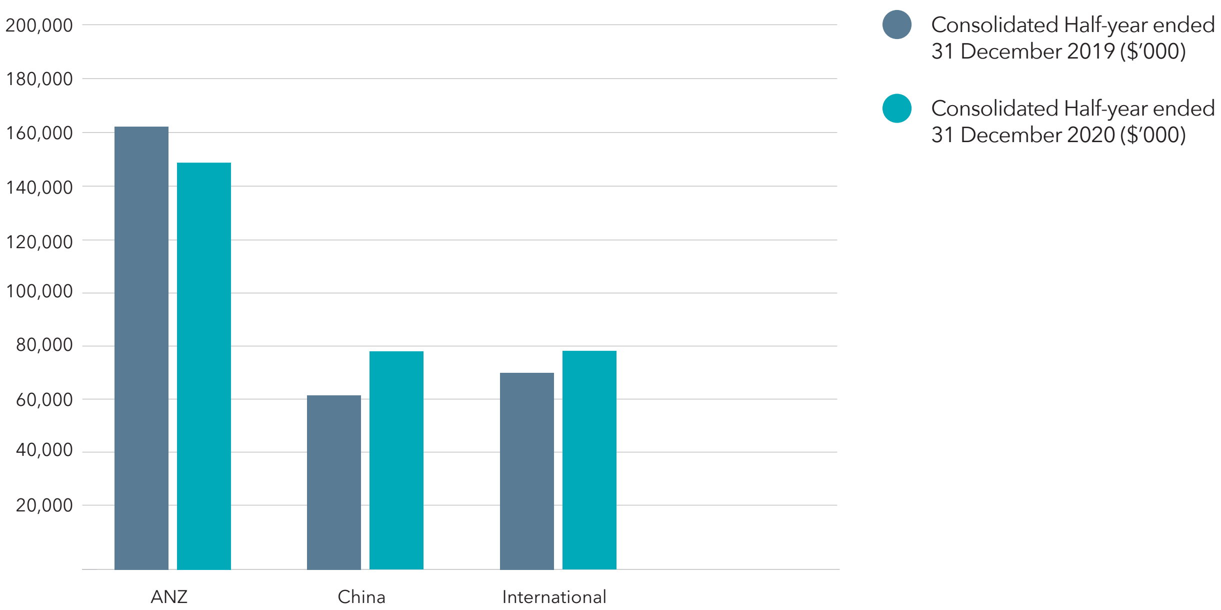
The Group had one customer who contributed more than 10% of the Group's revenue in the period (2019: one). Revenue earned from this customer amounts to $53,287 (2019: $59,099). This customer is reported in the ANZ segment.

2.2.2 Earnings before interest and taxes (EBIT) by segment

	Consolidated Half-year ended	
	31 December 2020 $'000	31 December 2019 $'000
ANZ[1]	**16,502**	21,171
China	**6,139**	4,878
International	**12,506**	7,760
Corporate	**(9,299)**	(8,332)
	25,848	25,477

1. The ANZ segment now includes the operations of the BioCeuticals business and excludes the discontinued operations of Global Therapeutics (comparatives have been restated).

2.2.3 Revenue history by segment



2.3 PROFIT FOR THE YEAR

Profit for the year from continuing operations has been arrived at after charging:	Consolidated Half-year ended 31 December 2020 $'000	Consolidated Half-year ended 31 December[1] 2019 $'000
Employee benefits expense		
Post-employment benefits:		
– Defined contribution plans	**4,585**	4,162
Share-based payments:		
– Equity-settled share-based payments	**845**	69
Redundancy payments	**6,407**	2,083
Other employee expenses	**77,377**	73,186
	89,214	79,500
COVID-19 relief payments including JobKeeper	**(10,424)**	-
Impairment of non-financial assets[2]	**9,601**	-
Provision for stock obsolescence	**3,598**	5,065
Bargain gain – Catalent acquisition[3]	**-**	(5,736)
Gain arising on sale of assets	**(181)**	-
Share placement costs	**88**	-
Hedge ineffectiveness	**252**	-
Net foreign exchange gains and losses (realised and unrealised)	**5,092**	(345)

1. In accordance with AASB 5 non-current assets held for sale and discontinued operations, the comparatives have been restated for discontinued operations. Refer to note 3.1.1.
2. Includes Impromy brand impairment ($5.3m), leasehold improvement impairment relating to Kippax St Office fit-out ($2.8m) and software asset impairment relating to write-down of a Customer Relationship Management (CRM) system following business reorganisation ($1.5m).
3. Accounting for the Catalent acquisition at 31 December 2019 was provisional. As at 31 December 2020 the accounting for the business combination is now final.

2.4 OTHER FINANCIAL INFORMATION

	Consolidated Half-year ended 31 December 2020 $'000	Consolidated Half-year ended 31 December 2019 $'000
Cost of goods sold[1]	**145,317**	136,565

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

1. COGS excludes the discontinued operations of Global Therapeutics (comparatives have been restated).

03 Our Investments

3.1 DISCONTINUED OPERATIONS, ASSETS SALES AND ASSETS HELD FOR SALE

3.1.1 Discontinued operations

At the half-year ended 31 December 2019, Blackmores announced the divestment of non-core brands as part of its new strategic focus. As a result, the Board approved to divest of the Global Therapeutics business (which included the Fusion Health and Oriental Botanicals brands) and the IsoWhey and Wheyless brands.

On 27 October 2020, Blackmores announced the sale of the Global Therapeutics business to McPherson's Limited for $27.0m for brands, product formulas and customer agreements. In addition a payment of $2.17m was received for other tangible assets including inventory and fixed assets and other net working capital adjustments. An adjustment to the payment for net working capital is estimated at $1.83m, payable to McPherson's Limited and expected to settle prior to 30 June 2021.

The net working capital adjustments in relation to the sale of Global Therapeutics are still being finalised at the date of this half-year interim report.

	Global Therapeutics $'000
Consideration received in cash	27,000
Payment for net working capital in advance	2,170
Total consideration received	**29,170**
Estimated adjustment to net working capital	(1,828)
Transaction costs	(1,002)
Total consideration net of transaction costs	**26,340**
Less fair value of the assets disposed	
Current assets	
Receivables	1,990
Inventories	2,596
Other current assets	146
	4,732
Non-current assets	
Property, plant and equipment	71
Intangible assets	22,057
Deferred tax assets	-
Other non-current assets	26
	22,154
Total assets	**26,886**
Current liabilities	
Trade and other payables	-
Provisions	342
	342
Non-current liabilities	
Deferred tax liabilities	4,211
Provisions	80
	4,291
Total liabilities	**4,633**
Identifiable net assets disposed	**22,253**
Gain arising on disposal	**4,087**

3.1 DISCONTINUED OPERATIONS, ASSETS SALES AND ASSETS HELD FOR SALE (CONT.)

3.1.1 Discontinued operations (cont.)

The Global Therapeutics business was a separate cash generating unit (CGU) and is presented separately in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income. The profit for the Global Therapeutics business for the reporting period is set out below including comparative information.

	NOTES	Consolidated Half-year ended 31 December 2020 $'000	31 December 2019 $'000
Revenue		**7,027**	9,216
Other income		**21**	79
Revenue and other income		**7,048**	9,295
Total expenses		**5,636**	7,888
Earnings before interest and tax		**1,412**	1,407
Net interest income		**10**	38
Profit before tax		**1,422**	1,445
Income tax expense		**(438)**	(413)
Profit after tax before gain on sale of discontinued operations		**984**	1,032
Gain on sale of discontinued operations	3.1.1	**4,087**	-
Tax on gain on sale[1]		**296**	-
Profit after tax from discontinued operations		**5,367**	1,032
Statement of Cash Flows			
Cash flow from operating activities		**2,745**	1,742
Cash flow used in investing activities		**(2,702)**	(1,690)
Cash flow used in financing activities		**(47)**	(59)
Net decrease in cash and cash equivalents		**(4)**	(7)
Cash and cash equivalents at the beginning of the period		**4**	7
Cash and cash equivalents at the end of the period		**-**	-

1. There is no tax on the capital gain on sale of Global Therapeutics due to recoupment of carried forward capital tax losses. The tax benefit above relates to the transaction costs incurred.

3.1.2 Asset sales

On 14 August 2020, Blackmores entered into an asset sale agreement to sell the IsoWhey and Wheyless brands. The sale price of $1.09m covered the IsoWhey/Wheyless brands, product formulas, customer agreements and digital assets. Additional payments of $1.32m were received for the stock that transferred with the sale at cost. No people transferred with the sale which completed in September 2020.

3.1.3 Assets held for sale

On 25 November 2020, Blackmores entered into a contract for sale of land for the investment property at 15 Jubilee Avenue Warriewood, NSW 2102. The land has a book value of $2.2m and is classified as held for sale at 31 December 2020. The sale for $6.2m plus GST includes a 5% non-refundable deposit and is anticipated to complete in May 2021.

3.2 BUSINESS COMBINATIONS

Acquisition of Braeside

On 25 October 2019, Blackmores confirmed settlement on the acquisition of Catalent Australia's manufacturing facility in Braeside, Victoria.

The acquisition represents Blackmores' expansion into soft-gel and tablet manufacturing supporting the Group's strong focus on growth and product innovation in addition to protecting the Group's portfolio of brands.

At 30 June 2020, the business combination was accounted for as final except for tax balances that were considered provisional. At 31 December 2020, the accounting for the business combination is now final.

	Braeside Acquisition 30 June 2020 $'000
Consideration transferred	56,977
Assets acquired at the date of acquisition	
Current assets	
Cash at bank	2,533
Receivables	11,235
Inventories	16,024
Other assets	495
	30,287
Non-current assets	
Property, plant and equipment	49,475
Intangible assets	7,202
Deferred tax assets	1,442
	58,119
Total assets	88,406
Current liabilities	
Trade and other payables	15,345
Provisions	4,603
	19,948
Non-current liabilities	
Deferred tax liabilities	4,951
Provisions	287
Other liabilities	-
	5,238
Total liabilities	25,186
Identifiable net assets	63,220
Gain arising from bargain purchase	
Consideration paid in cash	56,977
Less: Fair value of the identifiable net assets acquired	63,220
Gain arising from bargain purchase (12 months to 30 June 2020)	6,243

04 Our Financing

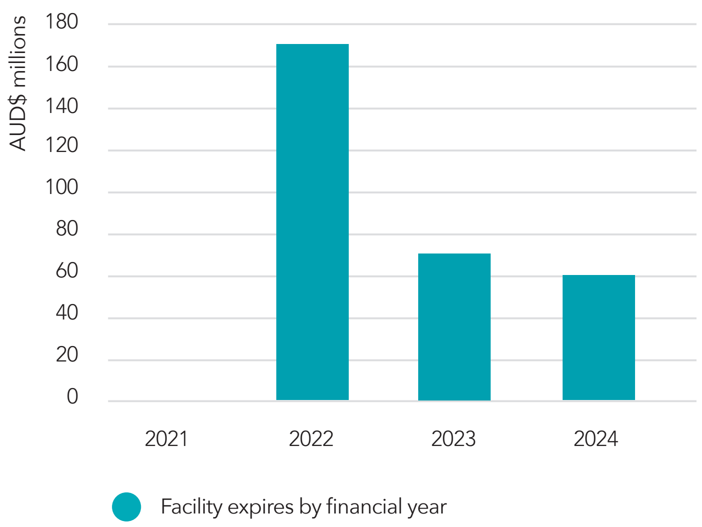
4.1 INTEREST-BEARING LIABILITIES

	31 December 2020 $'000	30 June 2020 $'000
Non-current		
Bank loan – unsecured at amortised cost	-	85,000

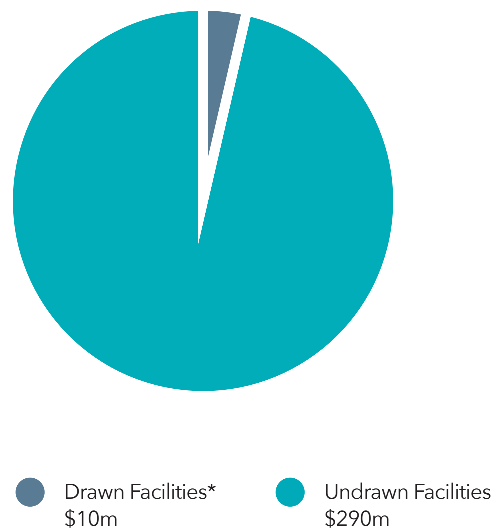
Reconciliation of interest-bearing liabilities

	31 December 2020 $'000	30 June 2020 $'000
Interest-bearing liabilities		
Balance at the start of the period	**85,000**	119,000
Net cash outflows	**(85,000)**	(34,000)
Balance at the end of the period	-	85,000

Blackmores Limited Debt Maturity Profile



Blackmores Limited Debt Facilities



*Drawn facilities relate to bank guarantees. Refer to note 6.1.

04 Our Financing

4.2 ISSUED CAPITAL

	31 December 2020 NUMBER	31 December 2020 ISSUED CAPITAL $'000	30 June 2020 NUMBER	30 June 2020 ISSUED CAPITAL $'000
Fully Paid Ordinary Shares				
Balance at beginning of year	18,677,903	146,388	17,361,515	53,039
Issue of shares under Executive and Employee Share Plans	-	-	14,345	67
Issue of shares under Dividend Reinvestment Plan (DRP)	-	-	33,077	2,291
Issue of shares under Capital Raise	669,812	48,561	1,268,966	92,000
Transaction costs		(355)		(1,009)
Balance at end of financial period/year	**19,347,715**	**194,594**	**18,677,903**	**146,388**

On 8 July 2020, Blackmores announced the successful completion of its Share Purchase Plan. 669,812 shares were issued at $72.50 per share. Fully paid ordinary shares carry one vote per share and carry a right to dividends.

4.3 SHAREHOLDER RETURNS

4.3.1 Earnings per share

	Consolidated Half-year ended	
	31 December 2020 $'000	31 December 2019 $'000
From continuing operations		
Profit attributable to shareholders of Blackmores Limited	**13,545**	17,210
	Number	Number
WANOS[1] used in the calculation of basic EPS[2]	**19,300**	17,382
WANOS[1] used in the calculation of diluted EPS[2]	**19,332**	17,396
	Cents	Cents
Basic EPS	**70.2**	99.0
Diluted EPS	**70.1**	98.9
From continuing and discontinued operations		
Profit attributable to shareholders of Blackmores Limited	**18,912**	18,242
	Number	Number
WANOS[1] used in the calculation of basic EPS[2]	**19,300**	17,382
WANOS[1] used in the calculation of diluted EPS[2]	**19,332**	17,396
	Cents	Cents
Basic EPS	**98.0**	104.9
Diluted EPS	**97.8**	104.9

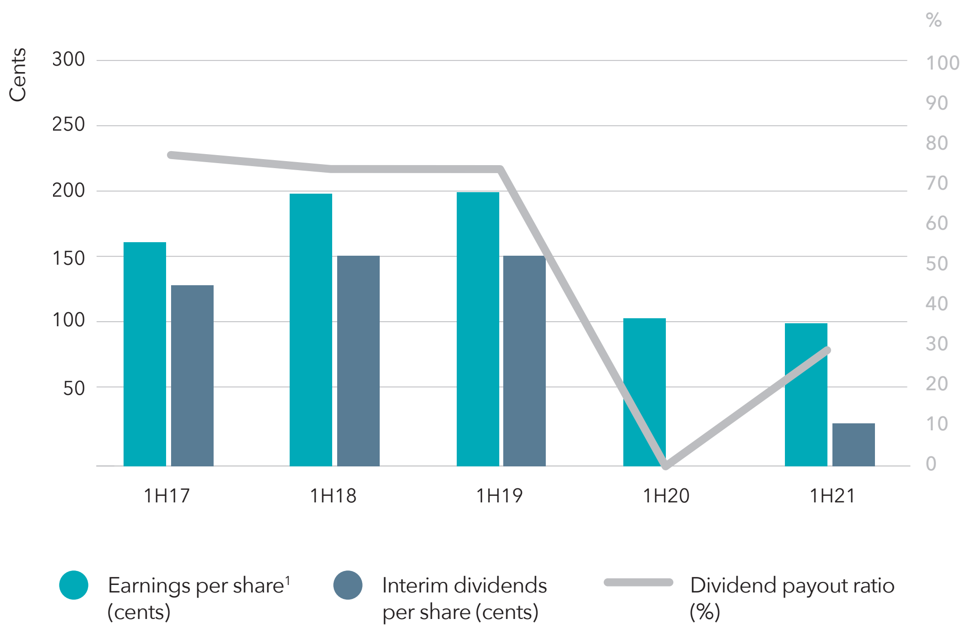
1. Weighted average number of ordinary shares.
2. The variance in the WANOS used in the calculation of the basic EPS and the diluted EPS is attributable to employee share plans.

4.3 SHAREHOLDER RETURNS (CONT.)

4.3.2 Dividends

	Consolidated Half-year ended			
	31 December 2020		31 December 2019	
	CENTS PER SHARE	TOTAL $'000	CENTS PER SHARE	TOTAL $'000
Recognised amounts				
Fully paid ordinary shares				
Final dividend declared in respect of prior financial year				
- fully franked at 30% corporate tax rate	-	-	70	12,209
- paid as cash		-		9,917
- taken as shares issued through DRP		-		2,292
		-		12,209
Unrecognised amounts				
Fully paid ordinary shares				
Interim dividend payable in respect of current financial year				
– fully franked at 30% corporate tax rate	29	5,611	-	-

4.3.3 Shareholder returns history



1. Basic earnings per share from continuing and discontinued operations.

05 Our Financial Risk Management approach

5.1 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the Condensed Consolidated Financial Statements approximate their fair values.

Valuation techniques and assumptions applied for the purpose of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives and option pricing models for optional derivatives; and
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

Fair value measurements recognised in the Condensed Consolidated Statement of Financial Position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		31 December 2020 $'000	30 June 2020 $'000
Financial assets			
Unquoted equities	Level 3	**1,417**	1,382
Foreign exchange derivatives	Level 2	**235**	12
		1,652	1,394
Financial liabilities			
Foreign exchange derivatives	Level 2	**1,413**	1,372
Interest rate derivatives	Level 2	**-**	392
		1,413	1,764

5.2 RECEIVABLES

Receivables purchase agreement

In the prior period the Group entered into a non-recourse receivables purchase agreement to sell certain domestic receivables, from time to time to an unrelated entity in exchange for cash. Cash flows relating to the sale of receivables are included in operating cash flows in the Condensed Consolidated Statement of Cash Flows. The receivables are derecognised when the risks and rewards of the receivables have been transferred. The agreement expired on 27 December 2020 and no receivables have been sold under this agreement at 31 December 2020 (30 June 2020: $2.3m).

06 Other

6.1 CONTINGENT LIABILITIES

Blackmores has been in discussions with a relevant authority in one of the countries in which it trades pertaining to the historical use of and compliance to export classification codes and related exemptions claimed under free trade agreements between the periods of 2009 to 2014. These discussions have been ongoing for over 4 years. The relevant authority has issued assessments for approximately $10 million (AUD) adjusted for FX. During the year ended 30 June 2020, corresponding bank guarantees totalling $10 million (AUD) adjusted for FX, were issued by the Group. Blackmores has initiated an appeals process for these assessments. Blackmores considers that it has correctly interpreted and complied with all relevant requirements under the free trade agreement and continues to pursue all legal avenues of objection. It remains unclear when a resolution to this matter will be reached. As at the date of signing, no legal liability exists in relation to the assessments under applicable laws of that jurisdiction. A reliable estimate of potential risks or probable outflows, if any, cannot be determined. Accordingly, applying AASB 137 Provisions, Contingent Liabilities and Contingent Assets, no liability has been recorded in the half-year Financial Report at 31 December 2020.

6.2 EVENTS AFTER THE REPORTING PERIOD

Interim Dividend

The Directors declared after 31 December 2020 an interim dividend of 29 cents per share fully franked as described in note 4.3.2.

JobKeeper

As disclosed in Note 2.1 due to the impact of COVID-19, Blackmores received $10.4m in government assistance through Australia's JobKeeper Program and other government programs in countries where Blackmores operates.

Subsequent to 31 December 2020, Blackmores decided that the Company will repay $2.4 million in pre-tax JobKeeper Australia assistance received in the first half as this amount was deemed to be above the costs and impacts of COVID-19 during the JobKeeper period.

The financial effects of these subsequent events have not been brought to account in the Consolidated Interim Financial Report for the half-year ended 31 December 2020 and will be recognised in subsequent financial statements.

Other than the foregoing, no other matter or circumstance has arisen since 31 December 2020 that has significantly affected or may significantly affect the Group's operations, or the Group's state of affairs in future years.

BLACKMORES®
GROUP

Blackmores Limited
Australia's Leading Natural Health Company
ACN 009 713 437

20 Jubilee Avenue
Warriewood NSW 2102, Australia
Phone: +61 2 9910 5000
Fax: +61 2 9910 5555

blackmores.com.au