



Annual Report

2025



Who we are

National Pharmacies is Australia's largest friendly society pharmacy and optical business where profits made through operations are returned to members in the form of benefits.

Our Purpose

Caring for People.
Enabling Health.
Inspiring Wellness.

Our Vision

To be the destination of choice for professional and innovative health and wellness solutions.

Our Mission

To nurture trusted relationships, provide unrivalled customer experience and make sustainable choices.



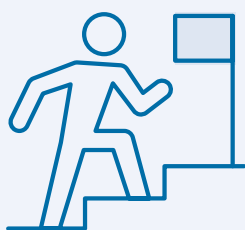
National
Pharmacies





What we do

Providing high quality customer care, expert health advice and a range of products and services to meet changing community needs are at the heart of what we do at National Pharmacies. Our business spans across Health, Optical, Beauty and Wellbeing and Distribution.



Where we come from

Since opening our doors as a single dispensary in Adelaide in 1911, we have grown into a member-based organisation reinvesting profits to boost our products and services for the benefit of our members and the broader community.





Where we are

Today, we operate 46 pharmacies in South Australia, Victoria and New South Wales and 19 optical stores in South Australia.



Where we are going

We are always looking to invest in innovative and sustainable ways to improve access to expert, quality and affordable community health care.

Inside this report



Chairman's Report

08

Health

12



Optical

16



Beauty & Wellbeing

20



Our People

22

**Our
Community**

26



2024/25 Year in Review

08 Chairman's Report

10 Around the Nation

11 Our Year in Review

Our Business

12 Health

16 Optical

18 Distribution

20 Beauty & Wellbeing

22 Our People

24 Our Members

26 Our Community

28 Our Suppliers

Governance & Financials

30 Executive Leadership Team

31 Directors' Report

36 Auditor's Independence Declaration

37 Independent Auditor's Report

39 Directors' Declaration

40 Financial Report

Chairman's Report



At National Pharmacies, our purpose – to build a healthier community through trusted, personalised, expert health care – remains the compass guiding every decision we make.

In a year marked by innovation and complexity, we took deliberate steps to strengthen our organisation, expand our positive community impact and deliver greater value to members, customers and the communities we serve.

A year of firsts

2024/25 was a year of strategic progress and meaningful milestones. We introduced free flu vaccinations for children under family memberships, to help ease household budget pressures during tough economic times and to reduce strain on the broader health system. We also launched TeleWell, our GP telehealth service in partnership with Partnered Health and began delivering travel vaccinations from our pharmacies. Supported by a redesigned website and enhanced digital member experience, these initiatives reflect our continued investment in convenient, technology-enabled health solutions.

We also operated South Australia's first 24/7 community pharmacy at our Norwood store through its first full year. This service alone provided essential after-hours care to more than 25,000 people over the first 12 months of operation, demonstrating our commitment to accessible, frontline health care.

Successes amid challenges

Our achievements came despite external headwinds. The cost-of-living crisis altered consumer behaviour, and the introduction of 60-day dispensing, as well as the end of our Bupa Pharmacy Saver partnership, brought operational and financial challenges.

Yet we remained agile – refining our membership offering and advocating for expanded community pharmacy practice, including treatment for Urinary Tract Infection (UTI), contraceptive prescribing and broader injectable services – strengthening our community health role in a stretched healthcare system.

Our active engagement with governments and stakeholders helped shape national agreements, including the Eighth Community Pharmacy Agreement (8CPA) and the First Pharmaceutical Wholesaler Agreement (1PWA). These long-term commitments provide certainty around medication access and funding for community pharmacies.

We continued our digital transformation, introduced new optical dispensing software and enhanced supply chain and retail processes. We relocated our Glenelg optical service to a flagship site on Jetty Rd, in Adelaide, and refreshed our Maryborough and Monaghans stores in Victoria.

All these initiatives – delivered under economic pressure – demonstrate our agility and commitment to evolving community needs. Although we delivered a loss of \$2 million (less than half the \$5.5 million loss recorded in the prior year), our commitment to disciplined financial management resulted in 4.1% revenue growth – our strongest performance since 2022.

Strategic execution driving impact

Our strategy remains focused on delivering our purpose: caring for people, enabling health and inspiring wellness.

We supported the transition of former Bupa Pharmacy Saver members, retaining more than one-third. We enhanced fulfilment systems, reviewed membership processes and added benefits reflecting evolving community needs. We welcomed new suppliers and strengthened ties with more than 520 suppliers across prescription medicine, health, beauty and optical. In-store beauty treatments are a growing part of our offering, with new beauty rooms opened across a number of stores.

Our 900-plus workforce across South Australia, Victoria and New South Wales remains our greatest asset. We invested in training, including mental health first aid certification and have one of the most active pharmacy intern programs. Our pharmacists lead in providing expanded scope of practice services, including UTI treatment, contraceptive prescribing and injectables.

Our impact goes beyond the pharmacy and optical services. In 2024, we received the Health Industry Hub's Sustainability Champion award for pharmaceutical waste recycling. Our employees volunteered with charity KickStart For Kids and our customers, members and staff have donated more than 6,500 sanitary products over the past three years to help end period poverty in schools.

Looking ahead: growth with purpose

As we enter 2025/26, our key focus areas will be:

- Investing in the 'pharmacy of the future'.
- Strengthening our digital and membership offerings.
- Delivering on our evolving People Plan.

The relocation of our North Adelaide store to the long-awaited residential development, Eighty Eight O'Connell, and the upcoming Christies Beach store upgrade underscore our commitment to long-term growth and community investment.

This year also marked a leadership transition. On behalf of the Board, I extend our sincere thanks to outgoing CEO Vito Borrello, whose leadership has transformed our organisation and positioned us for the future. His legacy includes the 24/7 Norwood pharmacy, a robust digital uplift and a clearer, stronger operating model. As we welcome incoming CEO Mark Smith (pictured below), we do so with full confidence in his ability to build on this foundation and lead us into our next chapter.



Mr Smith, who joins National Pharmacies in July, brings extensive leadership experience from senior roles with leading Australian and international retailers, including Viva Energy Retail, Tesco, Woolworths, and Coles. In his most

recent role as Chief Operating Officer of OTR, continuing under Viva Energy, he led significant business transformation and growth, with a focus on customer experience, market differentiation, and employee engagement.

I wish to thank our Board Members for their support and guidance in a rapidly evolving Australian pharmacy sector. With higher community needs and a growing demand for accessible, expert care, National Pharmacies is poised not just to meet the moment – but to shape what comes next.

Pauline Carr

Chairman, Board of Directors

Around the nation

South Australia



In 2024/25, under new expanding scope of practice initiatives our South Australian pharmacies provided more health services, including travel vaccinations. From 2026 (with training), our SA pharmacies will be able to treat everyday health issues such as acne, ear infections and rhinitis.

This builds on prior State Government reforms to community pharmacy practice allowing treatment for uncomplicated UTIs and oral contraceptive resupply. Our pharmacists are receiving extra clinical training, and pharmacy software is being upgraded statewide to support this expansion of practice.

We also welcomed more than 28,000 visitors after hours in 2024/25 to our 24/7 Norwood store – the first to open in SA. Investment highlights included relocating the Glenelg Optical by National Pharmacies store to Jetty Rd.

Victoria & NSW



Victoria expanded its community pharmacy care model, allowing our pharmacists to treat 22 acute and chronic conditions – including shingles and psoriasis – thanks to an \$18 million State Government investment.

Our first regional Victorian pharmacy, Monaghans, had a makeover to ensure the beautiful façade continues to welcome members and the local community for years to come – as did our Maryborough store.



\$18m State Government investment in community pharmacy.

In NSW, we supported communities affected by the May floods by supplying essential medicines to local pharmacies in the Mid Coast and Hunter Valley.



The year in review

2024

July 1

Eighth Community Pharmacy Agreement commences.

August 23

92nd National Pharmacies Christmas Pageant Royal Family announced.

September 25

Expanded scope of pharmacy practice announced in SA.

October 22

Awarded Health Industry Hub 'Sustainability Champion' award.

November

Held the 25th National Pharmacies Supplier Awards and the 92nd National Pharmacies Christmas Pageant.

December

First Pharmaceutical Wholesaler Agreement signed and Glenelg Optical by National Pharmacies store opens.

2025

January 22

First day on the job for our pharmacy interns.

February 4

25,000 after-hours visitors in first year of Norwood 24/7 pharmacy opening.

March

1,200 UTI pharmacy consultations (SA, VIC and NSW) in first year of expanded scope of practice and introduced free flu jabs for children under family memberships.

April

Travel health vaccination pilot service launched.

May 5

National Pharmacies launches 24/7 online GP service Telewell.

June 30

22,134 influenza vaccinations administered across SA, VIC and NSW in one of worst months for flu season on record.

Health

Providing trusted patient-centred care is so important to National Pharmacies. In 2024/25, our ongoing efforts to improve affordability and access to quality primary health care included introducing free influenza vaccinations for children of National Pharmacies family members, 24/7 expert GP telehealth services and travel vaccinations.

Over the past year, more than 28,000 people visited our 24/7 pharmacy in Norwood after hours as part of a State Government initiative to ease pressure on hospital emergency departments and GP clinics.



3.5m+
prescriptions
dispensed



1,320+
UTI & contraceptive
pill consultations



28,000+
after hours visitors
to 24/7 pharmacy



Free vaccinations for kids as flu storm hits

This year, National Pharmacies for the first time offered members free influenza vaccinations for children aged five to 17 as national flu cases reached their highest level in almost a quarter of a century.

Since rolling out the free program in March, more than 520 children have been vaccinated.

Children aged five to 15 have some of the lowest flu vaccination rates in the nation, with access to appointments and cost cited as key barriers to vaccination in a national survey.

National Pharmacies Chief Pharmacist Bec Rogers says: "National Pharmacies is proud to offer busy families flexible and affordable access to flu immunisations for children."



**More than 520 children
have been vaccinated
since March.**

Specialist GP care for members that never clocks out

National Pharmacies has partnered with one of Australia's leading primary healthcare providers, Partnered Health, to offer round-the-clock access to specialist general practitioners via the TeleWell online GP service.

National Pharmacies is the first community pharmacy group to integrate the TeleWell service.

Since April, National Pharmacies members and customers have accessed this convenient telehealth service directly through the National Pharmacies website.

Delivered by Partnered Health's team of vocationally registered GPs – who have completed advanced training in general practice – the service ensures high-quality, patient-centred care at any time of the day or night.

National Pharmacies is the first community pharmacy group to integrate the TeleWell service, reinforcing its commitment to accessible health care and easing pressure on the broader health system.



Steve Connelly, Pharmacist and Senior Manager of Ethical Buying and Community Service Obligation.

With the addition of TeleWell, National Pharmacies delivers integrated health care that connects expert GPs with local pharmacists, offering patients a seamless path from consultation to treatment.

Patients can book consultations for medical advice, diagnoses, treatment plans and prescriptions, which can then be sent electronically to their local National Pharmacies store for timely access to medication.

Health

On the move: bringing travel vaccinations to your local pharmacy

A growing number of National Pharmacies stores are rolling out a new travel vaccination service following a successful trial in South Australia.

There are 12 pharmacies currently providing travel vaccinations to members and customers with more than 50 pharmacists trained, including Pharmacist in Charge Adeline Low (pictured).

“Ensuring ease of access to, and affordability of, travel vaccinations is really important for the health and wellbeing of us all.”

The new service was introduced following the South Australian Government’s expansion of the vaccinations pharmacists are allowed to initiate and administer as part of broader efforts to alleviate pressure on GPs.

The National Pharmacies travel vaccination service was trialled at the Glenelg pharmacy in April and continues to expand as more pharmacists are trained.

At Glenelg, Principal Pharmacist Kerry Savas says pharmacists can not only initiate and administer recommended vaccinations to protect against a range of diseases, but can also suggest helpful over-the-counter travel items, including essential first aid, and provide tips on managing medications while away from home.

Chief Pharmacist Bec Rogers says travel vaccination protects travellers and the broader community against diseases, like measles and polio, from entering Australia.

“Ensuring ease of access to, and affordability of, travel vaccinations is really important for the health and wellbeing of us all,” she says. “Travel vaccination is so much more than just putting a needle in your arm.”



Cumberland Park store Pharmacist in Charge Adeline Low.



12 pharmacies

currently providing travel vaccinations



50+ pharmacists

trained to administer travel vaccinations

Sleep experts help bust gender myths on World Sleep Day

Each year, National Pharmacies' growing team of sleep consultants assists hundreds of men and women get a good night's sleep.

National Pharmacies runs 15 sleep apnoea clinics across South Australia and New South Wales to help improve sleep quality, properly fit masks and filters and offer expert assistance and guidance.

This year, on World Sleep Day (March 14), National Pharmacies Health Services Administrator and Sleep Consultant Ashleigh Mingorance highlighted how undiagnosed sleep apnoea can lead to serious health complications, including high blood pressure, weight gain, anxiety, depression, and a significantly reduced quality of life.

"Unfortunately, women are less likely to be aware of sleep apnoea risks as they are often associated with older, overweight men, and many women attribute their fatigue to factors like menopause or the demands of being a working mum," Ashleigh says.



National Pharmacies runs 15 sleep apnoea clinics across South Australia and New South Wales to help improve sleep quality.

"Many women attribute their fatigue to factors like menopause or the demands of being a working mum."

National Pharmacies Health Services Administrator and sleep consultant Ashleigh Mingorance.



Optical

Optical by National Pharmacies has begun a focused transformation to deliver greater value, convenience and choice for members. This has included investing in store refurbishments at Blackwood, Mt Barker and Newton – creating brighter, more modern spaces that improve the in-store experience and showcase our eyewear range.

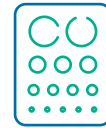
A major milestone has been the relocation of our Glenelg store to a new flagship site on Jetty Road. The new optical store opened in November, directly opposite our pharmacy, and immediately experienced an uplift in sales.

To support long-term growth, we have introduced a strategic initiative to align our optical services more closely with member needs now and in the future. We undertook a full retail pricing review and strengthened partnerships with more than 20 suppliers, including Maui Jim, VMD, Marchon and Zeiss. Targeted marketing activity reconnected with existing members, attracted new ones, and engaged those members yet to use our optical services.

We also introduced a global-leading digital dispensing platform and supported staff training in new digital measurement tools to ensure best-practice care. These changes mark the beginning of a broader shift to strengthen and modernise our optical offerings.



20,980+
prescription
eyewear dispensed



320
kids' free/upgrade
glasses



19
optical stores



20+
optical suppliers



Optical dispensing: much more than the eye can see

At Optical by National Pharmacies, we have a team of 63 skilled optical dispensers who fit and dispense eyeglasses and contact lenses to ensure patients receive the correct eyewear based on their prescriptions.

“It was an amazing transformation to witness and was real recognition of the significant work we do and the positive impact we have on people’s lives.”

Their important role in eyecare goes well beyond choosing the right style and colour of the frame. Optical Dispenser Alison Middleton, from our Cumberland Park store, says she’s witnessed some incredible life-changing moments for patients, particularly children, upon receiving the correct eyewear. Alison recalls fitting glasses for a girl while volunteering at a school for at-risk youth. “She had a very complex prescription,” Alison says.

At the one-year follow-up appointment, Alison says she was amazed by the child’s progress.



Cumberland Park store Optical Dispenser Alison Middleton.

“The outgoing young woman in front of me was a totally different person to the shy young girl who was struggling to stay engaged in school and the community a year ago.

“It was an amazing transformation to witness and was real recognition of the significant work we do and the positive impact we have on people’s lives.”



Our 63 skilled optical dispensers ensure patients receive the correct eyewear.

Distribution

National Pharmacies Distribution is our pharmacy wholesale operation, supplying more than 3,000 prescription medications to more than 70 South Australian and Victorian pharmacies and allied health clinics. This is in addition to supplying and distributing prescription and over-the-counter medicines to our own 46 pharmacies across three states.

We are among a small network of pharmacy wholesalers accredited and funded by the Federal Government to ensure pharmacies have equitable, safe and timely access to prescription medications, including vital vaccinations and specialty medicines to treat complex and chronic conditions. Our role also includes ensuring that whenever disaster strikes, South Australians and Victorians can still access the vital medicines they need.

This year, the first Pharmacy Wholesaler Agreement was established, ensuring Australians can continue to rely on the certainty of timely and reliable medicine supply from their local pharmacy. It also ensures the rising costs of distributing medicines across Australia will not be passed on to patients.



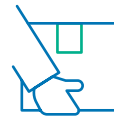
116

Pharmacies/allied health clinics supplied



7.8m+

units dispatched



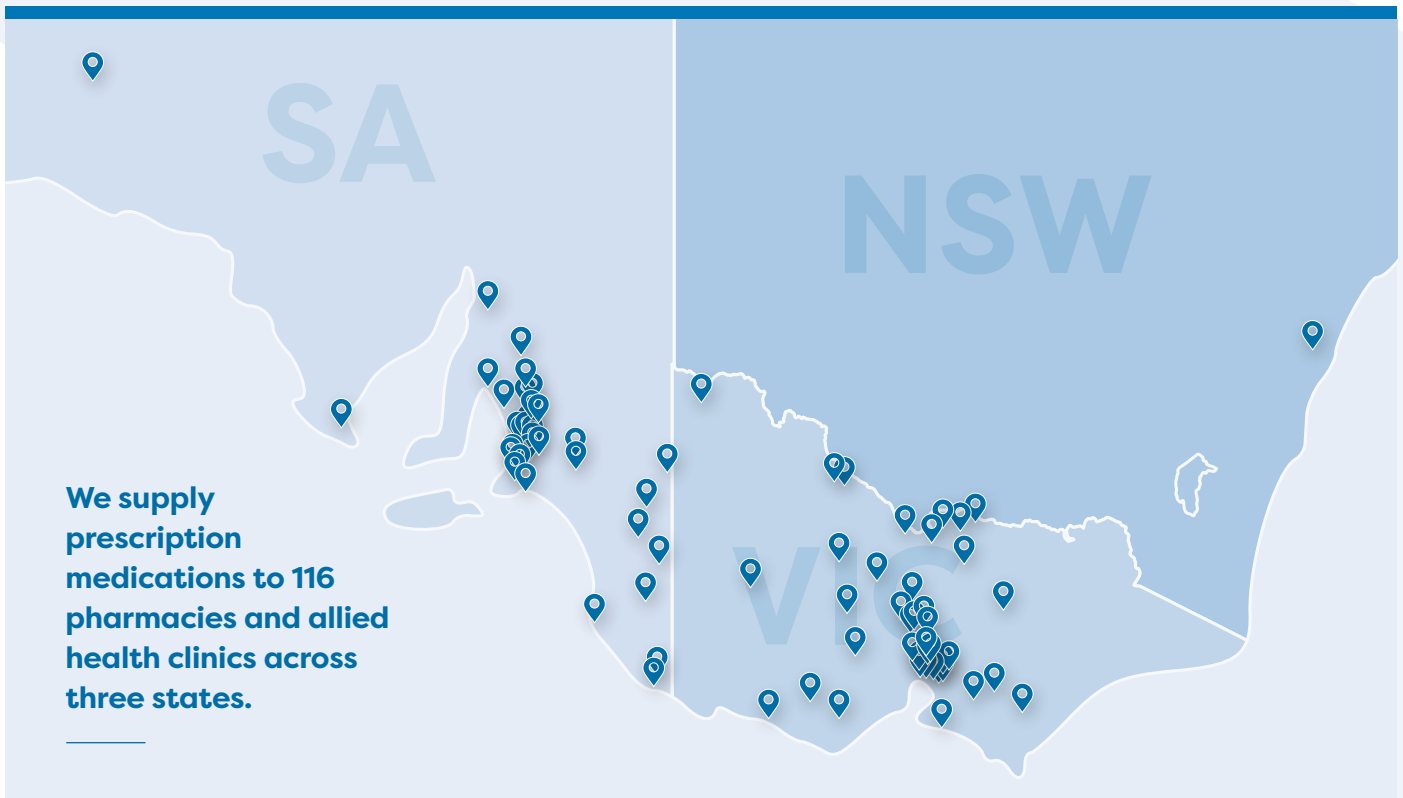
2.1m+

medicines delivered safely



50

specialised wholesale workforce



Fuelling the front line: the engine room of our pharmacy group

Tucked away in Adelaide, our Distribution Centre is the engine room of our pharmacy group – quietly powering the safe and timely delivery of more than 7.8 million medication units each year to our own community pharmacies and many others across South Australia and Victoria.

**“It’s a hidden operation
- but one that changes
lives, every single day.”**

“We’re acutely aware of how important timely access to medication is every day,” Steve Connelly says. A trained pharmacist, Steve is the Senior Manager of Ethical Buying and Community Service Obligation at the National Pharmacies Distribution Centre.

“I’ve been on the front line – I know how vital the supply chain is to patients,” he says.

Stocked with medications from around the world – including antibiotics, pain relief, cancer treatments and EpiPens – orders are checked, picked, packed and dispatched via road, rail, air, and our own fleet of trucks, which travel on average 15,360km a month.



Crispin Naomi at the National Pharmacies Distribution Centre.

Some medicines require cold storage and special handling.

“It’s a hidden operation – but one that changes lives, every single day,” Steve says.



**Our own fleet of trucks
travel on average 15,360km
a month.**

Beauty & wellbeing

From how to effectively treat acne and eczema, to the best UV defence, and the world's top fragrances and cosmetics lines, National Pharmacies' beauty and wellbeing services and products aim to help members and customers stay healthy inside and out.

With more than 10,300 beauty products sold in 2024/25, and expert beauty therapists located at our stores, National Pharmacies is continuing to provide a wide range of high-quality skin, hair, beauty and fragrance offerings to meet our community's changing needs.



5th
largest national
retailer of Clarins



23
beauty rooms



10,350+
beauty products
sold

More than skin deep

At National Pharmacies, there's an important philosophy that cuts to the core of its high quality beauty and wellbeing products and services.

"Beauty is not just about make-up and looking pretty! It is about the inside and the outside. It's about how you feel and this reflects in your skin, your hair, your eyes and your energy," Anna Averyanova says.

Anna is the Category Manager – Prestige Beauty at National Pharmacies. She ensures our beauty and personal care range supports our wider commitment to quality, health and wellbeing.

Anna says the continuing evolution of National Pharmacies' focus on health and beauty has been highlighted by the growth in demand for its specialist beauty and wellbeing treatments now offered in-store across 23 beauty rooms.

These include treatments for sensitive skin and facial massages to assist with lymphatic drainage.



Senior beauty therapist Rebekah Sloper in one of our in-store beauty rooms.

"Our flagship beauty rooms offer a five-star experience," Anna says. "We have really invested in making them look and feel comfortable – from the lighting, to the textures, sounds and smells."

"It's all about feeling great and looking great as a result," she says.

CLARINS

We aim to help members and customers stay healthy inside and out.

Our People

At National Pharmacies our commitment to caring for people, enabling health and inspiring wellness is the purpose that continues to shape every aspect of our people strategy. Across three states, our dedicated team works hard to deliver exceptional care to the diverse communities we serve.

This year, we launched our Multicultural Ambassador Program, which aims to embed the South Australian Multicultural Charter across our organisation - an important step towards becoming a more culturally responsive and inclusive employer and improve our understanding of the diverse health needs of our members and communities.

We also delivered several targeted training programs – including customer service, respectful workplace, manual handling and training to support the expanded scope of pharmacy practice. We trained 17 pharmacy interns through our internship program and continued to offer university scholarships to support the next generation of pharmacists. This work is essential to ensuring we're ready to meet growing and evolving patient needs with pharmacists enabled to treat a wider range of health conditions from 2026.



928
employees



8.6 years
average tenure



4,970
training hours



159
pharmacists

Our dedicated team works hard to deliver exceptional care to the diverse communities we serve.



Amber helping build the future of pharmacy

South Australian pharmacy student Amber Douglass believes there's never been a more exciting time to enter the profession. "It's a really exciting time to be entering pharmacy," says the 20-year-old university student.

With pharmacists now able to provide more health services, such as vaccinations and managing everyday health conditions, their role in community care is expanding rapidly. But with fewer students completing pharmacy degrees, the future workforce is under pressure.

"The pharmacists I worked with combined clinical skill with genuine care for their community – and that's what inspired me."

The National Pharmacies student scholarship program helps address this by supporting dedicated students like Amber to stay the course. Now in its second year, the scholarship provides financial assistance to University of South Australia second-year pharmacy students from rural areas, or those keen to work in them.



Pharmacy student Amber Douglass.

Amber, who grew up in Clare, South Australia, and moved to Adelaide to study pharmacy says the scholarship has been a vital support – "it meant I could focus on my studies without having to choose paid work over uni".

Her passion for pharmacy began in Year 9 after working part-time after school at a local country pharmacy. "The pharmacists I worked with combined clinical skill with genuine care for their community – and that's what inspired me," she says. Amber is expected to graduate in 2027.



This year we trained 17 pharmacy interns through our internship program.

Our Members

As a member-based organisation, our members are our north star, guiding our focus on achieving growth, generating member value and building sustainable operations.

To ensure that we remain relevant and are well positioned to serve our more than 150,000 members now and into the future, we continue to invest in new products, services and expert health and optical professionals. Recognising the continuing impact of cost of living pressures, particularly on families, this year we have introduced free children's flu vaccinations for family memberships, new travel vaccination services and a 24/7 telehealth service.

National Pharmacies has been focused on maintaining exceptional member experiences throughout the year, so members can access expert, quality, and affordable community care and wellbeing services to maintain and improve their health. And our efforts show, with our annual Member Satisfaction rating at just shy of 90 per cent.



\$24.1m

in member savings



17%

Growth in couples memberships



5 years

Average member journey

Raelene Easton, 80 Glenunga, SA Member for 30+ years



Member Raelene Easton at the Glenunga store.

For Raelene Easton, it's the little things that keep her coming back to National Pharmacies.

"The friendly faces – they know me by name. That's nice," she says.

Raelene and her husband Terry have been loyal members for more than three decades. Now enjoying retirement, the Glenunga store has become part of their weekly routine.

"I'm always in the chemist," Raelene laughs. "The moment I walk in, there's that lovely smell – the candles and diffusers make it feel so calm and familiar."

Her favourite treat? "Glasshouse diffusers and Revlon cosmetics. I always keep an eye out for member specials."

Prab Kaur, 35

Norwood, SA

Member for 1.5 years

On a quick lunch break from a busy health practice, dentist and Adelaide mum-of-two Prab Kaur popped into the National Pharmacies Norwood store hoping to find a specific cosmetic brand.

“Their commitment gives me peace of mind and a truly professional experience.”

She found it — and much more.

Welcomed by friendly beauty consultants and pharmacy assistants, who now greet her by name, Prab (pictured) was so impressed by the customer-friendly service that she emailed a thank-you note to the store the very next day.

“That was it — I just kept going in,” she says.

Prab soon became a member.

“There are some great member deals,” she says. “But what really stands out is the expert, professional care.”



National Pharmacies member Prab Kaur.

As a health professional herself, Prab values the high standards of hygiene at National Pharmacies, particularly in light of the evolving role of pharmacists in treating everyday health concerns.

“The Norwood team consistently upholds exceptional infection control and cleanliness,” she says. “Their commitment gives me peace of mind and a truly professional experience.”

Our Community

From preserving a cherished Christmas tradition to advancing sustainability and supporting vulnerable children, our commitment to community shapes our actions and priorities.

This year, more than 530 staff and members brought festive joy to more than 320,000 spectators at the National Pharmacies Christmas Pageant. We proudly supported KickStart For Kids, helping provide essential support to disadvantaged school children. Our stores collected more than 6,500 sanitary products for the charity's Period Poverty campaign over the last three years, while staff volunteers helped the charity serve about 60,000 breakfasts and 10,000 lunches each week – ensuring thousands of children could start their school day nourished and ready to learn.

Our impact extends beyond social initiatives to environmental action. In partnership with Viatris, we recycled empty medicine blister packs, this year diverting 25.8 tonnes of pharmaceutical waste from landfill. Together, these efforts reflect our unwavering mission to champion the health and wellbeing of our communities – in every way we can.



25.8

tonnes recycled
medicine blister
packs



6,500+

sanitary products
donated



530

employees
& members
participated in the
Christmas Pageant

Addressing period poverty in our community

National Pharmacies has collected more than 6,500 period products for KickStart For Kids through our pink donation boxes, located in our stores. KickStart For Kids distributes sanitary items to over 200 local and regional schools in South Australia. Adelaide chef Tam Tonkin, 49, recalls using old clothes and toilet paper to manage her periods as an 11-year-old. “I’d be crying for days,” Tam says. “I couldn’t go to school – I was so embarrassed and scared I’d have an accident.” Her younger sister Kimberley Bolton, National Pharmacies General Manager Member and Customer Experience, says no girl should ever go through what her sister did. Kimberley, who was unaware of Tam’s period poverty struggles at the time, has been volunteering with KickStart For Kids as part of a National Pharmacies’ employee program.



(L-R) Sisters Kimberley Bolton and Tam Tonkin.

“Every product donated is a step toward dignity, health, and equal opportunity for girls in our community,” Kimberley says. “We’re proud to support KickStart For Kids in making sure no student misses school because they can’t access basic sanitary care.”

Spreading pageant magic in regional SA

In 2024, National Pharmacies Christmas Pageant Royal Family Queen Kerryn Pearsons brought festive sparkle to the Victor Harbor Child Care & Education Centre, helping local children craft their own royal crowns ahead of the big day.

Living 60km from Adelaide, most of the time these little ones watch the Pageant on TV – so Queen Kerryn made sure they'd feel part of the Big Day from their lounge rooms. As Pharmacist in Charge at our Victor Harbor store, Queen



National Pharmacies Christmas Pageant Royal Family Queen Kerryn Pearsons.

“Spreading the joy of the Christmas Pageant far and wide is so important for regional children and families.”

Kerryn proudly wore her crown while caring for customers—often pausing for a royal photo or two! “Spreading the joy of the Christmas Pageant far and wide is so important for regional children and families,” she says.

On Pageant Day, Queen Kerryn was waving especially hard to her tiny crown-makers back home.

At National Pharmacies, we're proud to support community connection and joy, making sure every child feels the magic—no matter where they are. The National Pharmacies Royal Family are six employees selected each year for their strong sense of community and passion for National Pharmacies and the Christmas Pageant and include a Queen, King, princesses and princes.



More than 320,000 spectators attended the National Pharmacies Christmas Pageant.

Our Suppliers

Each year, National Pharmacies acknowledges excellence, innovation and exceptional service among the more than 500 businesses that supply prescription medication and health, beauty and optical products to our members and customers.

The 25th National Pharmacies Supplier Awards held in November really highlighted the breadth and depth of our outstanding suppliers and the ongoing collaboration that continues to deliver quality and value to those we serve. In 2024, there were 33 finalists and 12 award recipients. Finalists are selected by a panel of nine judges from across National Pharmacies on criteria which include communication, service, product range and support.



33
Finalists



12
Award recipients



9
Judges



25th National Pharmacies Supplier Awards

Account Manager of the Year

Distribution - Phong Huynh, Arrotex Pharmaceuticals
Health - Antoinette Feodoroff, Aspen Pharmacare Australia
Optical - Philip Crabtree, VMD Eyewear
Beauty (dual winner) - Ruth Robinson, Clarins and Tania Bishop, McPherson's Consumer Products

Supplier of the Year

Distribution - Viatrix Health - Blackmores
Optical - Carl Zeiss
Beauty - Sapphire Group

Supplier Recognition

Distribution - Generic Health
Optical - Rim Optics
Beauty - Puig



Trisha Rogers
Carl Zeiss



Elise Cook
Generic Health



Esther Dewey
Sapphire Group



Phong Huynh
Arrotex Pharmaceuticals



Ruth Robinson
Clarins

**National
Pharmacies
would like to
congratulate
all winners
and finalists
for 2024.**



Peter McIntyre & Tania Bishop
McPherson's Consumer Products



Aysha Khan
Blackmores



Brad Newland & Philip Crabtree
VMD Eyewear



**Thomas Mittiga &
Antonette Shadiac** Puig



Raheel Pears & Charbel Azzi
Viartis

Our Executive Leadership Team



Mark Smith
Chief Executive Officer



Kimberley Bolton
General Manager Member
& Customer Experience



Brigid Hughes
Chief Financial Officer



Sarah James
General Manager
Operations



Sam Laing
General Manager
Health Services



Jeri Tsoukalas
General Manager
People & Technology



Jennifer Taylor
Company Secretary



Directors' Report

for the 52 Week Period Ended 29 June 2025

The Directors of Friendly Society Medical Association Limited (“FSMA” or “The Company”) and its controlled entities (the Group) submit herewith their report, together with the annual financial report for the 52 week financial period ended 29 June 2025 (2024: 52 week period ended 30 June 2024) and the Independent Auditor’s Report thereon. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

All Directors are members of Friendly Society Medical Association Limited.

The names and particulars of the Directors of the Company during or since the end of the financial period are:

Name	Particulars
	<p>Experience and Expertise</p> <p>Ms Carr is an experienced non-executive director and chair with extensive executive, commercial, management, compliance and governance expertise acquired over 35 years with Australian and international organisations in a range of sectors. She joined the Board of FSMA on 23 September 2013 and was appointed Chairman on 26 March 2018.</p> <p>Current and Former Directorships in the last three years</p> <p>Ms Carr is the Chancellor of the new Adelaide University Transition Council. She is also a non-executive director of ASX listed companies, Highfield Resources Limited and Australian Rare Earths Limited and chairs their Audit and Risk Committees and their Remuneration and Nomination Committees.</p> <p>Responsibilities</p> <p>Ms Carr is a member of the People, Culture and Rewards Committee.</p>
	<p>Experience and Expertise</p> <p>Mr Connor is a Management Consultant and founding Director of VUCA Pty Ltd. He joined the Board on 29 March 2010 as a non-executive Director and was appointed Deputy Chairman on 26 March 2018. He has extensive experience in Mutual Organisations, Financial Services, Corporate Governance and Human Resource Management.</p> <p>Current and Former Directorships in the last three years</p> <p>Current Chairman of Auburn & Lidcombe United Friendly Society Pharmacy Board Limited and a Director of VUCA Pty Ltd.</p> <p>Formerly Chairman of Abacus Australian Mutuals, Deputy Chairman of Bedford Industries and a Director of AIM SA.</p> <p>Responsibilities</p> <p>Mr Connor is a member of the Audit and Risk Committee and the People, Culture and Rewards Committee.</p>

Pauline Carr
Non Executive
Chairman
 BEc, MBA, FAICD,
 FGIA FCG (CS,CGP)

Gregory Connor
 BEd, SF Fin,
 FAICD,
 Life Member and
 FAIM

Name	Particulars
------	-------------



Richard England
FCA, MAICD

Experience and Expertise

Mr England is an experienced non-executive director and chair of both listed and unlisted companies encompassing healthcare, major infrastructure, innovation, agribusiness, banking and insurance.

Mr England joined the Board on 1 January 2020.

Current and Former Directorships in the last three years

Mr England is currently, Chairman of Hobart International Airport Pty Ltd and a Director of Gardior Pty Ltd, Tasmanian Symphony Orchestra and Agency Projects Limited.

His former directorships include Japara Healthcare Limited, Bingo Industries Limited, Nanosonics Limited, QANTM Intellectual Property Limited, HBF Health Limited and Indigenous Art Code Limited.

Responsibilities

Mr England is Chairman of the Audit and Risk Committee and a member of the People, Culture and Rewards Committee.



Linda Heron
GAICD, MAHRI,
MContempLdship

Experience and Expertise

Mrs Heron has over 20 years' experience as a non-executive director across the private and public sectors.

Mrs Heron is currently Interim Board Secretary at Goulburn Ovens TAFE and has held several other senior executive roles, including Interim Executive Director of People and Culture at Goulburn Ovens TAFE, Interim Director People and Culture at Flinders University, Interim Director at St Kevin's College and managing the Human Resources, Corporate Governance and Legal Counsel functions at Melbourne Water. She also has extensive retail experience including leading large operational teams in the Coles Supermarket business and establishing and leading the Organisational Development function within the corporate Human Resources division of ColesMyer.

She joined FSMA on 29 March 2010 as a Non-Executive Director.

Current and Former Directorships in the last three years

Mrs Heron is the Director of Heron Human Resources, a business she established to provide expert advice to businesses on strategic Human Resources issues including change management, leadership and talent development.

She was previously a non-executive Director of the Army and Airforce Canteen Service and Chairman of its Audit Committee.

Responsibilities

Mrs Heron is Chairman of the People, Culture and Rewards Committee and a member of the Audit and Risk Committee.

Company Secretary

The name and particulars of the Company Secretary are:

Name	Particulars
------	-------------

Jennifer Taylor
GIA(Affiliated)

Appointed Company Secretary on 10 April 2017.

Principal Activities and Changes

The Group's principal activities during the course of the financial period were those of Retail Community Pharmacy, Community Service Obligation (CSO) Wholesaler and Optical Dispenser. During or since the financial period there were no significant changes to the principal activities of the Group.

Review of Operations

In the year to 29 June 2025 the Group made significant strides in delivering accessible, community-focused healthcare, underpinned by innovation and resilience despite the external challenges – including the cost-of-living crisis, regulatory changes such as 60-day dispensing and the conclusion of the Bupa Pharmacy Saver partnership. The Group refined the membership offering, introduced new optical dispensing software, enhanced fulfilment systems, and improved supply chain and retail processes. Strategic investments included relocating our Glenelg optical service to a flagship site on Jetty Road and refreshing the Maryborough store in Victoria.

Revenue during 2024/2025 was \$304.6 million which was a 4.1% increase on the prior year. However, the profit of the Group was impacted by an increase in costs and operating expenses. This was largely driven by surging operating costs, such as electricity, and increased software licence fees from investment in technology.

Reported underlying earnings was a loss of \$2.0 million with corresponding EBIT profit of \$2.6 million and EBITDA profit of \$13.4 million. Benefits to members over this period were \$24.1 million.

The carrying value of goodwill and intangible assets takes into consideration the future profitability of individual pharmacies. The basis for the calculation this period included the expectation that over the five-year forecasted period we will realise growth in prescription numbers, and retail and optical sales. The result is that no impairment is required to reduce the carrying value of Goodwill and Intangible Assets held on the Statement of Financial Position as at 29 June 2025 (2024: \$0).

The factors outlined above influenced this period's reported net profit after tax, which was a loss of \$2.0 million (2024: loss of \$5.5 million).

Issued Capital

The Company is limited by Shares and Guarantee. At 29 June 2025 and at 30 June 2024, the Company had no issued shares.

The Company is limited by a guarantee of \$1 per member. At 29 June 2025, the Company had 99,105 Memberships (2024: 142,634).

Changes in State of Affairs

There was no significant change in the state of affairs of the Group during the financial year.

Subsequent Events

On 30 June 2025, the Group entered into a new banking agreement with its existing lender. The new facility and the changes to the existing facilities are outlined as follows:

- The existing Corporate Markets Loan limit was increased to \$6 million from \$2.8 million as at 29 June 2025 expiring on 30 June 2028 with monthly repayments of \$33,333. The loan can be paid down and redrawn at any time.
- The term of the existing \$1.5 million Corporate Market Loan was extended to 30 June 2028 with monthly repayments of \$22,225.
- The bank guarantee facility of \$1.8 million remains in place.
- The security and bank covenants remain unchanged.
- All the other components of the existing facilities and General Security Agreement remain in place.

Subsequent Events (cont'd)

The following changes in Key Management Personnel occurred after 29 June 2025:

- Mr Vito Borrello's contract as Chief Executive Officer concluded effective 5 July 2025.
- Mr Mark Smith was appointed Chief Executive Officer effective 28 July 2025.
- Mr Rob Quinton resigned as General Manager Finance effective 10 August 2025.
- Ms Brigid Hughes was appointed Chief Financial Officer effective 25 August 2025.

Other than the events disclosed above, there have been no events subsequent to the reporting date which would have a material impact on the Group's 29 June 2025 financial statements.

Future Developments

Despite the current economic challenges, such as inflationary pressures, and the fluctuations in the retail market, the Company is well positioned to navigate the economic landscape and achieve sustainable growth by leveraging the expertise of its leadership team and implementing more member focused strategies.

Indemnification of Officers and Auditors

During the financial period the Company paid a premium in respect of a contract insuring the Directors of the Company (as named above), the Company Secretary, Ms J Taylor, and all executive officers of the Company and any related body corporate against a liability incurred as such a Director, Secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability cover and the amount of the premium.

The Company has not otherwise, during or since the financial period, indemnified or agreed to indemnify an officer (other than Directors) or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Auditor's Independence Declaration

The auditor's independence declaration is made on page 36 and forms part of this Directors' Report.

Rounding Off of Amounts

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

Directors' Meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial period and the number of meetings attended by each director (whilst in their capacity as a director or committee member). During the financial period, 11 Board meetings, 3 Audit and Risk Committee meetings and 2 People, Culture and Rewards Committee meetings were held.

Directors	Board of Directors		Audit and Risk Committee		People, Culture and Rewards Committee	
	Held	Attended	Held	Attended	Held	Attended
P F Carr	11	11	3	#3	2	2
G J Connor	11	11	3	3	2	2
R A F England	11	11	3	3	2	2
L M Heron	11	11	3	3	2	2

#Indicates ex officio attendance at a Committee meeting

Signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors



P F Carr
Chairman



R A F England
Director

Adelaide, 29 September 2025



Friendly Society Medical Association Limited
ABN 69 088 347 602

Registered Office

52 Gawler Place Adelaide SA 5000
PO Box 3640 Rundle Mall SA 5000

membersupport@nationalpharmacies.com.au
nationalpharmacies.com.au

