

**EBOS GROUP LIMITED**

**INTERIM REPORT  
FOR THE SIX MONTHS  
ENDED 31 DECEMBER 2021**

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**EBOS GROUP LIMITED**  
**INTERIM REPORT 2022**  
**SUMMARY OF CONSOLIDATED FINANCIAL HIGHLIGHTS**

	Six months 31 Dec 21 A\$'000 (unaudited)	Six months 31 Dec 20 A\$'000 (unaudited)	Year ended 30 Jun 21 A\$'000 (audited)
Revenue	5,250,860	4,653,298	9,202,886
Profit before depreciation, amortisation, net finance costs and tax expense (EBITDA)	199,881	182,219	363,297
Profit before net finance costs and tax expense (EBIT)	161,313	145,910	290,652
Profit before tax expense	147,513	131,859	263,019
Profit for the period	101,992	92,969	184,049
Profit for the period attributable to owners of the Company	101,866	92,865	185,297
Equity attributable to owners of the Company	2,078,208	1,380,890	1,411,024
Earnings per share	61.4c	56.9c	113.2c
Interim dividend per share (New Zealand dollars)	47.0c	42.5c	42.5c

**SHAREHOLDER CALENDAR**

Interim dividend record date	4 March 2022
Interim dividend payable	18 March 2022
Release of 2022 full year results	17 August 2022
Annual General Meeting	18 October 2022

## Independent Auditor's Review Report To The Shareholders Of EBOS Group Limited

### Conclusion

We have reviewed the condensed consolidated interim financial statements ('interim financial statements') of EBOS Group Limited and its subsidiaries ('the Group') which comprise the condensed consolidated balance sheet as at 31 December 2021, and the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six months ended on that date, and a summary of significant accounting policies and other explanatory information on pages 3 to 19.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2021 and its financial performance and cash flows for the six months ended on that date in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

### Basis for Conclusion

We conducted our review in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* ('NZ SRE 2410 (Revised)'). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Interim Financial Statements* section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other assignments for the Group in the area of taxation compliance services. These services have not impaired our independence as auditor of the Company. In addition to this, partners and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. The firm has no other relationship with, or interest in, the Group.

### Directors' responsibilities for the interim financial statements

The directors are responsible on behalf of the Company for the preparation and fair presentation of the interim financial statements in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibilities for the review of the interim financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial statements, taken as a whole, are not prepared, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

A review of the condensed consolidated interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly we do not express an audit opinion on the condensed consolidated interim financial statements.

### Restriction on use

This report is made solely to the company's shareholders, as a body. Our review has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's shareholders as a body, for our engagement, for this report, or for the conclusions we have formed.

*Deloitte Limited*

Mike Hawken, Partner  
for Deloitte Limited  
Christchurch, New Zealand  
15 February 2022

**EBOS GROUP LIMITED**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**

For the six months ended 31 December 2021

	Notes	Six months 31 Dec 21 A\$'000 (unaudited)	Six months 31 Dec 20 A\$'000 (unaudited)	Year ended 30 Jun 21 A\$'000 (audited)
<b>Revenue</b>	2(a)	5,250,860	4,653,298	9,202,886
Income from associates		4,088	2,855	7,071
<b>Profit before depreciation, amortisation, net finance costs and tax expense (EBITDA)</b>		199,881	182,219	363,297
Depreciation	2(b)	(32,199)	(30,262)	(60,544)
Amortisation of finite life intangibles	2(b)	(6,369)	(6,047)	(12,101)
<b>Profit before net finance costs and tax expense (EBIT)</b>		161,313	145,910	290,652
Finance income		758	292	713
Finance costs – borrowings		(10,416)	(10,456)	(20,641)
Finance costs – leases		(4,142)	(3,887)	(7,705)
<b>Profit before tax expense</b>		147,513	131,859	263,019
Income tax expense		(45,521)	(38,890)	(78,970)
<b>Profit for the period</b>		101,992	92,969	184,049
Profit for the period attributable to:				
Owners of the Company		101,866	92,865	185,297
Non-controlling interests		126	104	(1,248)
		101,992	92,969	184,049
<b>Earnings per share</b>				
Basic (cents per share)		61.4	56.9	113.2
Diluted (cents per share)		61.4	56.9	113.2

**EBOS GROUP LIMITED****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the six months ended 31 December 2021

	<b>Six months 31 Dec 21 A\$'000 (unaudited)</b>	<b>Six months 31 Dec 20 A\$'000 (unaudited)</b>	<b>Year ended 30 Jun 21 A\$'000 (audited)</b>
<b>Profit for the period</b>	101,992	92,969	184,049
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedge gains/(losses)	4,340	(539)	5,933
Related income tax	(1,293)	155	(1,750)
Movement in foreign currency translation reserve	2,733	(13)	(2,993)
	5,780	(397)	1,190
Items that will not be reclassified subsequently to profit or loss:			
Movement on equity instruments fair valued through other comprehensive income	2,513	(847)	(2,433)
<b>Total comprehensive income net of tax</b>	110,285	91,725	182,806
Total comprehensive income for the period is attributable to:			
Owners of the Company	110,159	91,621	184,054
Non-controlling interests	126	104	(1,248)
	110,285	91,725	182,806

**EBOS GROUP LIMITED**
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months ended 31 December 2021

	Notes	Share capital A\$'000	Share based payments reserve A\$'000	Foreign currency translation reserve A\$'000	Retained earnings A\$'000	Equity instruments fair valued through other comprehensive income reserve A\$'000	Cash flow hedge reserve A\$'000	Non-controlling interests A\$'000	Total A\$'000
<b>Six months ended</b>									
<b>31 December 2020 (unaudited):</b>									
Opening balance		961,486	6,601	(18,170)	372,012	(128)	(6,854)	(4,073)	1,310,874
Profit for the period		-	-	-	92,865	-	-	104	92,969
Other comprehensive income for the period, net of tax		-	-	(13)	-	(847)	(384)	-	(1,244)
Payment of dividends	4	-	-	-	(59,225)	-	-	-	(59,225)
Share-based payments		-	2,183	-	-	-	-	-	2,183
Dividends reinvested	3	27,553	-	-	-	-	-	-	27,553
Employee LTI shares exercised	3	3,056	-	-	-	-	-	-	3,056
Employee share plan shares issued	3	825	-	-	-	-	-	-	825
Employee share issue costs	3	(70)	-	-	-	-	-	-	(70)
<b>Balance at 31 December 2020</b>		<b>992,850</b>	<b>8,784</b>	<b>(18,183)</b>	<b>405,652</b>	<b>(975)</b>	<b>(7,238)</b>	<b>(3,969)</b>	<b>1,376,921</b>

**EBOS GROUP LIMITED**
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)**

For the six months ended 31 December 2021

	Notes	Share capital A\$'000	Share based payments reserve A\$'000	Foreign currency translation reserve A\$'000	Retained earnings A\$'000	Equity instruments fair valued through other comprehensive income reserve A\$'000	Cash flow hedge reserve A\$'000	Non-controlling interests A\$'000	Total A\$'000
<b>Year ended</b>									
<b>30 June 2021 (audited):</b>									
Opening balance		961,486	6,601	(18,170)	372,012	(128)	(6,854)	(4,073)	1,310,874
Profit for the period		-	-	-	185,297	-	-	(1,248)	184,049
Other comprehensive income for the period, net of tax		-	-	(2,993)	-	(2,433)	4,183	-	(1,243)
Payment of dividends	4	-	-	-	(123,856)	-	-	-	(123,856)
Share-based payments		-	3,749	-	-	-	-	-	3,749
Dividends reinvested	3	27,553	-	-	-	-	-	-	27,553
Employee LTI shares exercised	3	3,056	-	-	-	-	-	-	3,056
Employee share plan shares issued	3	1,665	-	-	-	-	-	-	1,665
Employee share issue costs	3	(144)	-	-	-	-	-	-	(144)
<b>Balance at 30 June 2021</b>		<b>993,616</b>	<b>10,350</b>	<b>(21,163)</b>	<b>433,453</b>	<b>(2,561)</b>	<b>(2,671)</b>	<b>(5,321)</b>	<b>1,405,703</b>

**EBOS GROUP LIMITED**
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)**

For the six months ended 31 December 2021

	Notes	Share capital A\$'000	Share based payments reserve A\$'000	Foreign currency translation reserve A\$'000	Retained earnings A\$'000	Equity instruments fair valued through other comprehensive income reserve A\$'000	Cash flow hedge reserve A\$'000	Non-controlling interests A\$'000	Total A\$'000
<b>Six months ended</b>									
<b>31 December 2021 (unaudited):</b>									
Opening balance		993,616	10,350	(21,163)	433,453	(2,561)	(2,671)	(5,321)	1,405,703
Profit for the period		-	-	-	101,866	-	-	126	101,992
Other comprehensive income for the period, net of tax		-	-	2,733	-	2,513	3,047	-	8,293
Payment of dividends	4	-	-	-	(72,228)	-	-	-	(72,228)
Share-based payments		-	(2,210)	-	-	-	-	-	(2,210)
Share placement	3	638,155	-	-	-	-	-	-	638,155
Share placement costs	3	(9,828)	-	-	-	-	-	-	(9,828)
Employee LTI shares exercised	3	2,343	-	-	-	-	-	-	2,343
Employee share plan shares issued	3	841	-	-	-	-	-	-	841
Employee share issue costs	3	(48)	-	-	-	-	-	-	(48)
<b>Balance at 31 December 2021</b>		<b>1,625,079</b>	<b>8,140</b>	<b>(18,430)</b>	<b>463,091</b>	<b>(48)</b>	<b>376</b>	<b>(5,195)</b>	<b>2,073,013</b>

**EBOS GROUP LIMITED**  
**CONDENSED CONSOLIDATED BALANCE SHEET**

As at 31 December 2021

	Notes	31 Dec 21 A\$'000 (unaudited)	31 Dec 20 A\$'000 (unaudited)	30 Jun 21 A\$'000 (audited)
<b>Current assets</b>				
Cash and cash equivalents		493,974	294,076	168,953
Trade and other receivables		1,276,408	1,098,930	1,156,499
Prepayments		23,983	18,832	14,111
Inventories		874,395	759,360	784,761
Current tax refundable		3,034	1,574	278
Other financial assets – derivatives	8	840	-	44
<b>Total current assets</b>		<b>2,672,634</b>	<b>2,172,772</b>	<b>2,124,646</b>
<b>Non-current assets</b>				
Property, plant and equipment		177,283	169,049	172,209
Capital work in progress		89,742	5,930	70,362
Prepayments		564	160	30
Deferred tax assets		147,703	131,025	141,806
Goodwill	10	1,129,099	993,941	999,339
Indefinite life intangibles		119,246	122,716	122,354
Finite life intangibles		39,114	42,145	40,089
Right of use assets		237,367	210,156	222,367
Investment in associates		46,294	44,229	47,896
Other financial assets		10,638	10,266	8,660
<b>Total non-current assets</b>		<b>1,997,050</b>	<b>1,729,617</b>	<b>1,825,112</b>
<b>Total assets</b>		<b>4,669,684</b>	<b>3,902,389</b>	<b>3,949,758</b>
<b>Current liabilities</b>				
Trade and other payables		1,830,068	1,481,764	1,623,904
Bank loans	7	-	327,856	116,640
Lease liabilities		40,451	35,324	36,498
Current tax payable		31,686	22,357	35,600
Employee benefits		56,883	45,275	58,706
Other financial liabilities – derivatives	8	3,087	13,059	6,631
<b>Total current liabilities</b>		<b>1,962,175</b>	<b>1,925,635</b>	<b>1,877,979</b>
<b>Non-current liabilities</b>				
Bank loans	7	267,977	275,000	323,565
Lease liabilities		216,266	191,197	203,621
Trade and other payables		14,100	3,315	3,617
Deferred tax liabilities		126,935	122,611	127,428
Employee benefits		9,218	7,710	7,845
<b>Total non-current liabilities</b>		<b>634,496</b>	<b>599,833</b>	<b>666,076</b>
<b>Total liabilities</b>		<b>2,596,671</b>	<b>2,525,468</b>	<b>2,544,055</b>
<b>Net assets</b>		<b>2,073,013</b>	<b>1,376,921</b>	<b>1,405,703</b>
<b>Equity</b>				
Share capital	3	1,625,079	992,850	993,616
Share based payments reserve		8,140	8,784	10,350
Foreign currency translation reserve		(18,430)	(18,183)	(21,163)
Retained earnings		463,091	405,652	433,453
Equity instruments fair valued through other comprehensive income		(48)	(975)	(2,561)
Cash flow hedge reserve		376	(7,238)	(2,671)
<b>Equity attributable to owners of the company</b>		<b>2,078,208</b>	<b>1,380,890</b>	<b>1,411,024</b>
Non-controlling interests		(5,195)	(3,969)	(5,321)
<b>Total equity</b>		<b>2,073,013</b>	<b>1,376,921</b>	<b>1,405,703</b>

**EBOS GROUP LIMITED**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

For the six months ended 31 December 2021

Notes	Six months 31 Dec 21 A\$'000 (unaudited)	Six months 31 Dec 20 A\$'000 (unaudited)	Year ended 30 Jun 21 A\$'000 (audited)
<b>Cash flows from operating activities</b>			
	5,148,372	4,649,732	9,080,007
	758	292	713
	6,091	5,477	5,761
	(4,967,076)	(4,501,207)	(8,687,637)
	(66,806)	(41,205)	(72,184)
	(14,558)	(14,343)	(28,346)
5	<b>106,781</b>	<b>98,746</b>	<b>298,314</b>
<b>Cash flows from investing activities</b>			
	916	77	217
	(10,954)	(6,191)	(20,354)
	(31,666)	(1,720)	(56,800)
	(1,588)	(2,312)	(5,106)
10	(106,739)	(22,936)	(31,223)
	(253)	(497)	(497)
	<b>(150,284)</b>	<b>(33,579)</b>	<b>(113,763)</b>
<b>Cash flows from financing activities</b>			
3	631,463	31,364	32,130
	44,371	62,420	49,600
	(216,640)	(31,740)	(181,459)
	(19,498)	(17,424)	(35,261)
	(71,964)	(61,147)	(124,986)
	<b>367,732</b>	<b>(16,527)</b>	<b>(259,976)</b>
	324,229	48,640	(75,425)
	792	658	(400)
	168,953	244,778	244,778
	<b>493,974</b>	<b>294,076</b>	<b>168,953</b>

## EBOS GROUP LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2021

#### 1. FINANCIAL STATEMENTS

These unaudited condensed consolidated interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZGAAP") as appropriate for condensed interim financial statements. They comply with the New Zealand Equivalent to International Accounting Standard 34 (NZ IAS 34) *Interim Financial Reporting* and International Accounting Standard IAS 34.

EBOS Group Limited ('the Company') is a profit-oriented company incorporated in New Zealand, registered under the Companies Act 1993 and dual listed on both the New Zealand Stock Exchange and the Australian Securities Exchange.

The Company is a Tier 1 for-profit entity in terms of the New Zealand External Reporting Board Standard A1.

The Company is a FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013, and its financial statements comply with this Act.

These financial statements should be read in conjunction with the financial statements and related notes included in the Group's Annual Report for the year ended 30 June 2021.

The accounting policies and methods of computation are consistent with those of the previous year.

The information is presented in thousands of Australian dollars unless otherwise stated.

#### 2. PROFIT FROM OPERATIONS

	Six months 31 Dec 21 A\$'000 (unaudited)	Six months 31 Dec 20 A\$'000 (unaudited)	Year ended 30 Jun 21 A\$'000 (audited)
(a) Revenue			
Community Pharmacy	3,152,813	2,735,885	5,389,989
Institutional Healthcare	1,474,345	1,360,648	2,686,014
Contract Logistics Services	58,019	42,886	88,615
Contract Logistics Sales	391,994	354,384	718,911
Interdivisional eliminations	(100,290)	(84,284)	(178,167)
Healthcare	4,976,881	4,409,519	8,705,362
Animal Care	273,979	243,779	497,524
	5,250,860	4,653,298	9,202,886

**EBOS GROUP LIMITED**
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**

For the six months ended 31 December 2021

**2. PROFIT FROM OPERATIONS (Continued)**

	Six months 31 Dec 21 A\$'000 (unaudited)	Six months 31 Dec 20 A\$'000 (unaudited)	Year ended 30 Jun 21 A\$'000 (audited)
<b>(b) Profit before net finance costs and tax expense</b>			
Profit before net finance costs and tax expense has been arrived at after charging the following expenses by nature:			
One-off items (1)	(7,771)	(1,921)	(3,813)
Cost of sales	(4,670,448)	(4,160,581)	(8,210,446)
Write-down of inventory	(5,439)	(4,157)	(8,127)
Impairment loss on trade and other receivables	(28)	(412)	(988)
Depreciation of property, plant and equipment	(10,697)	(10,387)	(20,813)
Depreciation on right of use assets	(21,502)	(19,875)	(39,731)
Amortisation of finite life intangibles	(6,369)	(6,047)	(12,101)
Short-term and low value asset leases	(3,966)	(2,278)	(5,080)
Donations	(27)	(48)	(228)
Employee benefit expense	(187,633)	(163,075)	(332,566)
Defined contribution plan expense	(10,283)	(9,013)	(18,285)
Other expenses	(169,472)	(132,449)	(267,127)
<b>Total expenses</b>	<b>(5,093,635)</b>	<b>(4,510,243)</b>	<b>(8,919,305)</b>

(1) One-off items comprise transaction costs incurred in relation to acquisitions undertaken during the period.

**3. SHARE CAPITAL**

	No. '000	Six months 31 Dec 21 A\$'000 (unaudited)	No. '000	Six months 31 Dec 20 A\$'000 (unaudited)	No. '000	Year ended 30 Jun 21 A\$'000 (audited)
<b>Fully paid ordinary shares</b>						
Balance at beginning of period	164,164	993,616	162,864	961,486	162,864	961,486
Dividend reinvested – October	-	-	1,233	27,553	1,233	27,553
Share placement – December	19,526	638,155	-	-	-	-
Share placement costs	-	(9,828)	-	-	-	-
Issue of shares to staff under employee share plan	26	841	37	825	67	1,665
Employee share issue costs	-	(48)	-	(70)	-	(144)
Shares vested under the long term executive incentive scheme	-	2,343	-	3,056	-	3,056
	<b>183,716</b>	<b>1,625,079</b>	<b>164,134</b>	<b>992,850</b>	<b>164,164</b>	<b>993,616</b>

## EBOS GROUP LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2021

#### 3. SHARE CAPITAL (continued)

On 9 December 2021, EBOS announced an agreement to acquire LifeHealthcare for \$1,167 million. LifeHealthcare is one of the largest independent distributors of third-party medical devices, consumables, capital equipment and inhouse manufactured allograft material in Australia, New Zealand and South East Asia. The transaction, which is subject to regulatory approvals and a number of other conditions, will be partly funded via a fully underwritten placement ("Placement"). The Placement of 19.5 million new fully paid ordinary shares was completed on 10 December 2021, raising \$638.2 million. Proceeds have been used to reduce gross debt until the transaction completes.

#### 4. DIVIDENDS

	AUD Cents per share	Six months 31 Dec 21 A\$'000 (unaudited)	AUD Cents per share	Six months 31 Dec 20 A\$'000 (unaudited)	AUD Cents per share	Year ended 30 Jun 21 A\$'000 (audited)
<b>Recognised amounts</b>						
Fully paid ordinary shares						
Final – prior year	44.1	72,228	36.5	59,225	36.5	59,225
Interim – current year	-	-	-	-	39.5	64,631
	44.1	72,228	36.5	59,225	76.0	123,856
<b>Unrecognised amounts</b>						
Final dividend	-	-	-	-	42.8	70,305
Interim dividend	44.3	81,347	39.9	65,460	-	-
	44.3	81,347	39.9	65,460	42.8	70,305

Dividends are approved by the Board in New Zealand dollars. Dividends recognised in the Statement of Changes in Equity are converted from New Zealand dollars to Australian Dollars at the exchange rate applicable on the date the dividend was approved. Unrecognised dividends are converted at the exchange rate applicable on the reporting date. The Board approved an interim dividend of 47.0 New Zealand cents per share on 15 February 2022. The record date for the dividend is 4 March 2022 and the dividend will be paid on 18 March 2022.

The following table shows dividends approved in New Zealand dollars:

	Six months 31 Dec 21 NZD Cents per share	Six months 31 Dec 20 NZD Cents per share	Year ended 30 Jun 21 NZD Cents per share
<b>Recognised amounts</b>			
Fully paid ordinary shares			
Final – prior year	46.0	40.0	40.0
Interim – current year	-	-	42.5
	46.0	40.0	82.5
<b>Unrecognised amounts</b>			
Final dividend	-	-	46.0
Interim dividend	47.0	42.5	-
	47.0	42.5	46.0

New Zealand dollar dividends paid to equity holders of the parent are translated into Australian dollars and disclosed in the cash flow statement at the foreign currency exchange rate applicable on the date they are paid.

**EBOS GROUP LIMITED****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**

For the six months ended 31 December 2021

**5. NOTES TO THE CASH FLOW STATEMENT**

	Six months 31 Dec 21 A\$'000 (unaudited)	Six months 31 Dec 20 A\$'000 (unaudited)	Year ended 30 Jun 21 A\$'000 (audited)
<b>Reconciliation of profit for the period with cash flows from operating activities</b>			
<b>Profit for the period</b>	101,992	92,969	184,049
Add/(less) non-cash items:			
Depreciation of property, plant and equipment	10,697	10,387	20,813
Depreciation on right of use assets	21,502	19,875	39,731
Amortisation of finite life intangibles	6,369	6,047	12,101
Loss/(gain) on sale of property, plant and equipment	7	(70)	(103)
Share of profit from associates, net of dividends received	(4,088)	(2,855)	(7,071)
Expense recognised in respect of share-based payments	3,128	2,183	3,749
Deferred tax	(5,433)	(5,158)	(13,532)
	<u>32,182</u>	<u>30,409</u>	<u>55,688</u>
Movements in working capital:			
Trade and other receivables	(119,909)	(76,343)	(133,912)
Prepayments	(10,406)	(6,181)	(1,330)
Inventories	(89,634)	(21,661)	(47,062)
Current tax refundable/payable	(6,670)	5,455	19,994
Trade and other payables	216,647	67,177	209,619
Employee benefits	(450)	2,913	16,479
Foreign currency translation of working capital balances	(228)	387	87
	<u>(10,650)</u>	<u>(28,253)</u>	<u>63,875</u>
Balances classified as investing activities	(24,307)	(3,784)	(12,914)
Working capital items acquired	7,564	7,405	7,616
<b>Net cash inflow from operating activities</b>	<u>106,781</u>	<u>98,746</u>	<u>298,314</u>

**EBOS GROUP LIMITED**
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**

For the six months ended 31 December 2021

**6. SEGMENT INFORMATION**
**(a) Products and services from which reportable segments derive their revenues**

 The Group's reportable segments under NZ IFRS 8 *Operating Segments* are as follows:

Healthcare: Incorporates the sale of healthcare products in a range of sectors, own brands, retail healthcare, medical devices, capital equipment, pharmacy services and wholesale activities.

Animal Care: Incorporates the sale of animal care products in a range of sectors, own brands, retail and wholesale activities.

Corporate: Includes net funding costs and central administration expenses that have not been allocated to the Healthcare or Animal Care segments.

**(b) Segment revenues and results**

The following is an analysis of the Group's revenue and results by reportable segment:

	Healthcare A\$'000	Animal Care A\$'000	Corporate A\$'000	Group A\$'000
<b>Six months ended 31 December 2021 (unaudited):</b>				
<b>Revenue from external customers</b>	4,976,881	273,979	-	5,250,860
<b>EBITDA</b>	177,472	38,768	(16,359)	199,881
Depreciation of property, plant and equipment	(10,206)	(491)	-	(10,697)
Depreciation on right of use assets	(18,108)	(2,844)	(550)	(21,502)
Amortisation of finite life intangibles	(6,255)	(114)	-	(6,369)
<b>EBIT</b>	142,903	35,319	(16,909)	161,313
Net finance costs	-	-	(13,800)	(13,800)
Tax (expense)/benefit	(44,759)	(9,897)	9,135	(45,521)
<b>Profit for the period</b>	98,144	25,422	(21,574)	101,992
Non-controlling interests	(126)	-	-	(126)
Profit for the period attributable to owners of the Company	98,018	25,422	(21,574)	101,866

The Healthcare segment results are inclusive of the one-off items disclosed in Note 2.

<b>Six months ended 31 December 2020 (unaudited):</b>				
<b>Revenue from external customers</b>	4,409,519	243,779	-	4,653,298
<b>EBITDA</b>	159,427	33,924	(11,132)	182,219
Depreciation of property, plant and equipment	(9,964)	(423)	-	(10,387)
Depreciation on right of use assets	(16,635)	(2,668)	(572)	(19,875)
Amortisation of finite life intangibles	(5,951)	(96)	-	(6,047)
<b>EBIT</b>	126,877	30,737	(11,704)	145,910
Net finance costs	-	-	(14,051)	(14,051)
Tax (expense)/benefit	(37,141)	(8,467)	6,718	(38,890)
<b>Profit for the period</b>	89,736	22,270	(19,037)	92,969
Non-controlling interests	(104)	-	-	(104)
Profit for the period attributable to owners of the Company	89,632	22,270	(19,037)	92,865

**EBOS GROUP LIMITED****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**

For the six months ended 31 December 2021

**6. SEGMENT INFORMATION (Continued)**

	<b>Healthcare A\$'000</b>	<b>Animal Care A\$'000</b>	<b>Corporate A\$'000</b>	<b>Group A\$'000</b>
<b>Year ended 30 June 2021 (audited):</b>				
<b>Revenue from external customers</b>	8,705,362	497,524	-	9,202,886
<b>EBITDA</b>	316,223	69,350	(22,276)	363,297
Depreciation of property, plant and equipment	(19,933)	(880)	-	(20,813)
Depreciation on right of use assets	(33,281)	(5,329)	(1,121)	(39,731)
Amortisation of finite life intangibles	(11,902)	(199)	-	(12,101)
<b>EBIT</b>	251,107	62,942	(23,397)	290,652
Net finance costs	-	-	(27,633)	(27,633)
Tax (expense)/benefit	(74,351)	(17,199)	12,580	(78,970)
<b>Profit for the year</b>	176,756	45,743	(38,450)	184,049
Non-controlling interests	1,248	-	-	1,248
Profit for the year attributable to owners of the Company	178,004	45,743	(38,450)	185,297

## EBOS GROUP LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2021

#### 6. SEGMENT INFORMATION (Continued)

The accounting policies of the reportable segments are consistent with the Group's accounting policies. Segment result represents profit before depreciation, amortisation, net finance costs and tax. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

**(c) Segment assets**

The following balance sheet and cash flow items are not allocated to operating segments as they are not reported to the chief operating decision maker at a segment level:

- Assets
- Liabilities
- Capital expenditure

**(d) Revenues from major products and services**

The Group's major products and services are transacted the same as its reportable segments i.e. Healthcare, Animal Care and Corporate.

**(e) Geographical information**

The Group operates in two principal geographical areas; New Zealand (country of domicile) and Australia.

The Group's revenue from external customers by geographical location (of the reportable segment) and information about its segment assets (non-current assets excluding investments in associates and deferred tax assets) are detailed below:

	Six months 31 Dec 21 A\$'000 (unaudited)	Six months 31 Dec 20 A\$'000 (unaudited)	Year ended 30 Jun 21 A\$'000 (audited)
<b>Revenue from external customers</b>			
New Zealand	1,077,393	927,077	1,847,666
Australia	4,173,467	3,726,221	7,355,220
	<u>5,250,860</u>	<u>4,653,298</u>	<u>9,202,886</u>
<b>Non-current assets</b>			
New Zealand	384,197	353,173	348,296
Australia	1,418,856	1,201,190	1,287,114
	<u>1,803,053</u>	<u>1,554,363</u>	<u>1,635,410</u>

**(f) Information about major customers**

No revenues from transactions that are with a single customer amount to 10% or more of EBOS' revenues for the period (December 2020: Nil, June 2021: Nil).

#### 7. BANK FACILITY AND BORROWINGS

The Group fully complies with and operates within the financial covenants under the arrangements with its bankers. At 31 December 2021 the Group had unutilised term loan facilities of \$522.1 million (December 2020: \$331.9 million, June 2021: \$465.9 million).

The Group also has a trade debtor securitisation facility of which \$400.0 million was unutilised at 31 December 2021 (December 2020: \$158.2 million, June 2021: \$283.4 million).

## EBOS GROUP LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2021

#### 7. BANK FACILITY AND BORROWINGS (Continued)

As at 31 December 2021, the maturity profile of the Group's term debt and securitisation facilities was:

<u>Facility</u>	<u>Amount</u>	<u>Maturity</u>
Term debt facilities	\$250.0 million	1-2 years
Term debt facilities	\$172.1 million	2-3 years
Term debt facilities	\$293.0 million	3-4 years
Term debt facilities	\$75.0 million	4-5 years
Securitisation facility	\$400.0 million	1-2 years

In conjunction with the expected acquisition of LifeHealthcare the Group has also obtained additional committed bank debt funding facilities of \$540m in total, split evenly between a 3 and 4 year maturity tenor. The availability of these facilities are dependent upon the completion of the LifeHealthcare acquisition and are to be used to partially fund the consideration of the acquisition along with the proceeds of the December 2021 Share Placement (refer Note 3) and Retail Offer completed in January 2022 (refer Note 11).

#### 8. FINANCIAL INSTRUMENTS

The Group enters into forward foreign currency exchange contracts to hedge trading transactions, including anticipated transactions, denominated in foreign currencies and uses interest rate swaps to manage cash flow interest rate risk.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates certain derivatives as cash flow hedges of highly probable forecast transactions.

	<b>Six months 31 Dec 21 A\$'000 (unaudited)</b>	<b>Six months 31 Dec 20 A\$'000 (unaudited)</b>	<b>Year ended 30 Jun 21 A\$'000 (audited)</b>
<b>Fair value of derivative financial instruments</b>			
Other financial assets – derivatives (at fair value)			
Forward foreign exchange contracts	840	-	44
	840	-	44
Other financial liabilities – derivatives (at fair value)			
Forward foreign exchange contracts	2	3,179	577
Interest rate swaps	3,085	9,880	6,054
	3,087	13,059	6,631

The Group has categorised these derivatives, both financial assets and financial liabilities, as Level 2 under the fair value hierarchy contained within NZ IFRS 13 *Fair Value Measurement*.

The fair value of foreign currency forward exchange contracts is determined using a discounted cash flow valuation. Key inputs include observable forward exchange rates, at the measurement date, with the resulting value discounted back to present values.

Interest rate swaps are valued using a discounted cash flow valuation. Key inputs for the valuation of interest rate swaps are the estimated future cash flows based on observable yield curves at the end of the reporting period, discounted at a rate that reflects the credit risk of the various counterparties.

There have been no changes in valuation techniques used for either forward foreign currency exchange contracts or interest rate swaps during the current reporting period.

**EBOS GROUP LIMITED****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**

For the six months ended 31 December 2021

**9. IMPACT OF NEW ACCOUNTING STANDARDS**

In the current period the Group has adopted all mandatory new and amended standards and interpretations.

**10. ACQUISITION INFORMATION**

The following material acquisitions of subsidiaries took place during the period.

Name of business acquired	Principal activities	Date of acquisition	Cost of acquisition A\$'000
<b>2022:</b>			
Pioneer Medical Limited (Pioneer)	Healthcare	August 2021	38,512
Sentry Medical Pty Limited (Sentry)	Healthcare	August 2021	80,521
MD Solutions Group	Healthcare	September 2021	32,258

Combined details of acquisitions undertaken during the current period are as follows:

	Carrying value A\$'000 (unaudited)	Fair value adjustment A\$'000 (unaudited)	Fair value on acquisition A\$'000 (unaudited)
<b>Current assets</b>			
Cash and cash equivalents	19,380	-	19,380
Trade and other receivables	11,522	(1,468) <sup>1</sup>	10,054
Prepayments	556	(90) <sup>2</sup>	466
Inventories	17,814	(3,010) <sup>3</sup>	14,804
<b>Non-current assets</b>			
Property, plant and equipment	3,470	(1,040) <sup>4</sup>	2,430
Deferred tax assets	-	3,952 <sup>5</sup>	3,952
Right of use assets	-	6,596 <sup>6</sup>	6,596
<b>Current liabilities</b>			
Trade and other payables	(5,841)	(514) <sup>7</sup>	(6,355)
Lease liabilities	-	(3,246) <sup>8</sup>	(3,246)
Current tax payable	(9,000)	(648) <sup>9</sup>	(9,648)
Employee benefits	(850)	(85) <sup>10</sup>	(935)
<b>Non-current liabilities</b>			
Lease liabilities	-	(3,350) <sup>8</sup>	(3,350)
Trade and other payables	(132)	-	(132)
Deferred tax liabilities	-	(1,937) <sup>11</sup>	(1,937)
Employee benefits	(290)	(400) <sup>10</sup>	(690)
<b>Net assets acquired</b>	36,629	(5,240)	31,389
Goodwill on acquisition			127,870
Total consideration			159,259
Less deferred purchase consideration			(40,881)
Less cash and cash equivalents acquired			(19,380)
Plus deferred purchase consideration paid in relation to prior year acquisitions			7,741
Net cash outflow from acquisition			106,739

For the six months ended 31 December 2021

**10. ACQUISITION INFORMATION (Continued)**

1. *To recognise the fair value of trade and other receivables on acquisition.*
2. *To recognise the fair value of prepayments on acquisition.*
3. *To recognise the fair value of inventories on acquisition.*
4. *To recognise the fair value of property, plant and equipment on acquisition.*
5. *To recognise deferred tax assets on acquisition.*
6. *To recognise right of use assets on acquisition.*
7. *To recognise the fair value of trade and other payables on acquisition.*
8. *To recognise lease liabilities on acquisition.*
9. *To recognise the fair value of current tax payable on acquisition.*
10. *To recognise the fair value of employee benefits on acquisition.*
11. *To recognise deferred tax liabilities on acquisition.*

Due to the timing of the acquisitions the above figures have not yet been finalised and are currently considered provisional.

Goodwill arose on the acquisitions of Pioneer, Sentry and MD Solutions Group because the cost of acquisition included control premiums paid. In addition, goodwill resulted from the consideration paid for the benefit of future expected cash flows above the current fair value of the assets acquired and the expected synergies and future market benefits expected to be obtained. These benefits are not recognised separately from goodwill as the expected future economic benefits arising cannot be reliably measured and they do not meet the definition of identifiable intangible assets.

Pioneer is a New Zealand based supplier of orthopaedic supplies and MD Solutions Group is an Australian based supplier of healthcare products. Both businesses were acquired as they are profitable businesses which the Group believes fit strategically within its Australian healthcare business assets.

Sentry is an Australian based distributor of surgical and medical consumables. Sentry was acquired as it is a profitable Australian healthcare business which the Group believes fits strategically with its Australian healthcare business assets.

Deferred consideration of \$40.9 million has been recognised as future EBITDA earn out targets of the businesses acquired, on which the consideration is payable, are expected to be achieved.

The impact of the acquisitions on the results of the Group are not considered material and are therefore not disclosed in the Interim Report.

**11. EVENTS AFTER BALANCE DATE**

Subsequent to 31 December 2021, the Board approved an interim dividend to shareholders. For further details please refer to Note 4.

In January 2022, the Group completed a non-underwritten retail offer, to existing shareholders, in connection with the agreement to acquire LifeHealthcare. A total of 5.0 million new fully paid ordinary shares were issued, raising approximately \$161.4 million.

## EBOS GROUP LIMITED

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#### DIRECTORS

Elizabeth Coutts	Independent Chair
Tracey Batten	Independent Director
Nick Dowling	Independent Director (resigned February 2022)
Stuart McGregor	Independent Director
Stuart McLauchlan	Independent Director
Sarah Ottrey	Independent Director
Peter Williams	Independent Director

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#### Managing Your Shareholding Online:

To change your address, update your payment instructions and to view your investment portfolio including transactions, please visit:  
[www.computershare.com/investorcentre](http://www.computershare.com/investorcentre)

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