

Interim Report for the Six Months Ended 31 December 2021

RESULTS FOR ANNOUNCEMENT TO THE MARKET

The following information is presented in accordance with ASX listing rule 4.2A.3 and should be read in conjunction with the attached EBOS Group Limited condensed consolidated interim unaudited financial statements for the six months ended 31 December 2021.

1. DETAILS OF THE REPORTING PERIOD AND THE PREVIOUS CORRESPONDING PERIOD

Current period: Six months ended 31 December 2021
 Previous corresponding period: Six months ended 31 December 2020

This report and the attached condensed consolidated interim unaudited financial statements are presented in Australian dollars, being the Group's presentation currency.

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Group Results (Unaudited)	31 Dec 2021 AUD \$000	31 Dec 2020 AUD \$000	Change %
Revenue	5,250,860	4,653,298	12.8%
Earnings before depreciation, amortisation, net finance costs and tax expense (EBITDA)	199,881	182,219	9.7%
Depreciation and amortisation	(38,568)	(36,309)	6.2%
Earnings before interest and tax (EBIT)	161,313	145,910	10.6%
Profit before tax (PBT)	147,513	131,859	11.9%
Net profit after tax (NPAT)	101,992	92,969	9.7%
Net profit after tax (NPAT) attributable to owners of the Company	101,866	92,865	9.7%
Weighted average number of shares	165,875	163,280	1.6%
Basic EPS – (CPS)	61.4	56.9	8.0%
Net tangible asset backing per ordinary share – (\$)	\$2.18	(\$0.75)	
Underlying EBITDA (refer reconciliation below)	207,652	184,140	12.8%
Underlying EBIT (refer reconciliation below)	169,084	147,831	14.4%
Underlying Net profit after tax (NPAT) attributable to the owners of the Company (refer reconciliation below)	109,271	94,346	15.8%
Underlying EPS – (CPS)¹	66.6	57.8	15.2%

¹ Underlying EPS is calculated as underlying NPAT divided by the weighted average number of shares on issue during the period, excluding the impact of shares issued from the share placement, of 19.5m shares, in December 2021

Dividends	Amount per NZ Cents Per Share	Franked amount per security to 30% tax rate
Interim dividend payable 18 March 2022	47.0c	100%
Interim dividend – previous corresponding period	42.5c	100%

Key dates for the 2022 Interim Dividend

Ex-dividend date	3 March 2022
Record date	4 March 2022 (5.00pm NZDT)
Dividend payment date	18 March 2022

Other Comments

The interim dividend will be imputed to 25% for New Zealand tax resident shareholders, and a supplementary dividend paid to eligible non-resident shareholders.

3. RECONCILIATION OF REPORTED TO UNDERLYING EARNINGS

Reconciliation of Reported vs Underlying Earnings (Unaudited)	31 Dec 2021 AUD \$000	31 Dec 2020 AUD \$000	Change %
Reported EBITDA	199,881	182,219	9.7%
Add back one-off items incurred during the period ²	7,771	1,921	304.6%
Underlying EBITDA	207,652	184,140	12.8%
Reported EBIT	161,313	145,910	10.6%
Add back one-off items incurred during the period ²	7,771	1,921	304.6%
Underlying EBIT	169,084	147,831	14.4%
Reported Net Profit after Tax (NPAT) attributable to owners of the Company	101,866	92,865	9.7%
Add back one-off items incurred during the period ² (net of tax and after non-controlling interests)	7,405	1,481	399.8%
Underlying Net Profit after Tax (NPAT) attributable to owners of the Company	109,271	94,346	15.8%
Basic EPS – (CPS)	61.4	56.9	8.0%
Underlying EPS – (CPS)	66.6	57.8	15.2%

² The six months to 31 December 2021 one-off costs comprise merger and acquisition transaction costs of \$7.8m (2020: \$1.9m) on a pre-tax basis (\$7.4m (2020: \$1.5m) on a post-tax basis).

Underlying EBITDA, Underlying EBIT and Underlying Net Profit after Tax attributable to the owners of the Company are non-GAAP measures, which adjust for the effects of one-off costs.

For supplementary comments on the Group's financial results refer to the Results Presentation, Letter to Shareholders and Media Release issued 16 February 2022.

4. ENTITIES ACQUIRED

Details of material acquisitions undertaken during the period have been disclosed, in aggregate, in Note 10 of the attached condensed consolidated interim unaudited financial statements.

5. DIVIDENDS PAID AND DECLARED

Group Results (Unaudited)	Amount Per Share (NZ\$ Cents)	Amount Per Share (A\$ Cents)	Total Amount (A\$)	Date Paid / Payable
Dividends declared in respect of the year ending 30 June 2022				
2022 interim dividend	47.0 cents	44.3 cents	\$81,347,000	18 March 2022
Dividends paid attributable to the year ended 30 June 2021				
2021 interim dividend	42.5 cents	39.5 cents	\$64,631,000	18 March 2021
2021 final dividend	46.0 cents	44.1 cents	\$72,228,000	24 September 2021
	88.5 cents	83.6 cents	136,859,000	

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.

6. DIVIDEND REINVESTMENT PLAN

The Company's dividend reinvestment plan ('DRP') will not operate for the 2022 interim dividend.

7. ASSOCIATES AND JOINT VENTURES

The Group equity accounted the following associate entities at 31 December 2021.

Name of business	Proportion of shares and voting rights
Animates NZ Holdings Limited	50.00%
Good Price Pharmacy Franchising Pty Limited	44.18%
Good Price Pharmacy Management Pty Limited	44.18%

Income from the individual Associates has not been separately disclosed as it is considered immaterial. Total income from Investments in Associates for the six months ended 31 December 2021 was \$4,088,000 (2020: \$2,855,000).

8. FOREIGN ENTITIES

The condensed consolidated interim unaudited financial statements are presented in Australian dollars and comply with International Financial Reporting Standards (“IFRS”).

9. INDEPENDENT AUDIT REVIEW

The condensed consolidated interim financial statements have been reviewed by an independent auditor, and the auditor has given an unmodified review opinion.

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)
Revenue	2(a)	5,250,860	4,653,298	9,202,886
Income from associates		4,088	2,855	7,071
Profit before depreciation, amortisation, net finance costs and tax expense (EBITDA)		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)
Profit before net finance costs and tax expense (EBIT)		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)
Profit before tax expense		147,513	131,859	263,019
Income tax expense		(45,521)	(38,890)	(78,970)
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
Non-controlling interests		126	104	(1,248)
		101,992	92,969	184,049
Earnings per share				
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

	Six months 31 Dec 21 A\$'000 (unaudited)	Six months 31 Dec 20 A\$'000 (unaudited)	Year ended 30 Jun 21 A\$'000 (audited)
Profit for the period	101,992	92,969	184,049
Other comprehensive income			
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)
Total comprehensive income net of tax	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
Six months ended									
31 December 2020 (unaudited):									
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)
Balance at 31 December 2020		992,850	8,784	(18,183)	405,652	(975)	(7,238)	(3,969)	1,376,921

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
Year ended									
30 June 2021 (audited):									
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)
Balance at 30 June 2021		993,616	10,350	(21,163)	433,453	(2,561)	(2,671)	(5,321)	1,405,703

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
Six months ended									
31 December 2021 (unaudited):									
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)
Balance at 31 December 2021		1,625,079	8,140	(18,430)	463,091	(48)	376	(5,195)	2,073,013

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)
Current assets			
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	-
Total current assets	2,672,634	2,172,772	2,124,646
Non-current assets			
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
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
Total non-current assets	1,997,050	1,729,617	1,825,112
Total assets	4,669,684	3,902,389	3,949,758
Current liabilities			
Trade and other payables	1,830,068	1,481,764	1,623,904
Bank loans	7	-	327,856
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
Total current liabilities	1,962,175	1,925,635	1,877,979
Non-current liabilities			
Bank loans	7	267,977	275,000
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
Total non-current liabilities	634,496	599,833	666,076
Total liabilities	2,596,671	2,525,468	2,544,055
Net assets	2,073,013	1,376,921	1,405,703
Equity			
Share capital	3	1,625,079	992,850
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)
Equity attributable to owners of the company	2,078,208	1,380,890	1,411,024
Non-controlling interests	(5,195)	(3,969)	(5,321)
Total equity	2,073,013	1,376,921	1,405,703

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)
Cash flows from operating activities			
	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	106,781	98,746	298,314
Cash flows from investing activities			
	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)
	(150,284)	(33,579)	(113,763)
Cash flows from financing activities			
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)
	367,732	(16,527)	(259,976)
	324,229	48,640	(75,425)
	792	658	(400)
	168,953	244,778	244,778
	493,974	294,076	168,953

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) Profit before net finance costs and tax expense			
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)
Total expenses	(5,093,635)	(4,510,243)	(8,919,305)

(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)
Fully paid ordinary shares						
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
	183,716	1,625,079	164,134	992,850	164,164	993,616

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)
Recognised amounts						
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
Unrecognised amounts						
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
Recognised amounts			
Fully paid ordinary shares			
Final – prior year	46.0	40.0	40.0
Interim – current year	-	-	42.5
	46.0	40.0	82.5
Unrecognised amounts			
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)
Reconciliation of profit for the period with cash flows from operating activities			
Profit for the period	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
Net cash inflow from operating activities	<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
Six months ended 31 December 2021 (unaudited):				
Revenue from external customers	4,976,881	273,979	-	5,250,860
EBITDA	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)
EBIT	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)
Profit for the period	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.

Six months ended 31 December 2020 (unaudited):				
Revenue from external customers	4,409,519	243,779	-	4,653,298
EBITDA	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)
EBIT	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)
Profit for the period	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)

	Healthcare A\$'000	Animal Care A\$'000	Corporate A\$'000	Group A\$'000
Year ended 30 June 2021 (audited):				
Revenue from external customers	8,705,362	497,524	-	9,202,886
EBITDA	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)
EBIT	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)
Profit for the year	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)
Revenue from external customers			
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>
Non-current assets			
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:

Facility	Amount	Maturity
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.

	Six months 31 Dec 21 A\$'000 (unaudited)	Six months 31 Dec 20 A\$'000 (unaudited)	Year ended 30 Jun 21 A\$'000 (audited)
Fair value of derivative financial instruments			
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
2022:			
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)
Current assets			
Cash and cash equivalents	19,380	-	19,380
Trade and other receivables	11,522	(1,468) ¹	10,054
Prepayments	556	(90) ²	466
Inventories	17,814	(3,010) ³	14,804
Non-current assets			
Property, plant and equipment	3,470	(1,040) ⁴	2,430
Deferred tax assets	-	3,952 ⁵	3,952
Right of use assets	-	6,596 ⁶	6,596
Current liabilities			
Trade and other payables	(5,841)	(514) ⁷	(6,355)
Lease liabilities	-	(3,246) ⁸	(3,246)
Current tax payable	(9,000)	(648) ⁹	(9,648)
Employee benefits	(850)	(85) ¹⁰	(935)
Non-current liabilities			
Lease liabilities	-	(3,350) ⁸	(3,350)
Trade and other payables	(132)	-	(132)
Deferred tax liabilities	-	(1,937) ¹¹	(1,937)
Employee benefits	(290)	(400) ¹⁰	(690)
Net assets acquired	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.

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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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To change your address, update your payment instructions and to view your investment portfolio including transactions, please visit:
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Please assist our registrar by quoting your CSN or shareholder number.