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Annual Report 2022

**Celebrating
100 years**

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Our story has been enriched through an investment strategy to build a diverse portfolio of high-performing market-leading businesses backed by our shareholders and talented workforce. It is through our collective efforts that we lead the way in providing the high-quality healthcare and animal care products and services that customers across New Zealand, Australia, and now Southeast Asia deserve.

When acquiring Symbion, EBOS inherited the rich history of the Faulding brand, which celebrated 177 years in business on 19 May 2022. Francis Hardy Faulding opened his first pharmacy at 5 Rundle Street, Adelaide in 1845 and while the business has evolved considerably since then, Faulding continues to live on as part of the EBOS Group, a respected brand that supports the health and wellbeing of Australians.

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Foreword

One hundred years of dedication, innovation, vision, resilience and teamwork.

These values have shaped EBOS Group's transformation from a humble dental and surgical supply business into New Zealand and Australia's largest healthcare and animal care company.

What started as small steps have become giant strides for our Trans-Tasman company which has been guided by a commitment to delivering the best outcomes for everyone who relies on our business.

In our milestone one-hundredth year we pay tribute to the partnership with our valued shareholders, customers, business partners, and especially our employees – past and present – who have believed in our vision for a positive impact on our communities.

Our annual report highlights that EBOS' strength has been the sum of its parts working in unison with a shared vision for success.

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It is through our collective efforts that we lead the way in providing the high-quality healthcare and animal care products and services that customers across New Zealand, Australia, and now Southeast Asia deserve.

We are proud of our heritage, we thank all of our stakeholders who have been part of our journey, and we look forward to the next one hundred years.

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Highlights

\$10.7

billion revenue

\$89.2

million net investment in capital works

\$1,299.1

million acquisition investment spend

12,765

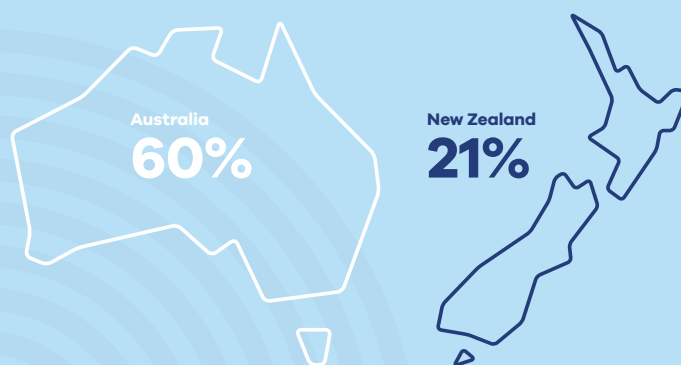
shareholders

96.0c

total dividends per share (NZ)

Our business

109

locations in Australia, New Zealand
and Southeast Asia

5,000

employees

Summary of Results

Financial Highlights

\$10.7

billion revenue
+ 16.6% increase

129.0c

underlying earnings per share
+ 12.2% increase

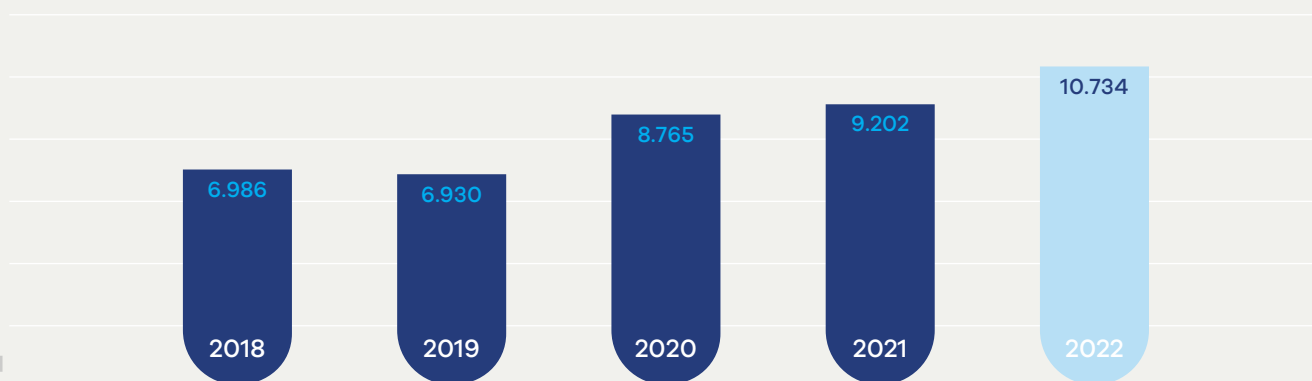
\$228.2

million underlying net profit after tax
+ 21.3% increase

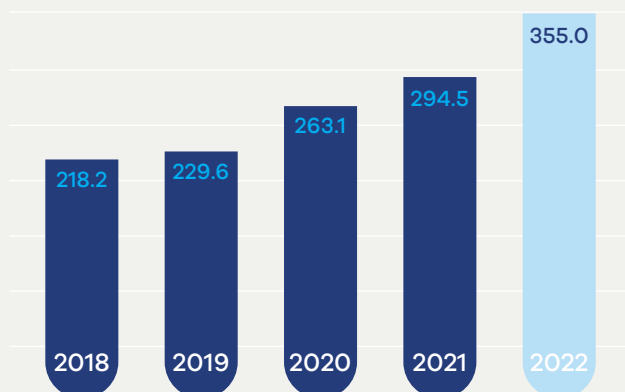
NZ96.0c

dividends per share
+ 8.5% increase

Revenue

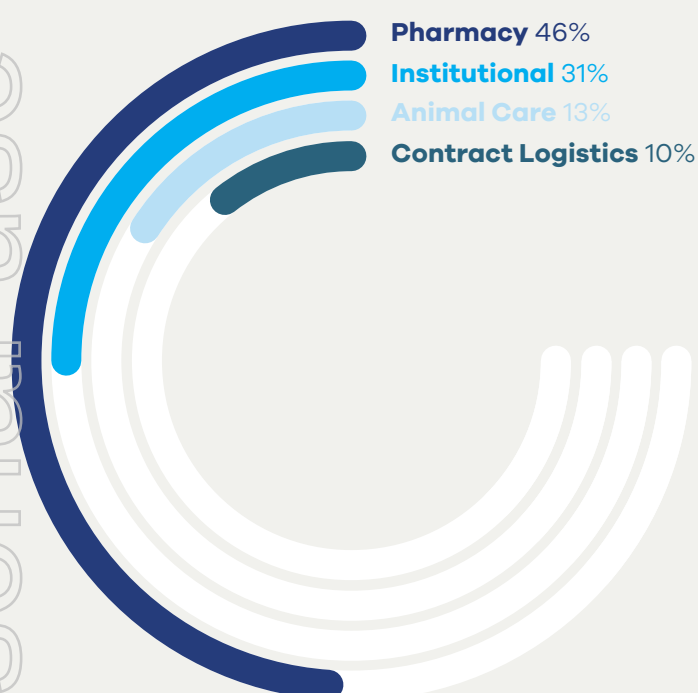


Underlying Profit Results



Segment and divisional earnings overview

Data based on gross operating revenue, which comprises revenue less cost of sales



Segment distribution

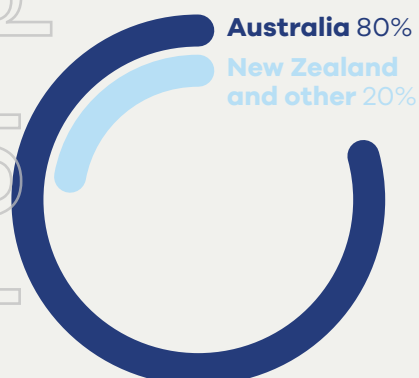
87%

Healthcare

13%

Animal Care

Revenue



EBIT



Chair & CEO Report

From the commencement of operations in 1922, Early Brothers Trading Company, the founding corporation of today's EBOS Group, provided a broad range of products and wholesale services that catered to the needs of communities across New Zealand. It is with a great deal of satisfaction that 100 years later, through our diversified range of healthcare and animal care businesses, EBOS continues to serve and provide for communities across New Zealand, Australia and now Southeast Asia.

We are pleased to report on the 2022 financial year and, given it marks our centenary, it is especially fitting to be able to report on another record result including revenues exceeding \$10 billion for the first time.

Highlights

Our FY22 performance underlines EBOS' disciplined adherence to our value creation strategy, consisting of maximising the organic growth in our market leading businesses, disciplined cash flow management, investing for future growth through capital investments in our operational infrastructure and strategic acquisitions and delivering strong returns for our shareholders. Consistent with this strategy EBOS continued to expand and diversify its operations with a number of acquisitions completed during the financial year.

The acquisition of Sentry Medical, an Australian distributor of medical consumable products to hospitals, general practitioners, aged care facilities and government agencies, further strengthened EBOS' presence in the distribution of medical consumables. Our medical devices business continued its growth trajectory with the acquisition of Pioneer Medical, a New Zealand importer and distributor of spine and major joint implants primarily for orthopaedic and neurosurgery, and MD Solutions, an Australian distributor of medical devices and consumables principally for interventional oncology, urology and gynaecology, gastroenterology and ear, nose and throat procedures.

In December 2021, EBOS announced its largest ever acquisition with the \$1.167 billion purchase of LifeHealthcare Group, a leading independent distributor of third-party medical devices, consumables, capital equipment and in-house manufactured allograft material in Australia, New Zealand and Southeast Asia.

The transaction, which includes LifeHealthcare, Australian Biotechnologies and a majority investment in Transmedic, further diversifies our healthcare portfolio and increases our exposure to the high value

medical devices sector. The addition of Singapore headquartered medical technology provider Transmedic to our portfolio gives our Group its first material investment in Southeast Asia. Together with our other medical devices businesses they will form a business within EBOS of approximately 1,000 employees across the region.

The acquisition provides EBOS' medical devices division with an enlarged operating platform providing the business with greater depth to service original equipment manufacturer (OEM) relationships across our region as well as enhancing our ability to expand and develop new relationships and growth opportunities.

The Group also continued to invest in its operational infrastructure with several capital projects being progressed across our Healthcare segment whilst in Animal Care we completed construction of our state-of-the-art \$82 million pet care manufacturing facility in Parkes, New South Wales (NSW).

The Healthcare projects commenced or completed in 2022 included expanding our pharmaceutical distribution centres in Brisbane and Melbourne, opening new medical consumables distribution centres in Sydney and Perth and within our Contract Logistics division we commenced construction of two new distribution centres in Auckland and Sydney. These investments not only increase our storage capacity, of particular importance with the ongoing disruptions to the global supply chains but will also provide for more modern and energy efficient facilities.

The completion of our pet care manufacturing facility in Parkes, which commenced operations in the second half of FY22, places our Animal Care segment in a strong position to meet the increasing demand for premium pet food products. The Parkes facility allows Masterpet to self manufacture its premium Black Hawk dog and cat kibble for the first time, allowing for greater controls over nutritional excellence and product innovation. Importantly, aligned with our focus on sustainable practices, nearly half of the fresh ingredients used in production are sourced locally, thereby limiting our food miles and ensuring greater quality control along the supply chain of the vet-formulated product range.

The COVID-19 lockdowns of recent years, and with those prolonged periods of working from home, drove an increase in pet ownership and together with the ongoing trends of humanisation of pets and premiumisation of pet care products combined to drive our growth.



We are pleased to report on the 2022 financial year and, given it marks our centenary, it is especially fitting to be able to report on another record result including revenues exceeding \$10 billion for the first time.

In another milestone for EBOS, our Terry White Chemmart (TWC) community pharmacy business celebrated the opening of its 500th pharmacy in Matraville, NSW, in March. This achievement reflects the success across many facets of the TWC business, including industry-leading business support, world-class education programs, innovations in health and the deeper connections TWC community pharmacies are forging with their customers every day. Overall, 51 new pharmacies joined the network during the year.

In March 2022, the TWC network surpassed the administration of one million COVID-19 vaccinations, setting the bar for vaccination in community pharmacy. In FY22, the network delivered more than 1.7 million vaccinations to support the COVID-19 and Influenza vaccine rollouts in Australia.

In recognition of the efforts of the 1,500 vaccinating pharmacists, TWC received the 2022 Customer Experience of the Year Award from Inside Retail in the Medium to Large Business category.

With the milestone 500th store opening, administering one million COVID-19 vaccinations and award-winning communication campaigns, TWC has cemented its reputation as one of Australia's leading retail pharmacy networks.

The importance of workplace health and safety at EBOS continues to be a major focus and was further strengthened by the establishment of the Group Safety Committee, chaired by the CEO, with representatives from across our business units. The Committee focusses on developing Group wide health and safety initiatives, identifying areas for further improvement and facilitating learning and experience in safety matters across the Group. In FY22, it was pleasing to see a continued reduction in recordable injuries. This positive result reinforces our focus on ensuring the ongoing safety and well-being for all employees.

COVID-19

COVID-19 continues to have an impact across many areas of EBOS, and this has required us to be flexible in managing situations across our operations. Our businesses continue to follow COVID-19 protocols and the advice of the local authorities as applicable to the circumstances at the time. We continue to maintain prudent controls with the objective of keeping our people safe, and our primary distribution facilities open to ensure the uninterrupted supply of products across the community.

Chair & CEO Report

Whilst the need for community-wide lockdowns has diminished, the continued prevalence of COVID-19 infections across the community and the subsequent requirement for self-quarantining is impacting our people and in turn placing pressure on our operations. This has been compounded by the return of widespread flu infections, affecting the health of our employees and their families.

To encourage all our employees to get vaccinated against COVID-19, EBOS provided flexibility for all staff to receive the vaccine during work hours and in August 2021 we introduced an incentive program for all 'double dose' vaccinated employees. Linked to the incentive program, EBOS committed to donate to UNICEF's VaccinAid appeal for every eligible vaccinated employee. The total amount committed to UNICEF was in excess of \$217,000.

We thank and congratulate all of our employees who made the commitment to protecting themselves and their families, their colleagues and the wider community by getting vaccinated.

Sustainability and Community

During FY22, EBOS developed strategies for several high priority topics within our ESG Program. This included setting targets¹, milestones and KPI's for areas including Environmental Stewardship, Consumer Packaging, Ethical Sourcing and Our People.

EBOS is committed to reducing carbon emissions from its business operations. We are progressing plans to work towards carbon neutrality, aiming to be carbon neutral for Scope 1 emissions in FY23, Scopes 1 and 2 emissions in FY27 and Scopes 1, 2 and 3 building emissions in FY28. This year the EBOS Board also approved a proposal for the scoping of an 18.8MW solar array that will meet the current and estimated future electricity needs of our Australian operations.

We are also pleased to celebrate our 15-year partnership with Greenfleet this year. Since 2007, EBOS has been offsetting the estimated greenhouse gas emissions from transport associated with customer deliveries of healthcare products in Australia, totaling more than 90,000 tonnes of CO₂. We look forward to continuing this important and long-standing partnership.

We strive to build an engaged, diverse and talented workforce at EBOS. During FY22, we launched our Integrity training which included training on our Code of Ethics and Discrimination and Harassment.

New leaders were also trained on Unconscious Bias. We also commenced Cultural Awareness training in New Zealand after a successful rollout in Australia in FY21. We celebrated International Women's Day and our Be Well from Anywhere Program offered staff a range of activities to improve their wellbeing and keep them connected. In Australia, we continue to implement action items within our Reconciliation Action Plan, identifying areas where we can further develop appropriate and relevant initiatives for our business.

We have continued to assist with charitable causes across our communities such as our Healthcare teams sourcing crucial medical supplies for Ukraine after an urgent plea for help on behalf of the Australian Federation of Ukrainian Organisations. Domestically, we once again supported Ovarian Cancer Australia, LandSAR, BackTrack, Fight MND (Motor Neuron Disease) and Cerebral Palsy Alliance. You can read about these initiatives in more detail in our 2022 Sustainability Report.

Our Board

In July 2021 Dr Tracey Batten was appointed to our Board and has been a valued addition with her extensive executive career in the healthcare sector.

Succession planning for directors remains a focus of the Board given there are directors with long tenures who have indicated an intention to retire over the next few years. The Board has been undertaking an extensive search process to ensure that a range of potential candidates with the necessary skills, diverse backgrounds, cultural fit and experience in different geographic markets, are considered.

Dividends

The Directors declared a final dividend of NZ 49.0 cents per share. In combination with the interim dividend, this brings total dividends declared for FY22 to NZ 96.0 cents per share (up 8.5%), representing a 74.2% underlying pay-out ratio.

The Dividend Reinvestment Plan ("DRP") will be operational for the upcoming final dividend. Shareholders can elect to take shares in lieu of a cash dividend at a discount of 2.5% to the volume weighted average share price ("VWAP").

The record date for the dividend is 9 September 2022 and the dividend will be paid on 30 September 2022. The final dividend will be imputed to 25% for New Zealand tax resident shareholders and fully franked for Australian tax resident shareholders.

¹ Excludes LifeHealthcare, Transmedic and Australian Biotechnologies.

Outlook

EBOS is pleased with the strong earnings growth in FY22 and we expect another year of profitable growth in FY23.

The Group's portfolio of businesses has proven to be very resilient throughout the COVID-19 pandemic, however given the global economic and geopolitical environment there are material uncertainties that may impact upon the Group's future trading performance.

Capital expenditure for FY23 is expected to remain elevated as EBOS embarks upon facility expansions and upgrades to support the growth in the business.

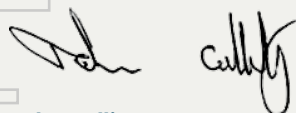
EBOS' balance sheet is within its target range and is well positioned to support the capital expenditure requirements and pursue growth opportunities.

The success we have achieved as a business across the 2022 financial year is the result of the combined efforts of our almost 5,000 employees across New Zealand, Australia and now Southeast Asia. We acknowledge their commitment to each other, our businesses and to the communities they serve.

We thank our shareholders for their ongoing support and the trust placed in the Board, Executive and employees of EBOS.



Elizabeth Coutts
Chair



John Cullity
CEO

The success we have achieved as a business across the 2022 financial year is the result of the combined efforts of our almost 5,000 employees across New Zealand, Australia and now Southeast Asia. We acknowledge their commitment to each other, our businesses and to the communities they serve.

Celebrating 100 Years

A century ago, King Tutankhamun's tomb is discovered in Egypt, the BBC takes to the airwaves, and a Canadian teenager is the first diabetic treated with insulin revolutionising treatment of the condition. In New Zealand, as the post-war economy strives to recover, a small company with big ambitions is born.

Lively newspaper advertisements showcase the company's diverse suite of goods – gas lamps, kitchen and camp stoves, radiators and even fire extinguishers for cars. "If your car is not insured, the Fire-Gun is a first-class insurance against loss by fire," one advertisement proclaims.

The firm is Early Bros Trading Company Limited, purveyors of domestic and commercial heating equipment and much more. But in the 1950s, the company eschews household appliances for healthcare and in 1954 rebrands as Early Bros Dental & Surgical Supplies, setting the scene for a long and fruitful corporate journey.

Six years later, the firm lists on the New Zealand Stock Exchange and in 1964 it acquires an Auckland-based dealer of intravenous and transfusion equipment. By 1986, the company officially becomes EBOS Group Limited, a small player in the New Zealand health sector, with annual revenues of approximately NZ\$8 million.

Three years pass and in 1989, under renewed leadership, EBOS Group makes the leap across the Tasman and begins trading in Australia as an orthopaedic specialist sales and marketing company. It is the springboard for a new chapter of ambitious acquisitions as the Company pursues a growth strategy to drive revenue, diversify its earnings, and generate strong returns for shareholders.

In 1999, EBOS Healthcare is formed to represent healthcare suppliers and manufacturers and in 2000, EBOS Group becomes New Zealand's largest independent healthcare company. By 2006 it enters the Top 50 on the New Zealand Stock Exchange.

The once humble company does not stand still, acquiring New Zealand-based Health Support Ltd (now Onelink) and New Zealand pharmaceutical wholesaler ProPharma, adding to its high-performing stable of companies. By 2008, EBOS' revenues exceed NZ\$1 billion for the first time.

Recognising that human health is intertwined with that of their pets, EBOS Group makes a shrewd entry into the fast-growing animal care market, with the acquisition of market leading New Zealand based Masterpet. EBOS later bolsters its Animal Care segment with Australian premium pet food brand Black Hawk.

During this time, healthcare remains a key focus and the Company accelerates its ambitions to become a leader in the field when in 2013, it undertakes the acquisition of Australian pharmaceutical wholesaler Symbion for NZ\$1.1 billion.

EBOS' rich history is made stronger as it inherits the Faulding pharmaceutical brand as part of the Symbion transaction, a legacy that stretches back to 1845, when chemist Francis Hardy Faulding established a small shop in Adelaide, Australia.

EBOS Group's growth is supercharged when Chemmart merges with Terry White to create one of the largest community pharmacy brands in Australia. By now, EBOS' revenue has exceeded NZ\$7 billion.

Since 2013, the Group has undertaken twenty acquisitions through a proven investment strategy. This approach has delivered more than 2,000% in shareholder returns since the year 2000.

To date, our workforce has grown to nearly 5,000-strong across 109 locations in New Zealand, Australia and Southeast Asia and in FY22, EBOS exceeded revenues of A\$10 billion for the first time. Following the recent acquisition of LifeHealthcare, EBOS Group's footprint now extends beyond the Trans-Tasman with operations spread across Southeast Asia.

In recent years, our employees – many of them long-serving members – have not only helped to grow our business but displayed adaptability, dependability and resourcefulness in responding to one of history's greatest health emergencies.

We emerge through this period stronger, more focused, and more energised to deliver returns to our shareholders; serve our customers and the community, and write the next 100 years in our story.



1. Faulding delivery vehicles.

2. Early Bros Dental & Surgical Supplies newspaper article, 1965. Stuff Limited.

EARLY BROS: PROFIT 37 p.c. Rise To £16,963

Early Brothers Dental and Surgical Supplies, Christchurch, lifted its profit by £4554 or 36.6 per cent to £16,963 in the year to December 31.

Profit is after allowing £2656 more at £6036 for depreciation and £4751 more at £16,226 for taxation.

A net profit of £4892 in the nine months to December 31 by Ethicals, Ltd., a wholly owned subsidiary acquired during the year, is not included in the results.

The balance date of the subsidiary has now been brought into line with the parent company.

Capital Higher

Issued capital of the holding company is increased by £24,051 in ordinary 4s shares and stands at £77,051 in ordin-

In 1999, EBOS Healthcare is formed to represent healthcare suppliers and manufacturers and in 2000, EBOS Group becomes New Zealand's largest independent healthcare company.



Celebrating 100 Years

1922

Early Brothers Trading Co. Ltd is founded in New Zealand. The company sells carriage lamps and lighting for rural properties.



1954

The company's name is changed to Early Bros Dental & Surgical Supplies Ltd.



1986

EBOS Dental & Surgical Supplies Ltd officially becomes EBOS Group Ltd.

1996

EBOS enters the Australian market as a medical supplier.



2000

EBOS becomes NZ's largest independent healthcare supply company with the acquisition of Medic Corporation.

2002

EBOS acquires Health Support Ltd (now Onelink). The business provides specialised logistics of medical consumables and pharmaceuticals to several district health boards.



1960

Early Bros Dental & Surgical Supplies Ltd is listed on the NZ Stock Exchange.



2006

EBOS Group attains a Top 50 listing on the NZ Stock Exchange and becomes a leading Australian medical wholesaler in the primary care market with the acquisition of medical wholesaler Tasmed Pty Ltd.



1999

EBOS Healthcare is formed. Representing healthcare suppliers and manufacturers, EBOS Healthcare markets and sells products in NZ.

2007

EBOS acquires NZ pharmaceutical wholesaler ProPharma, and third-party logistics provider Healthcare Logistics.

2008

EBOS Group revenues exceed NZ\$1 billion for the first time.

**2014**

EBOS acquires Australian premium pet food brand, Black Hawk.

**2016**

Chemmart merges with Terry White Group forming TerryWhite Chemmart, one of Australia's largest retail pharmacy networks.

EBOS exceeds NZ\$7 billion in revenue.

**2011**

EBOS acquires animal care business Masterpet Corporation and 50% of the Animates pet store group.

2013

EBOS acquires Symbion, a leading pharmaceutical wholesaler in Australia, and whose brands include Chemmart and Faulding. EBOS also takes ownership of Lyppard, a leading veterinary wholesaler in Australia.

**2015**

EBOS Group revenues exceed NZ\$6 billion. EBOS acquires ZEST, a leading healthcare communications business, and Red Seal, a major natural health products business.

2017

EBOS Group acquires HPS and becomes a leader in outsourced pharmacy services to hospitals.

2018

EBOS acquires 100% ownership of TerryWhite Chemmart, Victoria-based veterinary distribution business Therapon, Australian retail pharmacy management company Ventura Health and medical and surgical supplies wholesaler Warner & Webster.

**2021**

EBOS acquires Sentry Medical, an Australian designer, marketer and distributor of medical consumable products.

2022

EBOS acquires one of the largest independent distributors of medical devices in Australia, New Zealand and Southeast Asia, LifeHealthcare, for \$1.167 billion.

EBOS revenues exceed \$10 billion.



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EBOS Group Overview

EBOS' success is built on a diverse range of industry leading brands spanning community pharmacy, institutional healthcare, contract logistics and animal care.

Healthcare



Community Pharmacy

symbion 

 ProPharma

 PHARMACY WHOLESALERS RUSSELLS

 TerryWhite Chemmart

 GP PHARMACY WAREHOUSE

healthS+VE
pharmacy

Pharmacy[®]
Choice+

 Discount
CincottaChemist
Famous for value, famous for care.

minfos 

 DoseAid
Medication Management Solutions

 intellipharm

 Endeavour
CONSUMER HEALTH

red seal[®]

 Faulding[®]



Institutional Healthcare

LifeHealthcare 

transmedic

Australian
Biotechnologies
Life Enhancing Allotrans

 EBOS
HEALTHCARE

symbion  Hospital Services

HPS

 SENTRY
MEDICAL

Zest

 onelink

Warner & Webster

 Vital Medical Supplies

 lmt

CryoMed
Aesthetics

MDSOLUTIONS

pioneer med



Contract Logistics

HEALTHCARE
LOGISTICS**CLINECT**
BRINGING GLOBAL LOCAL

Animal Care



Animal Care

mastepet
pet care products**BlackHawk****vitapet****Lyppard**
Australia Pty Ltd**ANIMATES**
Everything for Pets**aristopet**
ANIMAL HEALTH



Our People

Our valued people are the foundation of EBOS' success. Each of our nearly 5,000 employees – individually and collectively – contributes to delivering for our customers and the community each and every day.

Whether it is packing healthcare and animal care products, fielding customer queries, or coordinating time-sensitive deliveries, our employees' contributions underpin our success, add to our corporate legacy, and ensure we remain a competitive and agile company.

We are particularly proud of the tenacity and resilience of our employees in their determined response to the dynamic business and healthcare landscape posed by COVID-19 which continues to disrupt all sectors of the global economy.

The endeavour, teamwork, skills, and leadership our employees have displayed in rising to every challenge reinforces our commitment to invest in them so they can build long, healthy and fulfilling careers with our company.

It is our priority to continually support and develop all of our employees, from those beginning the EBOS journey to those who have been with us for many years such as the dedicated employees we are proud to profile here.

Perina Kuljis

Customer Service Representative,
ProPharma New Zealand (recently retired)
52 years with EBOS

Perina Kuljis exemplifies the EBOS spirit of service with an extraordinary 52-year career with our pharmaceutical wholesaler business, ProPharma.

Perina began working with ProPharma in 1970 as a customer representative in Auckland, when the business was known as the Stevens Drug Company.

Perina was a colourful and valued member of the ProPharma team, whose commitment, work ethic and customer service acumen will remain a lasting legacy of her time with the company.

In her half-century tenure, Perina rode the wave of technological advancement, including the transition to B2B transmissions in place of manual typed-out orders.

It is estimated Perina, who retired in March 2022, answered the phone 750,000 times to pharmacists across New Zealand.



From left, Product Managers Bridget Englebrechtsen and Martin O'Sullivan, and CEO Animal Care Julie Dillon at Interzoo, the world's largest Pet Care Trade Show event in Germany.



Martin O'Sullivan

Senior Group Product Manager Australasia, Masterpet
41 years with EBOS

Skipping school is not something to be encouraged but helping his twin brother set Martin O'Sullivan on course with a long relationship with Masterpet.

"My brother Michael left school and our uncle David Molloy, who was a sales rep, organised a temporary job for him at Masterpet," Martin said.

"When it was busy, I would wag school and come and help Michael unload containers and work at the Wellington warehouse.

"Within two years I was part of the sales team and had a company car by the time I was 19, which my family and friends thought was cool."

By 23, Martin was managing the company's Auckland operations.

He has been in his present role for more than a decade working with Masterpet distribution centres on supply, pricing, new product development capacity, and sourcing new business opportunities.

"Masterpet has always been a dynamic business with pet passionate people, I've been fortunate to start at a young age and grow with the business," he said.

"The single biggest thrill I get working for Masterpet is seeing fantastic people given opportunities and seeing them grow with the business."



Terry Hayes

General Manager Supply Chain,
Symbion Australia
43 years with EBOS

Terry Hayes began his healthcare journey in warehouse operations at Faulding in 1978 when he was aged 18 and there was an employee to serve staff refreshments.

Forty-three years later and the refreshments service is a distant memory but Terry has carried with him the importance of making customers central to delivering strong results for the company and shareholders.

Terry has worked across Symbion's pharmacy and retail divisions, and for more than 20 years has held senior management positions with the company.

Since 2016 he has been Symbion's General Manager, Supply Chain, managing 45 staff across Demand & Supply Planning, Master Data and Pricing & Analytics. He oversees billions of dollars of purchases annually.

Terry is committed to the delivery of superior service to Symbion's highly valued customers while at the same time efficiently managing the inventory component of working capital.

"Our business really does encourage innovation and ideas ... it's an environment that is really important to bringing to market innovation which benefits the business," Terry said.



Our People

Terry White AO and Rhonda White AO TerryWhite Chemmart, 63 years in Pharmacy

A picturesque seaside village linked to one of history's great explorers was also the starting point for what is now one of Australia's greatest pharmacy success stories.

In 1799, Englishman Matthew Flinders and his crew landed at what is now known as Woody Point, in Queensland's Moreton Bay, as part of his historic circumnavigation of Australia. It was also here that Terence Anthony "Terry" White AO opened his first pharmacy in 1958, lighting the fire for what would become part of the TerryWhite Chemmart brand – an integral business of the EBOS community.

In 1961, Terry married Rhonda White AO (nee Conn) and formed an amazingly successful partnership in business and in life.

Early on after purchasing his pharmacy at Woody Point, Terry soon realised that the pharmacy was isolated, surrounded on three sides by Moreton Bay. In response to this challenge, Terry and Rhonda converted a Fiat 500 and later a Holden panel van to deliver medicine and assisted living equipment to customers.

In another sign of their entrepreneurship and teamwork, Terry and Rhonda used a two-way radio to relay scripts from a patient's house to the dispensary to ensure the medication would be ready by the time Rhonda returned to collect it.

Over the next ten years, five pharmacies and five children later, Terry and Rhonda both decided to undertake further studies. Terry pursued a political career with the Australian Liberal Party and Rhonda became engrossed in Organisational Development (Psychology), working with a number of national and international companies.

In the early 80s, Rhonda returned to pharmacy and with her passion for Systems Management set about working with the teams from each of the three pharmacies they had retained, to document best practice operating systems for Community Pharmacy. Their eldest son Anthony, then a young aspiring graduate working with PricewaterhouseCoopers, joined Rhonda as in-house accountant.

Terry returned to the business in 1989 and they worked together to grow the pharmacies. The building blocks were in place to build a brand.

The Terry White Chemists flagship Gold Coast store opened in 1990 and would redefine Community Pharmacy, incorporating cosmetics, fragrance, an extensive range of health, wellness and preventative healthcare products, supported by systems and processes that assured a consistent standard of service and care that is still the focus and culture today.

The Whites were overwhelmed with interest in this cutting-edge concept.

"A pharmacist owner is required to be responsible for what goes on in all parts of the pharmacy at all times. It was clear to me that the only way to meet that standard in all our pharmacies was to develop documented systems and protocols by which all must operate," Rhonda said.

"With the numbers growing, we invited another family member, our son and Project Manager, William, who subsequently rolled out the first 100 stores."

"Some time in 1993 one of our managers called to say, 'I don't want to be a manager anymore. I want to buy my own pharmacy, but I want to call it Terry White Chemists'. That's when the franchise began, and the brand took off."

The first franchise opened in 1994 and within four years, there were 80 stores.

In 2016 Terry White Group merged with the EBOS owned Chemmart pharmacy franchise to create TerryWhite Chemmart, one of Australia's leading pharmacy franchise networks, with EBOS moving to 100% ownership in 2018.

When asked about their relationship with EBOS Group, the Whites said there is mutual admiration and respect built on years of a very positive business association.

"Having the backing of EBOS has ensured the TerryWhite Chemmart network can keep up with the demands of an ever-evolving pharmacy landscape. Never did we think that the marriage with EBOS would take the Brand to 500 stores and more to come."

There are now over 500 TerryWhite Chemmart network stores, serving 2 million customers every month.

Terry and Rhonda were made Officers of the Order of Australia in 2006 and 2014 for their service to the pharmacy profession, and in 2022, were awarded a Lifetime Achievement Award by the Pharmaceutical Society of Australia.



1



2

1. Terry and Rhonda celebrate the opening of TWC's iconic *Australia Fair* store on the Gold Coast.

2. Terry White - President of the Pharmacy Guild in 1974.

3. Terry White (TWC Margate 1967) serving a customer.

4. A delivery vehicle used by Terry and Rhonda to bring health and wellness to their community.



3



4

1958 Terry White opens his first pharmacy at Woody Point, Queensland. They delivered products to customers, relaying scripts using two-way radios

1963 Rhonda opens her own White's pharmacy at Clontarf, Queensland

1990 Their flagship Gold Coast store, designed by Rhonda, opens and becomes a model for the modern-day Community Pharmacy

1994 Terry White Chemists franchise established

1999 Terry White Chemists Brand is sold to Faulding. F H Faulding taken over by Mayne Pharma

2009 Terry, Rhonda, and other pharmacy owners, reacquire the Terry White Chemists Brand. Anthony White is brought on board as CEO to steer the business in the right direction

2016 Terry White Group merges with Chemmart to create TerryWhite Chemmart

2018 EBOS Group moves to 100% ownership of Terry White brand

2022 TerryWhite Chemmart reaches 500 community pharmacies in Australia



Our Customers

The EBOS story and our success is shaped not just by our dedicated employees, but also our valued customers.

We recognise the importance of a customer-first focus and pride ourselves on building long-standing relationships with them through the ups and downs of business.

Many customers have been part of the journey for many decades and we thank them for entrusting our products, services and people to drive their business success.



Rod Garozzo
TerryWhite Chemmart Pharmacist,
Symbion Customer, 40 years

Pharmacist Rod Garozzo's relationship with Symbion is nudging 40 years and it is a partnership that has endured significant challenges.

Tragedy struck in 2000 when fire gutted Rod's Terry White Chemist store at Arana Hills, in Brisbane, which he now co-owns.

Rod said Symbion's response in helping him rebuild the business was something he would "never forget".

"Symbion were just fantastic in what they did after the pharmacy burned down in helping to refill us across the road in a temporary store," he said. "They went far above and beyond what you would expect."

In 1956 Rod's father opened a pharmacy in the Brisbane suburb of Mitchelton, and Rod is now a co-owner of that branch which is also a TerryWhite Chemmart.

"If you can get continuity in business, things run a lot smoother. Life isn't always clear sailing, but Symbion have always been fantastic for us through the ups and downs," Rod said.

Bernie McKone
Unichem Waikiki Pharmacy Customer,
40 years

Bernie McKone credits the "inspirational" and "high calibre" ProPharma team with having a hand in his business success.

Bernie, who has worked with the pharmaceutical wholesaler in New Zealand for more than 40 years, cites the company's 'can do' attitude to business, strategic planning and mentoring as critical to his professional journey.

"I had the benefit of working with an inspirational team of people who encouraged innovation and participation in events such as the New Zealand Marketing awards," he said. "I finished runner-up before winning the title in the 1990s."

"This was a major influence on how I was able to shape and build the pharmacy business from a small pharmacy in Gore to eventually running services across Eastern Southland."

"I have been privileged to work with a high calibre, positive group of people and would encourage anyone in business to consider the true value of maximising their relationship with ProPharma as their wholesaler."

John Counihan

Owner Mount Barker Pet Care Centre, Masterpet customer 30 years

John Counihan has a strong allegiance to the Masterpet brand honed over more than 30 years in pet care retailing and product development.

A former South Australian sales manager with Pets International, which Masterpet acquired in 2001, John has a connection with Masterpet through his former sales role and, later, operating several pet care businesses in South Australia.

John, who has for the past 15 years run the highly successful Mount Barker Pet Care Centre in South Australia's fastest growing township said Masterpet's strengths were its people and products.

"I think, for me, it's the range of product they keep from food through to general accessories, and they're particularly strong in the dog area and

that's 80% of my business," he said.

"I'd also say the representation is a strength of the company. Our rep Robert Downie is wonderful. I've known him since he began. He's well respected, the company are well respected.

"He's just very good at following up with us, keeping us updated with changes in price rises, new products and even tracking where my business stands in terms of growth in certain product areas."

John said Masterpet did some "great marketing" when it acquired the Black Hawk pet food brand in 2014.

"The marketing helped grow the brand and helped to grow our business," he said.



From left: Mary-Anne Pitman - TWCM Business Development Manager; Colleen Rodgers - Retail Manager at TWCM Blackwood; Mr John Spick - Pharmacy Owner - TWCM Blackwood; Irene Sardelis - Symbion Key Account Manager SA/NT; and Gary Flynn - TWCM State Operations Manager SA/NT.

John Spick

TerryWhite Chemmart Pharmacist and Symbion Customer, 50 years

For 50 years John Spick has served customers from his Adelaide Hills pharmacy – and Australia's leading pharmacy wholesaler Symbion has been by his side from the beginning.

John has been with Symbion since the 1970s when he opened a small pharmacy in Blackwood under the Faulding banner, as Symbion was known at the time.

The pharmacy expanded over the years and has transitioned through the Symbion brand portfolio, from Pharmacy Choice to Chemmart, then becoming a TerryWhite Chemmart in 2016.

Today John works in a locum capacity serving fourth-generation customers.

Symbion Senior Key Account Manager Michael McNeil, who worked with John for 30 years as his account manager, says John is a humble and quiet achiever.

"As a loyal business operator, and in his very unassuming way, he has always sought to be treated with the same care in which he looks after his customers – and that's certainly the foundation on which we built a relationship with him," he says.

Environmental, Social and Governance Program

With our reach across New Zealand, Australia, and Southeast Asia, and our diverse portfolio of products and services, EBOS, together with our shareholders, has the ability to effect positive change.

Each day we strive to improve lives through our Healthcare and Animal Care segments, and we are passionate about using our influence and resources to make the world a better place socially and environmentally.

Our Company has been on a journey towards greater corporate social responsibility and while we have only recently started formal reporting on our Environmental, Social and Governance activity, we have a long history of implementing sustainability initiatives.

In FY22, we continued our charitable endeavours through efforts such as: supporting not-for-profit organisations fighting to find cures for cancers, offsetting our carbon emissions through financing revegetation projects, and feeding search and rescue dogs.

We joined the medical relief efforts in the Ukraine, our employees helped to raise funds for UNICEF'S COVID-19 response, and they walked that extra mile to raise money for cerebral palsy research.

The EBOS Board has approved the scoping of an 18.8MW solar array to demonstrate the Group's commitment to cutting carbon emissions. This major piece of infrastructure is planned to meet the total annual electricity demand of our Australian operations

Our second Sustainability Report highlights in more detail achievements and targets¹ under our Environmental, Social and Governance (ESG) Program which is centred on five pillars: Health and Animal Care Partners, Consumers and Patients, Community and Environment, Our People, and Responsible Business.



96,261,533
steps for
Cerebral Palsy
Alliance



\$217k
donated to
UNICEF
VaccinAid fund



\$160k
stock donation
to Ukraine

¹ Excludes LifeHealthcare, Transmedic and Australian Biotechnologies.

EBOS celebrates its 15 Year partnership with Greenfleet. EBOS CEO John Cullity (left) and EBOS Transport Manager Bruce Blair supporting Greenfleet's tree planting day.



Health & Animal Care Partners



Delivering essential infrastructure for human and animal health

- Community service role
- Nurturing customer and government relationships

Implementing robust systems

- Business continuity management
- Data and technology security/privacy

Consumers & Patients



Managing the impacts of our products

- Packaging and Waste
- Ethical Sourcing

Upholding our Quality Promise

- Quality Management
- Compliance

Community & Environment



Environmental Stewardship

- Minimising our impact
- Carbon offsetting

Reaching out to help out

- Supporting causes close to us
- Advancing equity, fairness and opportunity in society

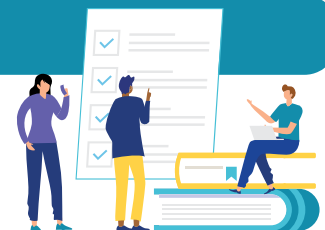
Our People

- Employee safety, health and wellbeing
- Culture and engagement
- Talent and capability
- Performance and reward



Responsible Business

- Legal compliance
- Reporting with integrity
- Ethical behaviour
- Corporate governance



EBOS Becomes a Leader in Devices

EBOS substantially accelerated its medical devices strategy with the \$1.167 billion acquisition of leading distributor LifeHealthcare Group in a significant milestone for our company.

LifeHealthcare is an independent distributor of third party medical devices, consumables, capital equipment and in-house manufactured allograft material in Australia, New Zealand and Southeast Asia.

The transaction, which includes LifeHealthcare, Australian Biotechnologies and a majority investment in Transmedic, aligns with our vision of investing for growth, diversifies our medical devices portfolio and increases exposure to a high value healthcare sector.

The addition of Singapore headquartered medical technology provider Transmedic to our portfolio gives our company its first significant investment in Southeast Asia.

EBOS announced it completed the acquisition of LifeHealthcare to the New Zealand and Australian stock exchanges on 31 May 2022.

LifeHealthcare, Transmedic and Australian Biotechnologies will join our existing medical device businesses LMT, Cryomed, Pioneer Med and MD Solutions.

Together they will form a business unit within EBOS with approximately 1,000 employees across Australia, New Zealand and Southeast Asia.

The acquisition provides EBOS' medical devices business with sufficient breadth and depth to service original equipment manufacturer (OEM) relationships and develop new relationships.

It will allow us to accelerate our medical devices strategy, gives us scale, expands and diversifies EBOS' earnings by segment and creates a platform to capitalise on future growth.

LifeHealthcare's CEO, Matt Muscio, is the new CEO of the expanded medical devices business.

"The continued success of EBOS is underpinned by our adherence to a disciplined strategy that includes investing for growth and expanding and diversifying our earnings," EBOS Chair Elizabeth Coutts said.

"The acquisition of LifeHealthcare is consistent with this strategy and part of our overall objective to deliver value to our shareholders."



1. LifeHealthcare team conference.

2. Matt Muscio who, together with his management team, will lead the day to day operations of our devices division.

1



2

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Business Overview

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& Disclosures

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Business Highlights Healthcare

Connecting communities to care

EBOS Group's Healthcare segment has again delivered strong results for the Company and provided crucial community care while responding to the dynamic environment posed by the pandemic.

It was a case of business as usual for our company as the healthcare demands of COVID-19 again tested the resilience and adaptability of our employees and systems.

In another busy year, governments in New Zealand and Australia – and their communities – again counted on the industry-leading expertise and professionalism of our healthcare team to meet the COVID-19 response efforts.

And rise to the challenge they did. Whether it was delivering millions of vaccines or providing advice to pharmacy customers – our employees were integral to communities getting the right care where and when they needed it.

Our leadership, expertise and sophisticated systems have helped us manage supply chain constraints due to the pandemic.

We have continued our strategy to acquire quality healthcare assets and are expanding our distribution centres across our healthcare portfolio to position the Company for future growth, better serve our communities and deliver returns for our shareholders.

EBOS integral to COVID-19 response

As federal governments in New Zealand and Australia seek to control community transmission of the virus, RATs became an important tool in slowing the spread, particularly with the arrival of the Omicron variant.

Our Healthcare team was a crucial ally in supplying RATs to communities across New Zealand and Australia, often procuring and delivering the stock at short notice and from overseas, amid supply constraints back home.

In New Zealand, our Healthcare Logistics (HCL) business continues to be an integral distribution partner for the New Zealand Ministry of Health's national COVID-19 response.

During the Omicron surge in early 2022, HCL's daily warehouse activities increased significantly amid demand for products including Personal Protective Equipment (PPE).

Healthcare segment delivers despite challenging circumstances

The depth of our wholesale network, our deep supplier and customer contacts, and our dedicated employees have all demonstrated their value in the face of significant business and community adversity.

The past 12 months saw disruptions to the global medical supply chain, resulting in higher rates of supplier out-of-stock products, reduced overall availability and longer lead times for wholesalers to secure stock. In response, Symbion adapted to deliver medicines to pharmacies and hospitals wherever possible by increasing inventory holdings, training extra staff members and deploying additional delivery vans to meet the challenges posed by supply chain disruptions.

Healthcare Logistics Australia's focus on safety, quality, service and continuity planning mitigated disruption to the supply of critical medicines despite the challenges posed by the pandemic. The extra resources and adaptability helped HCL's partners overcome these challenges and respond to and recover from stock shortages faster to continue to connect communities to care.

EBOS Healthcare continued to support Australia's National Immunisation Program, providing storage and distribution for close to four million government-funded vaccine doses in Victoria. This support has now been extended to Western Australia. In New Zealand HCL is expecting to deliver approximately 1.5 million doses of the flu vaccine in 2022.

We commend the determination of our operations team members and logistic partners in providing medicines to flood-affected customers in Queensland and New South Wales. In many cases our colleagues were working despite not knowing whether their own properties had been damaged in the flood disaster.

The actions of all our teams in continuing the supply of medicines under trying conditions is a testament to our team's valuable contribution to the Australian and New Zealand healthcare industry.

Delivering expanded distribution network

We continue to invest in the expansion of our distribution centres in a strategy that aligns with our growth and will enable us to better serve the needs of our growing customer base in New Zealand and Australia. The investment not only increases our storage capacity but also provides for more modern and energy-efficient facilities.

Featured developments strengthening our 'essential infrastructure'

Symbion Keysborough, VIC

Beginning construction in FY22, we are adding 3,000 sqm of storage space and investing in automation and supporting infrastructure at this existing site.

Symbion Acacia Ridge, QLD

Our new 3,000 sqm expansion at this existing site increased much needed capacity for storage of 4,500 additional pallets.

Healthcare Logistics, Auckland

Due for completion in FY23, our new 12,500 sqm facility will be the biggest in New Zealand standing at an impressive 16.7m in height with capacity to store 13,400 pallets.



TerryWhite Chemmart opens its 500th pharmacy with the unveiling of the outlet in Matraville, Sydney.

TerryWhite Chemmart success

With a milestone 500th store opening, administering one million COVID-19 vaccinations and award-winning communication campaigns, TerryWhite Chemmart (TWC) has cemented its reputation as one of Australia's leading retail pharmacy networks.

In March 2022 TWC achieved a significant milestone with the opening of the network's 500th pharmacy in Matraville NSW. This achievement reflects the success across many facets of the TWC business, including industry-leading business support, world-class education programs, innovations in health and the deeper connections TWC community pharmacies are forging with their customers every day.

In the same month, the TWC network surpassed one million COVID-19 vaccinations, setting the bar for vaccination administration in community pharmacy. Over FY22, the network delivered over 1.7 million vaccinations in total to support both the COVID-19 and influenza vaccine roll outs in Australia.

It was therefore worthy acknowledgement of the incredible effort of the 1,500 vaccinating pharmacists when TWC received the 2022 Customer Experience of the Year Award from Inside Retail in the Medium to Large Business category. The award was in recognition of the efforts displayed by all TWC pharmacies in delivering vaccination services to the community. The network has worked incredibly hard to deliver a professional, safe and convenient vaccination experience for customers.

TWC's investment in and focus on education over the past 5 years has supported the development of industry leading programs for pharmacists like the 'TerryWhite Chemmart Masterclass'. The educational event is the pinnacle professional development experience for pharmacists on the pharmacy industry calendar attracting over 400 pharmacists and pharmacy professionals demonstrating a desire for continued education and learning.

Business Highlights

Healthcare Continued

Sentry Medical acquisition

Our investment strategy for growth was reflected in the exciting acquisition of Australian medical consumable marketer and distributor, Sentry Medical, in August 2021.

Sentry supplies customers including wholesalers, hospitals, general practitioners, dental surgeries, aged care facilities, pharmacies and government agencies with their own brands and other agency brands.

The investment further strengthens EBOS' presence in the distribution of medical consumables.

Inspiring our next leaders

Professional development of our employees is essential for EBOS to retain and attract the best and brightest people.

To cultivate and support our future leaders, we launched an internal eight-month sponsorship and development program, Catalyst.

Catalyst is designed to support emerging talent within EBOS and develop career progression and networking by connecting our leaders of today with our leaders of tomorrow.

The program was introduced into our Healthcare segment giving participants one-on-one coaching, an executive sponsor from within the business, networking opportunities and learning and development via workshops.

The program is another critical part of our overarching people strategy and gives employees the opportunity to advance their careers with us.

Support for Ukraine and UNICEF

As part of our important charitable commitments our Australian operations responded to the global humanitarian response following Russia's invasion of Ukraine. In March 2022 EBOS received an urgent request to provide medical aid to Ukraine whose people's lives have been turned upside down by what is now a prolonged and devastating war.

Our team jumped to action providing \$160,000 worth of stock which was palletised, wrapped, and delivered to holding centres in Melbourne and Sydney for transport to Ukraine.

We also raised \$217,000 for UNICEF's VaccinAid appeal by encouraging our employees to have their COVID-19 vaccinations in exchange for EBOS making a \$75 donation per vaccination to the humanitarian aid organisation.

Almost 3,000 employees rolled up their sleeves with the money helping to pay for COVID-19 vaccinations for health workers, teachers, social workers and vulnerable people around the world.

UNICEF Australia's CEO Tony Stuart wrote to EBOS in February 2022 expressing UNICEF's gratitude for the donation which will support its work in addressing the global vaccine equity crisis.

Almost 3,000 employees rolled up their sleeves with the money helping to pay for COVID-19 vaccinations for health workers, teachers, social workers and vulnerable people around the world.

Business Highlights

Animal Care

\$82m Pet Care Manufacturing Facility

COVID-19 has raised awareness of maintaining our health and for many New Zealanders and Australians that healthy lifestyle extends to their precious pets.

Lockdowns and working-from-home continued to fuel strong spending across animal ownership and for our Animal Care segment.

The segment is well-positioned to meet the demand by raising the bar in the pet-food industry with production ramping up at our \$82 million state-of-the-art Pet Care Manufacturing Facility at Parkes, NSW, which commenced operations in the second half of FY22.

We recognise the extraordinary efforts of our team to deliver this game-changing manufacturing facility which allows Masterpet to manufacture its premium Black Hawk brand dog and cat kibble in house for the first time.

Nearly half of the fresh ingredients are sourced within 200 kilometres of the 12,800m² facility – reducing our food miles – and ensuring greater quality control along the supply chain for the vet-formulated product range.

Nutritional excellence and innovation are a centrepiece of the facility as we strive towards a goal of human-grade pet food. To meet our stringent standards and ensure we deliver products pet owners trust, we have partnered with local farmers to ensure crops used in food production are grown to our precise specifications.

The facility has created more than 50 direct jobs in Parkes and there is scope to expand the plant to meet future demand.

Puppy power

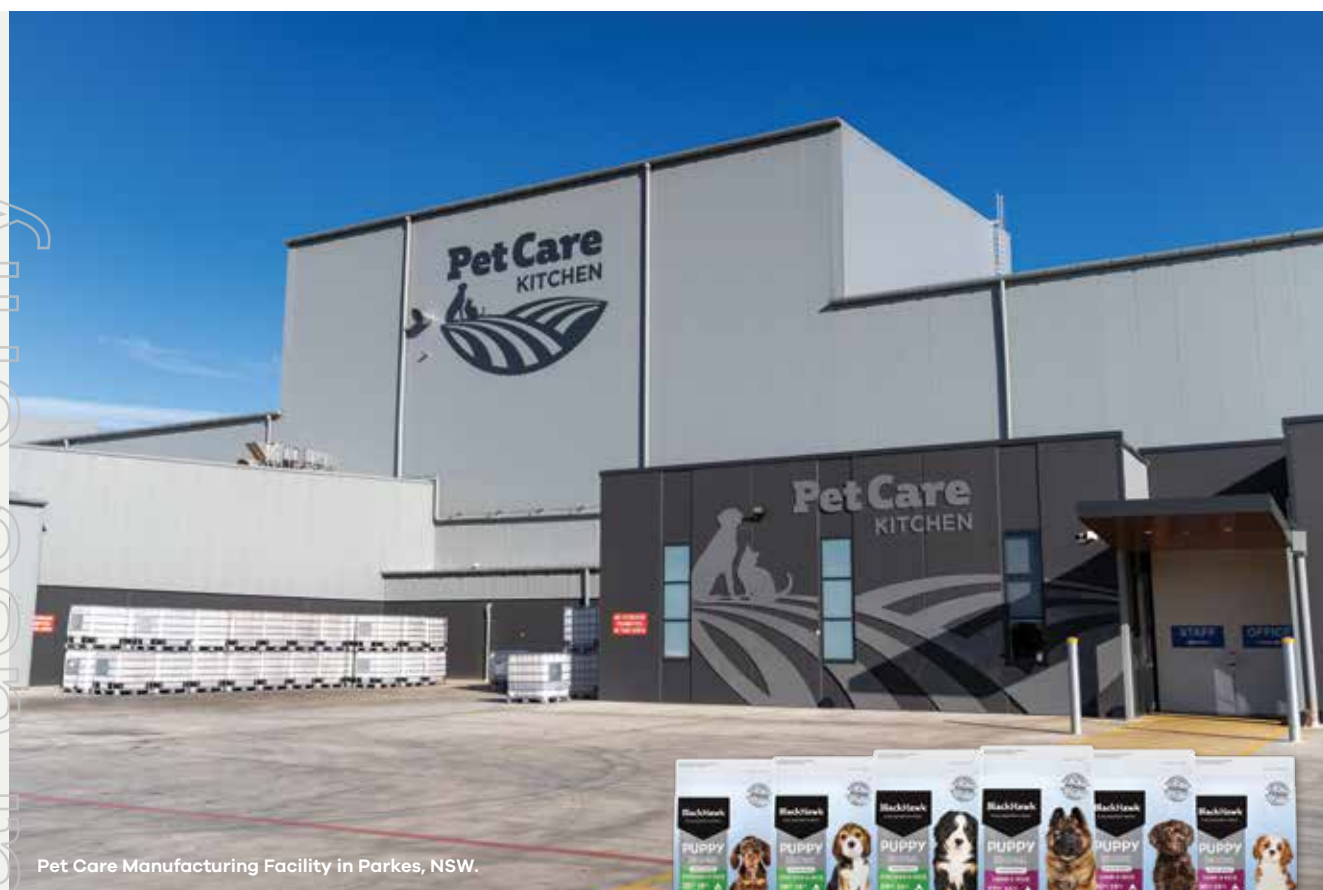
Our pets, much like our children, need the best start in life and that means eating well.

In FY22, Black Hawk launched a new pet food range specifically developed for puppies based on their breed size and age, to ensure they receive the right body and brain nutrition so they can achieve optimal growth.

The Black Hawk Original Puppy range is specifically formulated by our pet nutritionists and is produced at our Parkes Pet Care Manufacturing Facility.

The product packaging is designed to enhance consumer recognition of the products specific to their puppy and aid in self-selection. The launch has proven a success with Black Hawk reaching approximately 20% share in the premium puppy food category in both Australia and New Zealand.

Nutritional excellence and innovation are a centrepiece of the facility as we strive towards a goal of human-grade pet food.



Pet Care Manufacturing Facility in Parkes, NSW.

Black Hawk and VitaPet go from strength to strength

Our Black Hawk brand is a leading premium dog food brand sold in pet specialty stores across both Australia and New Zealand. Black Hawk grew sales by 18% in FY22 and increased its market share in New Zealand.

Our pet treats brand VitaPet has also performed strongly and remains the number 1 brand in the grocery dog treats category by revenue in both Australia and New Zealand.

The increasing sales of premium pet food reflects the underlying trend of the humanisation of pets with pet parents willing to spend more on their pet's needs. In Australia, pet ownership has increased in the last two years with 69% of households now owning a pet, in contrast to 61% two years ago. Initially the growth was from owners servicing the needs of their puppies and kittens, but as these animals mature, the growth continues into the adult premium pet food category.

The dog treat category has followed similar trends to premium pet food with strong double-digit growth over the last three years. In Australia, 47% of households now have at least one dog with 34% of New Zealand households now also counting a dog as part of the family. The increase in dog population across both countries combined with pet parents spending more on their dogs has been a key driver of this category over the past three years.

Lyppard supports vets in Australia

Lyppard has again delivered strong growth through targeting new business with independent veterinary clinics as well as focusing on bolstering relationships with large veterinary groups.

The veterinary sector has continued to grow with demand increasing for the care of domestic pets. The increase in pet ownership during the COVID-19 pandemic, with the extra time that pet parents spent caring for their pets, resulted in stronger demand for high quality animal care services and products. Despite the COVID-19-driven wave in the market having peaked, and begun to slow since the start of 2022, pet numbers are still high and the demand for high-quality animal care services and products continues to remain at a level higher than before the pandemic began.

In November 2021, Lyppard moved its Brisbane operations to a new 3,800sqm distribution facility. This has allowed the business to better serve its customers in the region and also provides capacity to support future business growth.

Our Board



Elizabeth Coutts, Independent Chair
ONZM, BMS, FCA

Elizabeth Coutts was appointed to the EBOS Group Limited Board in July 2003. She is Chair of the Remuneration Committee and a member of the Audit and Risk Committee. She is Chair of Oceania Healthcare Limited, Skellerup Holdings Limited and Voyage Digital (NZ) Limited, Director of EBOS Group subsidiaries in New Zealand and Member, Marsh New Zealand Advisory Board.

Elizabeth is a former Chair of Ports of Auckland Limited, Meritec Group, Industrial Research, Life Pharmacy Limited, former director of Air New Zealand Limited, the Health Funding Authority, Sanford Limited, the Yellow Group of Companies and Tennis Auckland Region Incorporated, former Deputy Chairman of Public Trust, former board member of Sport NZ, former member of the Pharmaceutical Management Agency (Pharmac), former Commissioner for both the Commerce and Earthquake Commissions, former external monetary policy adviser to the Governor of the Reserve Bank of New Zealand, a former president of the Institute of Directors Inc. and former Chief Executive of the Caxton Group of Companies.



Dr Tracey Batten, Independent Director
MBBS, MHA, FRACMA, MBA, FAICD

Dr Tracey Batten was appointed to the EBOS Group Limited Board in July 2021. She is a member of the Remuneration Committee.

Tracey is currently a non-executive director of Medibank Private Limited, the Accident Compensation Corporation, and the National Institute of Water and Atmospheric Research. She was previously a non-executive director of Abano Healthcare Group Limited and various other healthcare-related research institutes, charities and industry and government bodies.

During her executive career she was Group CEO of Imperial College Healthcare NHS Trust in the United Kingdom, Group CEO of St Vincent's Health Australia, CEO of Eastern Health and CEO of Dental Health Services Victoria.



Stuart McGregor, Independent Director
BCOM, LLB, MBA

Stuart McGregor was appointed to the EBOS Group Limited Board in July 2013. Stuart was educated at the University of Melbourne and the London School of Business Administration, gaining degrees in Commerce and Law. He was previously admitted as an Associate of the Australian Society of Accountants (now CPA Australia) and also completed a Master of Business Administration at the University of Melbourne.

Currently, Stuart is a director of Symbion Pty Ltd and other EBOS Group subsidiaries.

Stuart has been Company Secretary of Carlton United Breweries, Managing Director of Cascade Brewery Company Limited in Tasmania and Managing Director of San Miguel Brewery Hong Kong Limited. In the public sector, he served as Chief of Staff to a Minister for Industry and Commerce in the Federal Government and as Chief Executive of the Tasmanian Government's Economic Development Agency. He was formerly a director of PrimeLife Limited and Chairman of Two Way TV Limited and Donaco International Limited.



Peter Williams, Independent Director

Peter Williams was appointed to the EBOS Group Limited Board in July 2013. He was formerly a director of Green Cross Health Limited and an executive of Zuellig Group.



Sarah Ottrey, Independent Director
BCOM, CF. Inst.D

Sarah Ottrey was appointed to the EBOS Group Limited Board in September 2006. She is a member of the Audit and Risk Committee. Sarah is Chair of Whitestone Cheese Limited and a director of Skyline Enterprises Limited and subsidiaries, Mount Cook Alpine Salmon Limited, Christchurch International Airport Ltd, Sarah Ottrey Marketing Limited, and a committee member of the NZ Institute of Directors Otago/Southland Branch. She is a past board member of the Public Trust and the Smiths City Group Ltd. Sarah has held senior marketing management positions with Unilever and Heineken.



Stuart McLauchlan, Independent Director
BCOM, FCA, CF. Inst.D

Stuart was appointed to the EBOS Group Limited Board in July 2019. He is Chairman of the Audit and Risk Committee and a member of the Remuneration Committee. Stuart is a Chartered Fellow of the Institute of Directors and a Past President. He is a chartered accountant, partner of G S McLauchlan & Co, and a Fellow of the New Zealand Institute of Chartered Accountants. He is currently Chairman of Scott Technology Ltd and ADInstruments Ltd. He is a director of Argosy Properties Ltd as well as a number of private companies. He is also a governor of the New Zealand Sports Hall of Fame, a member of the Marsh New Zealand Advisory Board and a member of the Advisory Board to the Partridge Jewellers group. He was formerly a director of Ngāi Tahu Tourism Ltd.

Financial Summary

EBOS delivered another record financial result and double-digit NPAT growth.

Group revenue exceeded \$10 billion for the first time, up 16.6% on the prior year, driven by growth in both our Healthcare and Animal Care segments, including strong performances from our Community Pharmacy, Institutional Healthcare, Contract Logistics and Animal Care businesses.

EBOS recorded Underlying Earnings Before Net Finance Costs and Tax (EBIT) of \$355.0 million, representing 20.5% growth and Underlying Net Profit After Tax (NPAT) attributable to shareholders of \$228.2 million, representing 21.3% growth.

Healthcare

The Healthcare segment reported revenue of \$10.2 billion and Underlying EBIT of \$316.2 million, representing 17.1% and 24.0% growth respectively.

In Australia, Healthcare revenue increased to \$8.2 billion and Underlying EBIT increased to \$267.1 million, representing 18.0% and 23.6% growth respectively.

In New Zealand, Healthcare revenue increased to \$2.0 billion and Underlying EBIT increased to \$49.1 million, representing 13.4% and 26.2% growth respectively.

This was driven by strong performances from our Community Pharmacy, Institutional Healthcare and Contract Logistics businesses.

Animal Care

The Animal Care segment had a strong performance with revenue of \$541.3 million and EBIT of \$72.6 million, representing 8.8% and 15.3% growth respectively.

Our Animal Care businesses continued to capitalise on strong pet market conditions as a result of their leading market positions. This growth was driven by strong performances from our leading brands and businesses, including Black Hawk, Vitapet and Lypard.

Cash flow and balance sheet

EBOS has reported underlying operating cash flows before capital expenditure of \$291.0 million.

This cash performance reflects a higher investment for the year into net working capital to cater for sales growth and higher tax payments.

Net capital expenditure for the year was \$89.2 million which included business-as-usual capital expenditure of \$59.2 million and \$30.0 million of capital expenditure associated with EBOS' new pet food manufacturing facility in New South Wales.

Return on Capital Employed for June 2022 was 18.6%, up 0.6% on the prior year. The net debt to EBITDA ratio was 1.94x, excluding the impact of IFRS 16 Leases and reflecting a higher net debt balance following the completion of the LifeHealthcare acquisition.

Acquisitions

Consistent with our strategy of investing for growth, during the last 12 months, EBOS announced a number of acquisitions to expand and further diversify our earnings. These acquisitions consist of LifeHealthcare, a leading distributor of a range of medical devices within Australia, New Zealand and Southeast Asia; Sentry Medical, an Australian distributor of medical consumable products to wholesalers, hospitals and primary care facilities; Pioneer Medical, a New Zealand importer and distributor of spine and major joint implants primarily for orthopaedic and neurosurgery; and MD Solutions, an Australian distributor of a range of medical devices and consumables primarily for interventional oncology, urology and gynaecology, gastroenterology and ear, nose and throat procedures.

Dividends

The Directors are pleased to declare a final FY22 dividend of NZ 49.0 cents per share, which equates to a full-year dividend of NZ 96.0 cents per share. For the full year, this represents an increase of 8.5% on the prior year and a dividend payout ratio of 74.2% on an underlying basis.

The record date for the final dividend is 9 September 2022 and the dividend will be paid on 30 September 2022. The final dividend will again be imputed to 25% for New Zealand tax resident shareholders and will be fully franked for Australian tax resident shareholders. The Dividend Reinvestment Plan (DRP) will be operational for the final dividend. Shareholders can elect to take shares in lieu of a cash dividend at a discount of 2.5% to the volume weighted average share price ("VWAP").



Consistent with our strategy of investing for growth, during the last 12 months, EBOS announced a number of acquisitions to expand and further diversify our earnings.

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Key



Key judgements and other judgements made



Accounting policy



Subsequent event



Explanatory note



Risks

Directors' Responsibility Statement

The Directors of EBOS Group Limited are pleased to present to shareholders the financial statements for EBOS Group Limited and its controlled entities (together the "Group") for the year to 30 June 2022.

The Directors are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which give a true and fair view of the financial position of the Group as at 30 June 2022 and the results of their operations and cash flows for the year ended on that date.

The Directors consider the financial statements of the Group have been prepared using accounting policies which have been consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial Markets Conduct Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements.

The financial statements are signed on behalf of the Board by:



Elizabeth Coutts
Chair



Stuart McLauchlan
Director

23 August 2022

Independent Auditor's Report to the Shareholders

Deloitte.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of EBOS Group Limited and its subsidiaries (the 'Group'), which comprise the consolidated balance sheet as at 30 June 2022, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 44 to 97, present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2022, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

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

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)*, 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 Group. 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.

Audit Materiality

We consider materiality primarily in terms of the magnitude of misstatement in the financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group financial statements as a whole to be AUD \$14.75m.

Key Audit Matters

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

Key audit matter

How our audit addressed the key audit matter

Goodwill and Indefinite Life Intangible Asset Impairment Assessment**Goodwill and Indefinite Life Intangible Asset Impairment Assessment**

The Group has \$2,140m of goodwill and \$117m of indefinite life intangible assets, including brands of \$91m, on the balance sheet at 30 June 2022 as detailed in note B1 to the financial statements.

The carrying values of goodwill and indefinite life intangible assets are dependent on the future cash flows expected to be generated by the underlying businesses, and there is a risk if these cash flows do not meet the Group's expectations that the assets may be impaired.

The Group tests goodwill and indefinite life intangible assets at least annually by determining the recoverable amount (the higher of value-in-use or fair value less costs to sell) of the individual assets where possible, or otherwise the cash generating units to which the assets belong and comparing the recoverable amounts of the assets to their carrying values.

The impairment assessment models prepared by the Group contain a number of significant assumptions. Changes in these assumptions might lead to a change in the carrying value of indefinite life intangible assets and goodwill.

The Group has assessed the recoverable amount of brands based on fair value using the relief from royalty method. The key assumptions applied in the above models are:

- Annual revenue and expense growth rates for the 5 year forecast period;
- pre-tax discount rates;
- royalty rates; and
- terminal growth rates.

The Group has assessed the recoverable amount of each cash generating unit ("CGU") or group of CGU's to which goodwill has been allocated based on value-in-use models. The key assumptions applied in the value-in-use models are:

- Annual revenue and expense growth rates for the 5 year forecast period;
- pre-tax discount rates; and
- terminal growth rates.

We have included the impairment assessments of goodwill and indefinite life intangible assets as a key audit matter due to the significance of the balances to the financial statements and the level of judgement applied by the Group in determining the key assumptions used to determine the recoverable amounts.

We considered whether the Group's methodology for assessing impairment is compliant with NZ IAS 36: Impairment of Assets. We focused on testing and challenging the suitability of the models and reasonableness of the assumptions used by the Group in conducting their impairment reviews.

Our procedures included:

- Agreeing a sample of future cash flows to Board approved forecasts;
- Challenging the reliability of the Group's revenue and expense growth rates by comparing the forecasts underlying the growth rates to historical forecasts and actual results of the underlying businesses (where applicable). This also included consideration of the impact of COVID-19 on both forecast revenue and profitability of the CGU's; and
- Assessing the reasonableness of key assumptions and changes to them from previous years.

We used our internal valuation specialists to assist with evaluating the models and challenging the Group's key assumptions. The procedures of the specialists included:

- Evaluating the appropriateness of the valuation methodology;
- Testing the mathematical integrity of the models;
- Evaluating the Group's determination of the pre-tax discount rates and royalty rates used in the models through consideration of the relevant risk factors for each CGU, the cost of capital for the Group, and market data on comparable businesses; and
- Comparing the terminal growth rates to market data for the industry sectors.

We evaluated the sensitivity analysis performed by management to consider the extent to which a change in one or more of the key assumptions could give rise to impairment in the goodwill and indefinite life intangible assets.

Key audit matter

How our audit addressed the key audit matter

Acquisition Accounting – Life Healthcare Group

New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) require the purchaser to identify the assets and liabilities acquired in a business combination, including the identifiable intangible assets, and to measure them at fair value at the date of acquisition. Goodwill arising (excess of consideration paid over the fair value of the assets and liabilities acquired) is required to be allocated to a Cash Generating Unit (CGU) or groups of CGU's benefitting from the acquisition.

As detailed in note B2 EBOS Group acquired the Life Healthcare Group (LHC) for \$1,194m at 31 May 2022. Due to the timing of the acquisition detailed valuations to determine the fair value of the underlying assets and liabilities acquired have not been able to be completed. As a result, the acquisition balance sheet was determined on a provisional basis at 30 June 2022.

The provisional acquisition balance sheet, including the provisional goodwill of \$991m, will be revised to determine the fair value of the assets and liabilities acquired within the measurement period of one year from the date of acquisition.

We have included the acquisition of LHC as a key audit matter due to its significance to the financial statements.

We obtained the sale and purchase agreement and related documents to corroborate the assets and liabilities acquired.

We confirmed the fair value of the consideration paid, including deferred consideration, to the sale and purchase agreement.

We ensured call and put options related to the subsequent purchase of non controlling interests were appropriately recognised.

We considered the appropriateness of the provisional accounting for the acquisition balance sheet of LHC.

We considered the judgements applied by the Group in determining whether there was any impairment of goodwill arising from the LHC acquisition under NZ IAS-36 *Impairment of Assets*.

Other information

The directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report.

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

Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1>

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's 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 audit work, for this report, or for the opinions we have formed.

Deloitte Limited

**Mike Hawken, Partner
For Deloitte Limited**

Christchurch, New Zealand

23 August 2022

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Financial Statements

Consolidated Income Statement

The Consolidated Income Statement presents income earned and expenditure incurred by the Group during the financial year in determining profit.

For the financial year ended 30 June 2022	Notes	2022 A\$'000	2021 A\$'000
Revenue	A1(a)	10,734,119	9,202,886
Income from associates	F2	9,749	7,071
Profit before depreciation, amortisation, net finance costs and tax expense (EBITDA)		405,810	363,297
Depreciation	A1(b)	(67,534)	(60,544)
Amortisation	A1(b)	(14,338)	(12,101)
Profit before net finance costs and tax expense (EBIT)		323,938	290,652
Finance income		2,762	713
Finance costs – borrowings		(22,943)	(20,641)
Finance costs – leases	H6	(8,504)	(7,705)
Profit before tax expense		295,253	263,019
Tax expense	A3	(93,215)	(78,970)
Profit for the year		202,038	184,049
Profit for the year attributable to:			
Owners of the Company		202,605	185,297
Non-controlling interests		(567)	(1,248)
		202,038	184,049
Earnings per share:			
Basic (cents per share)	A4	114.5	113.2
Diluted (cents per share)	A4	114.5	113.2

Consolidated Statement of Comprehensive Income

The Consolidated Statement of Comprehensive Income presents profit for the year, plus gains and losses that are not recognised in the Consolidated Income Statement and instead are required to be taken directly to reserves within equity.

For the financial year ended 30 June 2022	2022 A\$'000	2021 A\$'000
Profit for the year	202,038	184,049
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedge gains	10,341	5,933
Related income tax	(3,212)	(1,750)
Movement in foreign currency translation reserve	(15,937)	(2,993)
	(8,808)	1,190
Items that will not be reclassified subsequently to profit or loss:		
Movement on equity instruments fair valued through other comprehensive income	(3,441)	(2,433)
Total comprehensive income net of tax	189,789	182,806
Total comprehensive income for the year is attributable to:		
Owners of the Company	190,356	184,054
Non-controlling interests	(567)	(1,248)
	189,789	182,806

Consolidated Balance Sheet

The Consolidated Balance Sheet presents a summary of the Group's assets, liabilities and equity at the end of the financial year.

As at 30 June 2022	Notes	2022 A\$'000	2021 A\$'000
Current assets			
Cash and cash equivalents		517,316	168,953
Trade and other receivables	C1	1,374,731	1,156,499
Prepayments		32,706	14,111
Inventories	C2	1,120,053	784,761
Current tax refundable		127	278
Other financial assets – derivatives	G2	19,722	44
Total current assets		3,064,655	2,124,646
Non-current assets			
Property, plant and equipment	D1	302,389	172,209
Capital work in progress	D2	24,992	70,362
Prepayments		1,360	30
Deferred tax assets	A3(b)	180,805	141,806
Goodwill	B1(a)	2,140,036	999,339
Indefinite life intangibles	B1(b)	117,432	122,354
Finite life intangibles	B1(d)	123,883	40,089
Right of use assets	H6	249,596	222,367
Investment in associates	F2	45,912	47,896
Other financial assets		13,485	8,660
Total non-current assets		3,199,890	1,825,112
Total assets		6,264,545	3,949,758
Current liabilities			
Trade and other payables	C3	2,021,211	1,623,904
Bank loans	E3	331,517	116,640
Lease liabilities	H6	42,627	36,498
Current tax payable		40,395	35,600
Employee benefits		75,880	58,706
Other financial liabilities – derivatives	G2	-	6,631
Total current liabilities		2,511,630	1,877,979

Consolidated Balance Sheet continued

As at 30 June 2022	Notes	2022 A\$'000	2021 A\$'000
Non-current liabilities			
Bank loans	E3	1,046,259	323,565
Lease liabilities	H6	227,203	203,621
Trade and other payables	C3	21,283	3,617
Deferred tax liabilities	A3(b)	160,585	127,428
Employee benefits		9,029	7,845
Other financial liabilities – derivatives	G2	137,000	-
Total non-current liabilities		1,601,359	666,076
Total liabilities		4,112,989	2,544,055
Net assets		2,151,556	1,405,703
Equity			
Share capital	E1	1,810,562	993,616
Share-based payments reserve		11,228	10,350
Foreign currency translation reserve		(37,100)	(21,163)
Retained earnings		481,666	433,453
Equity instruments fair valued through other comprehensive income		(6,002)	(2,561)
Cash flow hedge reserve		4,458	(2,671)
Equity attributable to owners of the Company		2,264,812	1,411,024
Non-controlling interests	F3	(113,256)	(5,321)
Total equity		2,151,556	1,405,703

Consolidated Statement of Changes in Equity

The Consolidated Statement of Changes in Equity presents the components of capital and reserves of the Group and explains the movements in each component during the financial year.

For the financial year ended June 2022	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 com- prehensive income reserve A\$'000	Cash flow hedge reserve A\$'000	Non- controlling interests A\$'000	Total A\$'000
Balance at 1 July 2020		961,486	6,601	(18,170)	372,012	(128)	(6,854)	(4,073)	1,310,874
Profit for the year		-	-	-	185,297	-	-	(1,248)	184,049
Other comprehensive income for the year, net of tax		-	-	(2,993)	-	(2,433)	4,183	-	(1,243)
Payment of dividends	E2	-	-	-	(123,856)	-	-	-	(123,856)
Share-based payments		-	3,749	-	-	-	-	-	3,749
Dividends reinvested	E1	27,553	-	-	-	-	-	-	27,553
Employee LTI shares exercised	E1	3,056	-	-	-	-	-	-	3,056
Employee share plan shares issued	E1	1,665	-	-	-	-	-	-	1,665
Employee share issue costs	E1	(144)	-	-	-	-	-	-	(144)
Balance at 30 June 2021		993,616	10,350	(21,163)	433,453	(2,561)	(2,671)	(5,321)	1,405,703
Balance at 1 July 2021		993,616	10,350	(21,163)	433,453	(2,561)	(2,671)	(5,321)	1,405,703
Profit for the year		-	-	-	202,605	-	-	(567)	202,038
Other comprehensive income for the year, net of tax		-	-	(15,937)	-	(3,441)	7,129	-	(12,249)
Payment of dividends	E2	-	-	-	(154,392)	-	-	-	(154,392)
Arising on acquisition of subsidiaries	B2	-	-	-	-	-	-	29,632	29,632
Option over non-controlling interests	F3	-	-	-	-	-	-	(137,000)	(137,000)
Share-based payments		-	878	-	-	-	-	-	878
Share placement	E1	638,155	-	-	-	-	-	-	638,155
Retail offer	E1	159,981	-	-	-	-	-	-	159,981
Script consideration	E1	22,638	-	-	-	-	-	-	22,638
Share placement and retail offer issue costs	E1	(10,769)	-	-	-	-	-	-	(10,769)
Tax on deductible issue costs	E1	3,097	-	-	-	-	-	-	3,097
Employee LTI shares exercised	E1	2,343	-	-	-	-	-	-	2,343
Employee share plan shares issued	E1	1,617	-	-	-	-	-	-	1,617
Employee share issue costs	E1	(116)	-	-	-	-	-	-	(116)
Balance at 30 June 2022		1,810,562	11,228	(37,100)	481,666	(6,002)	4,458	(113,256)	2,151,556

Notes to the financial statements are included on pages 50 to 97.

Consolidated Cash Flow Statement

The Consolidated Cash Flow Statement presents the cash generated and used by the Group during the financial year.

For the financial year ended 30 June 2022	Notes	2022 A\$'000	2021 A\$'000
Cash flows from operating activities			
Receipts from sale of goods and services		10,599,165	9,080,007
Interest received		2,762	713
Dividends received from associates	F2	10,607	5,761
Payments for purchase of goods and services		(10,217,016)	(8,687,637)
Taxes paid		(115,335)	(72,184)
Interest paid		(31,447)	(28,346)
Net cash inflow from operating activities	E5	248,736	298,314
Cash flows from investing activities			
Sale of property, plant and equipment		453	217
Purchase of property, plant and equipment		(27,567)	(20,354)
Payments for capital work in progress		(54,205)	(56,800)
Payments for intangible assets		(7,862)	(5,106)
Acquisition of subsidiaries	B2	(1,299,120)	(31,223)
Investment in other financial assets		(7,896)	(497)
Net cash (outflow) from investing activities		(1,396,197)	(113,763)
Cash flows from financing activities			
Proceeds from issue of shares	E1	791,211	32,130
Proceeds from borrowings	E5	1,160,888	49,600
Repayment of borrowings	E5	(255,427)	(181,459)
Repayment of lease liabilities	H6	(40,941)	(35,261)
Dividends paid to equity holders of parent		(154,110)	(124,986)
Net cash inflow/(outflow) from financing activities		1,501,621	(259,976)
Net increase/(decrease) in cash held		354,160	(75,425)
Effect of exchange rate fluctuations on cash held		(5,797)	(400)
Net cash and cash equivalents at the beginning of the year		168,953	244,778
Net cash and cash equivalents at the end of the year		517,316	168,953

Notes to the financial statements are included on pages 50 to 97.

Notes to the consolidated financial statements

For the financial year ended 30 June 2022.

Introducing this report

The notes to the financial statements include information that is considered relevant and material to assist the reader in the understanding of the financial performance and financial position of EBOS Group Limited and its controlled entities (together “the Group” or “EBOS”).

Information is considered relevant and material if:

- the amount is significant because of its size and nature;
- it is important to assist the readers understanding of the results of EBOS;
- it helps to explain to the reader the changes in the business and/or operations of EBOS; or
- it relates to an aspect of operations that is important to the future performance of EBOS.

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.

Basis of preparation



The financial statements have been prepared in accordance with Generally Accepted Accounting Practice (‘GAAP’). They comply with New Zealand Equivalents to International Financial Reporting Standards (‘NZ IFRS’) and other applicable reporting standards as appropriate for-profit oriented entities.

The financial statements comply with International Financial Reporting Standards (‘IFRS’).

EBOS 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.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair value of the consideration given in exchange for assets.

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

Critical accounting estimates and judgements



In the process of applying the Group’s accounting policies and the application of accounting standards, EBOS has made a number of judgements and estimates. The estimates and underlying assumptions are based on historic experience and various other factors that are considered to be appropriate under the circumstances. Therefore, there is an inherent risk that actual results may subsequently differ from the estimates made.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



Judgements and estimates that are considered material to understanding the performance of EBOS are found in the relevant notes to the financial statements. Key judgements have been made in regard to assumptions that support the impairment assessment for goodwill and indefinite life intangibles (note B1) and business combination accounting (note B2 and note F3).

Introducing this report continued

Basis of consolidation



The Group's financial statements comprise the financial statements of EBOS Group Limited, the parent company, combined with all the entities that comprise the Group, being its subsidiaries (listed in note F1) and its share of associate investments (listed in note F2). The financial statements of the members of the Group, including associates, are prepared for the same reporting period as the parent company, using consistent accounting policies.

Subsidiaries are consolidated on the date on which control is obtained to the date on which control is lost. The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Income Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant inter-company transactions and balances are eliminated on consolidation.

Adopting of new and revised standards and interpretations



In the current year, the Group adopted all mandatory new and amended standards and interpretations. None had a material impact on these financial statements.

The Group is not aware of any NZ IFRS Standards or Interpretations that have been recently issued or amended that have not yet been adopted by the Group that would materially impact the Group for the reporting period ended 30 June 2022.

Foreign currency



Functional currency

The financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which that entity operates ("the functional currency").

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate on the date of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the Consolidated Income Statement for the period.

Foreign operations

On consolidation, the assets and liabilities of EBOS' overseas operations are translated at the exchange rate at the reporting date. Income and expense items are translated at the average rates for the period. Exchange differences arising are recognised in the foreign currency translation reserve (in equity) and recognised in profit or loss on disposal of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate at the reporting date.

Other Accounting Policies



Other accounting policies that are relevant to the readers understanding of the financial statements are included throughout the following notes to the financial statements.

Section A: EBOS performance



Section Overview

This section explains the financial performance of EBOS by:

- a) displaying additional information about individual items in the Consolidated Income Statement;
- b) presenting further analysis of EBOS' operating segments by revenue and expenses; and
- c) providing an analysis of the components of EBOS' tax balances for the year and the current imputation credit account balance.

A1. Revenue and expenses

(a) Revenue

Revenue consisted of the following items:

	2022 A\$'000	2021 A\$'000
Community Pharmacy	6,441,693	5,389,989
Institutional Healthcare	3,069,546	2,686,014
Contract Logistics Services	123,240	88,615
Contract Logistics Sales	762,222	718,911
Interdivisional eliminations	(203,923)	(178,167)
Healthcare	10,192,778	8,705,362
Animal Care	541,341	497,524
	10,734,119	9,202,886



Recognition and measurement

Community Pharmacy and Institutional Healthcare

Revenue is derived from the supply of human healthcare products to pharmacies, hospitals, aged care facilities, supermarkets and other healthcare providers in Australia, New Zealand and Southeast Asia markets. This includes the supply of agency products and EBOS' own branded human healthcare products such as Red Seal, Grans Remedy, Faulding, Natures Kiss and Quitnits. Following delivery of the goods, the customer obtains control as it has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of loss in relation to the goods.

A receivable is recognised by the Group when it passes control of the goods, which is when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is made.

The transaction price may be adjusted for customers who pay their account in full, earlier than what standard credit terms would require, or for incremental costs incurred in obtaining a sales contract which are recognised over the contractual period. Under the Group's standard terms with customers, product returns, refunds and provision for warranties are in accordance with local requirements. Accumulated experience has been used to determine that such returns are not significant.

A1. Revenue and expenses continued

(a) Revenue continued



Recognition and measurement

Contract Logistics

Sales: Sales consist of the sale of human healthcare products to a wide range of healthcare customers (wholesalers, pharmacies and medical centres), in accordance with agreed terms with the customer. A receivable is recognised by the Group when it passes control of the goods which is when the goods are confirmed to be on sold by the customer, as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is made.

Under our standard terms with customers product returns, refunds and provision for warranties provided are in accordance with local requirements. Accumulated experience has been used to determine that such returns are not significant.

Service fees: Revenue is derived from the provision of logistics services for a fee to healthcare manufacturers for their operating activities in Australia and New Zealand. Service fees are typically charged for storage of manufacturer's inventory holdings and pick, pack and delivery services provided over a period of time, typically on a monthly basis, as specified within contractual rates agreed with the manufacturer.

The performance obligation is satisfied either at a point in time or over time, as applicable, at which point the right to consideration becomes unconditional, as only the passage of time is required before payment is made.

Animal Care

Revenue is derived from the supply of animal care products to pet retail, supermarkets and vet clinics across Australia and New Zealand. Upon delivery of the goods, the customer assumes full control as it has complete discretion over the manner of distribution and pricing of goods, has the primary responsibility when on-selling the goods and bears the risks of loss in relation to the goods.

A receivable is recognised by the Group when it passes control of the goods, which is when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is made.

Under the Group's standard terms with customers product returns, refunds and provision for warranties are in accordance with local requirements. Accumulated experience has been used to determine that such returns are not significant.

A1. Revenue and expenses continued**(b) Expenses**

Profit before tax expense has been arrived at after charging the following expenses by nature:

	2022 A\$'000	2021 A\$'000
One-off items ⁽¹⁾	(31,038)	(3,813)
Cost of sales	(9,488,854)	(8,210,446)
Writedown of inventory	(11,438)	(8,127)
Impairment loss on trade and other receivables	(1,683)	(988)
Depreciation of property, plant and equipment	(22,557)	(20,813)
Depreciation on right of use assets	(44,977)	(39,731)
Amortisation of finite life intangibles	(14,338)	(12,101)
Short-term and low value asset leases	(7,423)	(5,080)
Donations	(514)	(228)
Employee benefit expense	(392,479)	(332,566)
Defined contribution plan expense	(21,335)	(18,285)
Other expenses	(383,294)	(267,127)
Total expenses	(10,419,930)	(8,919,305)

(1) One-off items comprise merger and acquisition costs incurred.

Recognition and measurement
Impairment

EBOS reviews the recoverable amount of its tangible and intangible assets, including goodwill, at each balance date. If the carrying value of an asset exceeds the recoverable amount, an impairment expense is recognised in the income statement.

Tangible assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of future cash flows expected to be generated by the asset (value in use).

Depreciation and amortisation

Depreciation is provided for on a straight line basis on all property, plant and equipment other than freehold land, at depreciation rates calculated to allocate the assets' cost less estimated residual value, over their estimated useful lives. Refer to note D1 for the useful lives used in the calculation of depreciation.

Amortisation is charged on a straight line basis over the estimated useful life of finite life intangibles. Refer to note B1(d) for the useful lives used in the calculation of amortisation.

Short term and low value asset leases

EBOS leases certain land, buildings, plant and equipment.

The Group has elected not to recognise right of use assets and lease liabilities for short-term leases and low value asset leases. The Group recognises the lease payments associated with the leases as an expense (recognised within other expenses in the Income Statement on a straight-line basis over the lease term).

A1. Revenue and expenses continued

(b) Expenses continued

Employee expenses

Provision is made for benefits owing to employees in respect of wages and salaries, annual leave, long service leave and employee incentives for services rendered. Provisions are recognised when it is probable they will be settled and can be measured reliably. They are carried at the remuneration rate expected to apply at the time of settlement and discounted to the present value of the expected payment to the employee at balance date.

Net finance costs

Finance costs include bank interest and amortisation of costs incurred in connection with borrowing facilities. Finance costs are expensed immediately as incurred, using the effective interest method, unless they relate to acquisition and development of qualifying assets, in which case they are capitalised.

Interest income is recognised on a time-proportionate basis using the effective interest method.

A2. Segment information

(a) Reportable segments



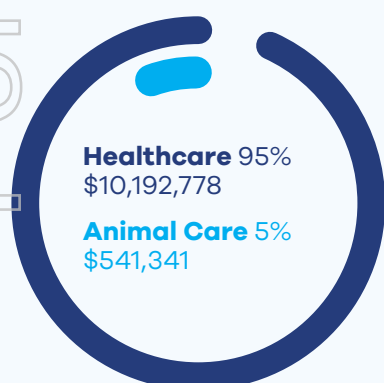
EBOS' major products and services are the same as the reportable segments, i.e. Healthcare and Animal Care, with no major products and services allocated to Corporate.

(b) Segment revenues and results

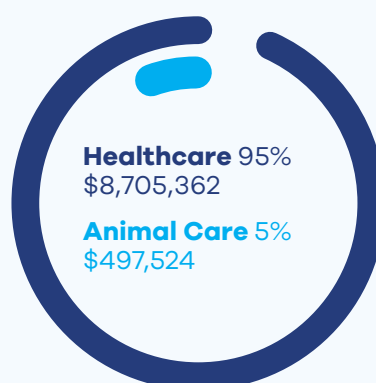
The following is an analysis of EBOS' revenue and results by reportable segment:

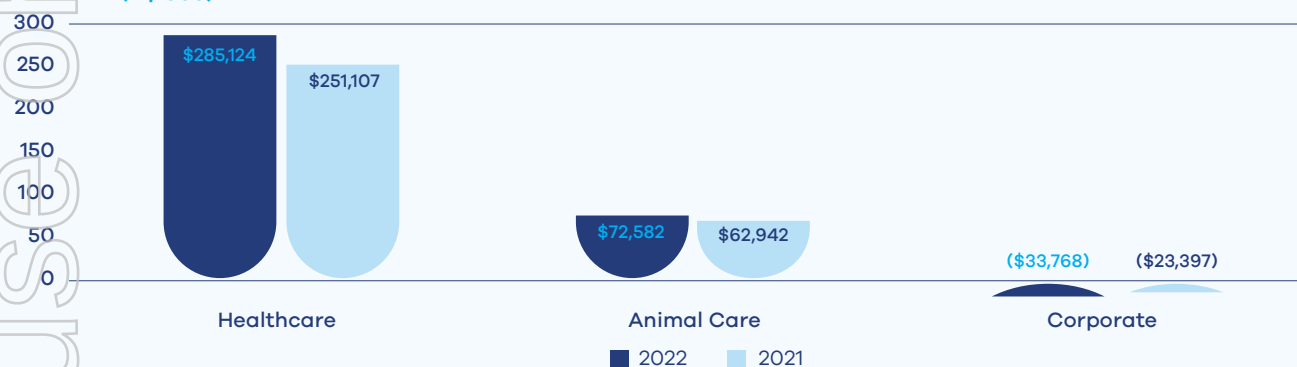
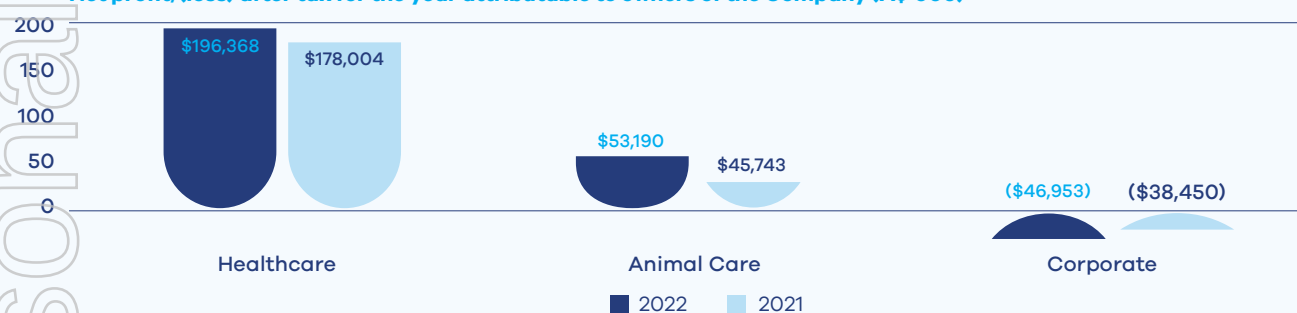
Revenue from external customers (A\$'000)

2022



2021



A2. Segment information continued**(b) Segment revenues and results continued****EBIT (A\$'000)****Net profit/(loss) after tax for the year attributable to owners of the Company (A\$'000)****Associate information:**

	2022 A\$'000	2021 A\$'000
Included in the segment results above is income from associates:		
Animal Care	7,442	5,687
Healthcare	2,307	1,384
Total income from associates	9,749	7,071

A2. Segment information continued**(b) Segment revenues and results continued**

The following is an analysis of other financial information by reportable segment:

	Healthcare		Animal Care		Corporate	
	2022 A\$'000	2021 A\$'000	2022 A\$'000	2021 A\$'000	2022 A\$'000	2021 A\$'000
Revenue from external customers	10,192,778	8,705,362	541,341	497,524	-	-
EBITDA	358,517	316,223	79,961	69,350	(32,668)	(22,276)
Depreciation of property, plant and equipment	(21,029)	(19,933)	(1,528)	(880)	-	-
Depreciation on right of use assets	(38,275)	(33,281)	(5,602)	(5,329)	(1,100)	(1,121)
Amortisation of finite life intangibles	(14,089)	(11,902)	(249)	(199)	-	-
EBIT	285,124	251,107	72,582	62,942	(33,768)	(23,397)
Net finance costs	-	-	-	-	(28,685)	(27,633)
Tax (expense)/benefit	(89,323)	(74,351)	(19,392)	(17,199)	15,500	12,580
Profit for the year	195,801	176,756	53,190	45,743	(46,953)	(38,450)
Non-controlling interests	567	1,248	-	-	-	-
Profit for the year attributable to owners of the Company	196,368	178,004	53,190	45,743	(46,953)	(38,450)

(c) Geographical information

EBOS operates in two principal geographical areas: Australia and New Zealand and Other (country of domicile).

EBOS' revenue from external customers by geographical location and information about its segment assets (non-current assets), excluding investment in associates and deferred tax assets, are detailed below:

	Australia		New Zealand and Other		Group	
	2022 A\$'000	2021 A\$'000	2022 A\$'000	2021 A\$'000	2022 A\$'000	2021 A\$'000
Continuing operations						
Revenue from external customers	8,636,607	7,355,220	2,097,512	1,847,666	10,734,119	9,202,886
Non-current assets	2,530,530	1,287,114	442,643	348,296	2,973,173	1,635,410

(d) Information about major customers

No revenues from transactions that are with a single customer amount to 10% or more of EBOS' revenues (2021: Nil).

**Recognition and measurement**

The reportable segments of EBOS have been identified in accordance with NZ IFRS 8 'Operating Segments'.

The Group's operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segment and to assess its performance.

The accounting policies of EBOS have been consistently applied to the operating segments. Profit before net finance costs and tax expense (EBIT) is the measure reported to the chief operating decision-maker for the purpose of resource allocation and assessment of segment performance.

Assets are not allocated to operating segments as they are not reported to the chief operating decision-maker at a segment level.

A3. Taxation**(a) Tax expense recognised in Consolidated Income Statement**

	2022 A\$'000	2021 A\$'000
Tax expense comprises:		
Current tax expense:		
Current year	111,481	94,335
Adjustments for prior years	(1,840)	(1,833)
	109,641	92,502
Deferred tax (credit)/expense:		
Current year	(17,892)	(14,942)
Adjustments for prior years	1,466	1,410
	(16,426)	(13,532)
Total tax expense	93,215	78,970

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

Profit before tax expense	295,253	263,019
Tax expense calculated at 28% (2021: 28%)	82,671	73,645
Non-deductible expenses	8,277	4,109
Effect of different tax rates of subsidiaries operating in overseas jurisdictions	5,005	4,363
(Over) provision of tax expense in prior years	(374)	(422)
Other adjustments	(2,364)	(2,725)
Total tax expense	93,215	78,970

The tax rates used are principally the corporate tax rates of 28% (2021: 28%) payable by New Zealand and 30% (2021: 30%) payable by Australian corporate entities on taxable profits under tax law in each jurisdiction.

A3. Taxation continued**(b) Deferred tax assets and liabilities**

Taxable and deductible temporary differences arise from the following:

	2022 A\$'000	2021 A\$'000
Gross deferred tax liabilities:		
Property, plant and equipment	6,962	6,130
Other payables	4,018	631
Other financial assets – derivatives	752	161
Right of use assets	72,107	68,269
Intangible assets	76,746	52,237
Total gross deferred tax liabilities	160,585	127,428
Gross deferred tax assets:		
Property, plant and equipment	12,270	12,928
Other payables	72,962	43,386
Other financial assets – derivatives	-	1,938
Lease liabilities	76,092	71,086
Intangible assets	16,490	12,204
Tax losses carried forward	2,991	264
Total gross deferred tax assets	180,805	141,806
(c) Imputation credit account balances		
	2022 A\$'000	2021 A\$'000
Imputation credit account balances		
Imputation credits available directly and indirectly to shareholders of the parent company:	13,354	7,481

Imputation credits allow EBOS to pass on to its shareholders the benefit of the New Zealand income tax it has paid by attaching imputation credits to the dividends it distributes, reducing shareholders' net tax obligations.

**Recognition and measurement**

Taxable profit differs from profit before tax reported in the Consolidated Income Statement as it excludes items of income and expense that are taxable or deductible in other years (temporary differences) and also excludes items that will never be taxable or deductible (permanent differences).

Income tax expense components are current income tax and deferred tax.

A3. Taxation continued

Deferred tax is income tax that is expected to be payable or recoverable in the future as a result of the unwinding of temporary differences. These arise from differences in the recognition of assets and liabilities for financial reporting and for the filing of income tax returns.

Deferred tax is recognised on all temporary differences, other than those arising:

- from goodwill;
- from the initial recognition of assets and liabilities in a transaction (other than in a business combination) that affects neither the accounting nor taxable profit or loss; and
- investments in associates and subsidiaries where EBOS is able to control the reversal of the temporary differences and such differences are not expected to reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the year when a liability is settled or an asset realised, based on tax rates and tax laws that have been enacted or substantively enacted at balance date.

A deferred tax asset is recognised to the extent it is probable that future taxable profits will be available to use the asset. This is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available in the future to utilise the deferred tax asset.

A4. Earnings per share

		Basic earnings per share		Diluted earnings per share	
		2022 A\$'000	2021 A\$'000	2022 A\$'000	2021 A\$'000
Earnings used in the calculation of total earnings per share	A\$'000	202,605	185,297	202,605	185,297
Weighted average number of ordinary shares for the purposes of calculating earnings per share	No. (000's)	176,916	163,711	176,916	163,711
Earnings per share	Cents	114.5	113.2	114.5	113.2

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the company by the weighted average number of ordinary shares on issue during the year excluding shares held as treasury stock. Diluted earnings per share assumes conversion of all dilutive potential ordinary shares in determining the denominator.

Section B: Key judgements made



Section Overview

This section identifies the balances and transactions to which key judgements have been made by EBOS in the preparation of these financial statements. Key judgements have been made in regards to the estimates for future cash flows for goodwill and indefinite life intangibles impairment assessment purposes, and the identification of intangible assets and recognition of goodwill for business acquisitions.

B1. Goodwill and intangibles

(a) Goodwill

	Notes	2022 A\$'000	2021 A\$'000
Gross carrying amount			
Balance at beginning of financial year		999,339	969,623
Recognised from business acquisition during the year	B2	1,149,259	30,435
Effects of foreign currency exchange differences		(8,562)	(719)
Net book value		2,140,036	999,339



Recognition and measurement

Goodwill arising on the acquisition of a subsidiary is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously-held equity interest (if any) in the acquiree over the fair value of the identifiable net assets recognised.

Goodwill is not amortised, but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of EBOS' CGUs or groups of CGUs expected to benefit from the synergies of the combination.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is first allocated to reduce the carrying amount of any goodwill and then to the other assets of the unit on a pro-rata basis.

Any impairment loss on goodwill is recognised immediately in profit or loss and is not subsequently reversed.

B1. Goodwill and intangibles continued**(b) Indefinite life intangibles**

	TerryWhite Chemmart Brands A\$'000	Other Healthcare Brands A\$'000	Franchise Network A\$'000	Animal Care Brands A\$'000	Healthcare Trademarks A\$'000	Total A\$'000
Gross carrying amount						
Balance at 1 July 2020	36,550	33,823	10,954	25,071	16,102	122,500
Effects of foreign currency exchange and other differences	(12)	(62)	-	(20)	(52)	(146)
Balance at 30 June 2021	36,538	33,761	10,954	25,051	16,050	122,354
Reclassification to finite life intangibles	-	(3,624)	-	-	-	(3,624)
Effects of foreign currency exchange and other differences	-	(635)	-	(182)	(481)	(1,298)
Balance at 30 June 2022	36,538	29,502	10,954	24,869	15,569	117,432

Recognition and measurement

Indefinite life intangible assets represent purchased brands, trademarks and a franchise network asset that are initially recognised at fair value. These intangible assets are tested annually for impairment on the same basis as for goodwill.

Judgement: useful lives of indefinite life intangible assets

The Directors have assessed these brands, trademarks and a franchise network asset as having an indefinite useful life. In coming to this conclusion the expected expansion of these assets across other products and markets, the typical product life cycle of these assets, the stability of the industry in which the assets are operating, the level of maintenance expenditure required and the period of legal control over these assets has been considered.

B1. Goodwill and intangibles continued**(c) Cash-generating units**

The carrying amount of goodwill and indefinite life intangibles allocated to CGUs or groups of CGUs is as follows:

	Goodwill		Indefinite life intangibles	
	2022 A\$'000	2021 A\$'000	2022 A\$'000	2021 A\$'000
Healthcare Australia ^{1,5}	709,369	623,009	9,059	12,682
Healthcare New Zealand ²	66,034	68,081	20,444	21,079
Healthcare: Pharmacy/Logistics NZ ³	85,823	88,484	15,568	16,050
Healthcare: TerryWhite Group ⁴	39,726	27,229	47,492	47,492
Healthcare: Medical Devices ⁵	1,086,248	37,909	-	-
Animal Care ⁶	152,836	154,627	24,869	25,051
	2,140,036	999,339	117,432	122,354

¹ Australian Consumer, Hospital, Pharmacy, Primary Healthcare sectors.

² New Zealand Consumer, Hospital, Primary Healthcare, Aged Care and International Product Supplies.

³ New Zealand Pharmacy Wholesaler and Logistic Services.

⁴ Australia – Terry White Group.

⁵ Healthcare: Medical Devices identified as a new CGU in the current year and separated from Healthcare Australia, due to the acquisitions made during the year.

⁶ Australia and New Zealand Animal Care.

For the year ended 30 June 2022, the Directors have determined that there is no impairment of any of the CGUs containing goodwill, brands, trademarks or the franchise network asset (2021: Nil).

**Key judgement: impairment assessment assumption**

The recoverable amounts of cash generating units are determined on the basis of value in use calculations. The recoverable amount calculations are most sensitive to changes in the following assumptions:

Revenue	Estimated by management based on revenue achieved in the period immediately before the start of the assessment period and adjusted each year for any anticipated growth.
Operating costs	Estimated by management based on current trends at the start of the assessment period and adjusted for expected changes in the business or sector in which the business operates.
Discount rates	Estimated by management based on a current market assessment of the time value of money, cost of capital and risks specific to the asset or CGU to which the cash flows generated by that asset or CGU are being assessed.

B1. Goodwill and intangibles continued

(c) Cash-generating units continued



Key estimate: value in use calculation

The value in use calculation uses cash flow projections based on financial forecasts approved by the Board and management covering a five year period, including terminal value, and management's past experience. The following estimates were used in the value in use calculation:

	2022	2021
Goodwill		
Annual revenue growth rates	3.5% - 6.2%	2.5% - 7.0%
Allowance for increases in expenses	3.0% - 6.0%	2.5% - 4.9%
Pre-tax discount rates	10.4% - 12.2%	11.6% - 13.7%
Terminal growth rate	2.5%	2.5%



Key estimate: value in use calculation

The fair value of indefinite life intangibles has been calculated using the relief from royalty method. The following estimates were used:

Indefinite life intangibles		
Annual revenue growth rates	5.0% - 8.5%	3.0% - 7.2%
Allowance for increases in expenses	3.0% - 6.0%	2.5% - 4.9%
Royalty rate	3.0% - 11.8%	3.0% - 11.8%
Pre-tax discount rates	12.1% - 18.0%	12.3% - 20.3%
Terminal growth rate	2.5%	2.5%

Management has carried out a sensitivity analysis and believe that any reasonable possible change in the key assumptions would not cause the book value of any CGUs or groups of CGUs to exceed their recoverable amount.

B1. Goodwill and intangibles continued**(d) Finite life intangibles**

	Customer relationships/ contracts A\$'000	Supplier contracts A\$'000	Other A\$'000	Total A\$'000
Gross carrying amount	106,874	1,387	39,099	147,360
Accumulated amortisation and impairment	(86,882)	(1,387)	(19,002)	(107,271)
Balance at 30 June 2021	19,992	-	20,097	40,089
Gross carrying amount	100,877	89,640	47,150	237,667
Accumulated amortisation and impairment	(88,806)	(2,796)	(22,182)	(113,784)
Balance at 30 June 2022	12,071	86,844	24,968	123,883

Aggregate amortisation recognised as an expense during the year:

	2022 A\$'000	2021 A\$'000
Customer relationships and contracts ⁽¹⁾	9,270	8,263
Supplier contracts ⁽¹⁾	1,451	-
Other	3,617	3,838
	14,338	12,101

⁽¹⁾ Non-cash amortisation recognised on acquisitions.**Recognition and measurement**

Finite life intangible assets are recorded at cost less accumulated amortisation. Amortisation is charged on a straight line basis over their estimated useful life.

Other finite life intangible assets comprise primarily software.

Judgement: Software as a Service (SaaS) and useful lives of finite life intangible assets

The Group completed its assessment of the implementation and ongoing costs of SaaS arrangements, in response to the agenda decisions issued by IFRIC on how accounting standards apply to these types of arrangements. The implication of these agenda decisions did not have a material effect on the Group's financial statements.

In determining the estimated useful life of finite life intangible assets (of a period of between one to 12 years) the following characteristics have been assessed: (i) expected expansion of the usage of the assets, (ii) the typical product life cycle of these assets, (iii) the stability of the industry in which the assets are operating, and (iv) the level of maintenance expenditure required. The estimated useful life and amortisation period is reviewed at the end of each annual reporting period.

B1. Goodwill and intangibles continued

(e) Goodwill and intangibles accounting policies



Accounting policies

At each balance sheet date, EBOS reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, EBOS estimates the recoverable amount of the CGU to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, other than for Goodwill, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (CGU) in prior years. A reversal of an impairment loss is recognised as income immediately. Impairment losses cannot be reversed for goodwill.

B2. Acquisition information

The following material acquisitions of subsidiaries took place during the year:

Name of business acquired	Principal activities	Date of acquisition	Cost of acquisition A\$'000
2022:			
100% of the business assets and liabilities of Pioneer Medical Limited (Pioneer)	Healthcare	August 2021	38,512
100% of the business assets and liabilities of Sentry Medical Pty Limited (Sentry)	Healthcare	August 2021	80,521
100% of the business assets and liabilities of MD Solutions Australasia Pty Limited and MD Solutions NZ Limited (MD Solutions Group)	Healthcare	September 2021	32,258
100% of the assets of Aaxis Pacific (Aaxis)	Healthcare	May 2022	34,692
100% of the business assets and liabilities of Pacific Health Supplies TopCo1 Pty Limited and Pacific Health Supplies TopCo2 LLC (LifeHealthcare Group)	Healthcare	May 2022	1,194,266

B2. Acquisition information continued

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

	LifeHealthcare	Other acquisitions			Total
	Fair value on acquisition (i) A\$'000	Carrying value A\$'000	Fair value adjustment A\$'000	Fair value on acquisition A\$'000	Fair value on acquisition A\$'000
Current assets					
Cash and cash equivalents	19,042	19,704	-	19,704	38,746
Trade and other receivables	68,062 ¹	15,939	(1,468) ¹	14,471	82,533
Prepayments	6,086	556	(90) ²	466	6,552
Inventories	131,038	24,137	(3,010) ³	21,127	152,165
Other financial assets – derivatives	968	-	-	-	968
Non-current assets					
Property, plant and equipment	33,776	3,554	(1,051) ⁴	2,503	36,279
Finite life intangibles	91,466	-	-	-	91,466
Deferred tax assets	2,461 ⁵	-	3,144 ⁵	3,144	5,605
Right of use assets	16,072	-	6,677 ⁶	6,677	22,749
Other financial assets	506	-	-	-	506
Current liabilities					
Trade and other payables	(58,288)	(6,620)	(514) ⁷	(7,134)	(65,422)
Bank loans	(5,768)	-	-	-	(5,768)
Lease liabilities	(2,721)	-	(3,327) ⁸	(3,327)	(6,048)
Current tax payables	(1,482)	(9,000)	(628) ⁹	(9,628)	(11,110)
Employee benefits	(11,445)	(882)	(83) ¹⁰	(965)	(12,410)
Non-current liabilities					
Trade and other payables	(676)	(132)	-	(132)	(808)
Bank loans	(26,417)	-	-	-	(26,417)
Lease liabilities	(13,351)	-	(3,350) ⁸	(3,350)	(16,701)
Deferred tax liabilities	(16,285)	-	(1,226) ¹¹	(1,226)	(17,511)
Employee benefits	(401)	(313)	(445) ¹⁰	(758)	(1,159)
Net assets acquired	232,643	46,943	(5,371)	41,572	274,215

B2. Acquisition information continued

	LifeHealthcare	Other acquisitions			Total
	Fair value on acquisition (i) A\$'000	Carrying value A\$'000	Fair value adjustment A\$'000	Fair value on acquisition A\$'000	Fair value on acquisition A\$'000
Goodwill on acquisition	991,255			158,004	1,149,259
Non-controlling interest arising on acquisition	(29,632)			-	(29,632)
Total consideration	1,194,266			199,576	1,393,842
Less cash and cash equivalents acquired	(19,042)			(19,704)	(38,746)
Less Script consideration	(22,638)			-	(22,638)
Less Deferred purchase consideration	-			(41,222)	(41,222)
Net cash outflow from acquisition	1,152,586			138,650	1,291,236

(i) Due to the proximity of the acquisition date to balance date and the material nature of the entity being acquired no fair value adjustments have yet been made to the initial carrying value except for a provisional provision for doubtful debts of \$13.1m and associated deferred tax assets of \$2.5m. Consequentially, accounting for the business combination is considered provisional at balance date, as allowable under IFRS 3. The Group also entered into arrangements providing a pathway to 100% ownership of Transmedic (a subsidiary of LifeHealthcare Group), resulting in a financial liability – derivative of \$137.0m being recognised on the balance sheet (refer to Note G2) and a corresponding adjustment to non-controlling interests (refer to Note F3). Subsequent changes to the carrying value of the financial liability – derivative will be recognised in equity. The acquisition accounting for Aaxis is also considered provisional as at 30 June 2022.

Judgements made:

- 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.

Recognition and measurement

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method.

The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by EBOS in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the cost of acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant NZ IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Goodwill arising on acquisition

Goodwill arose on the acquisitions of the business operations of Pioneer, Sentry, MD Solutions Group, LifeHealthcare Group and Axis because the cost of acquisition included a control premium 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. The accounting for the LifeHealthcare Group business combination including goodwill arose is considered provisional at balance date and will be finalised within 12 months of the acquisition date.

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 healthcare business assets.

Sentry and Axis are Australian based distributors of surgical and medical consumables. Both businesses were acquired as they are profitable Australian healthcare businesses which the Group believes fits strategically with its Australian healthcare business assets.

LifeHealthcare Group is an independent distributor of third party medical devices, consumables, capital equipment and inhouse manufactured allograft material in Australia, New Zealand and Southeast Asia. LifeHealthcare Group was acquired as it is a profitable ANZ and Southeast Asia healthcare business which the Group believes fits strategically with its healthcare business assets and establishes a measured strategic entry into Southeast Asia for EBOS.

Deferred consideration of \$41.2m was recognised as future financial performance earn out targets of the businesses acquired, on which the consideration is payable, has been, or are expected to be achieved.

Had the acquisitions made during the year been effective at 1 July 2021, the revenue of the Group would have been \$11.096b and the net profit for the period would have been \$233.0m.

The impact to net profit for the period includes amortisation on previous acquisitions made by the acquired entities, but does not include amortisation that may arise once the provisional acquisition accounting for the LifeHealthcare acquisition is completed.

B2. Acquisition information continued

Impact on the Consolidated Cash Flow Statement of all acquisitions during the year:

	2022 A\$'000	2021 A\$'000
Subsidiaries acquired		
Consideration		
Cash and cash equivalents	1,329,982	30,398
Script consideration	22,638	-
Deferred purchase consideration	41,222	8,500
Total consideration	1,393,842	38,898
Represented by		
Net assets acquired	274,215	8,463
Non-controlling interest	(29,632)	-
Goodwill on acquisition	1,149,259	30,435
Total consideration	1,393,842	38,898
Net cash outflow on acquisitions		
Cash and cash equivalents consideration	1,329,982	30,398
Deferred purchase consideration paid in relation to prior year acquisition	7,884	836
Less cash and cash equivalents acquired	(38,746)	(11)
Net cash consideration paid	1,299,120	31,223

Section C: Operating assets and liabilities used by EBOS



Section Overview

This section provides further analysis on the significant operating assets and liabilities of EBOS. These balances comprise the material net working capital balances used by EBOS to run its day to day operating activities.

C1. Trade and other receivables

	2022 A\$'000	2021 A\$'000
Trade receivables (i)	1,310,185	1,112,747
Other receivables	96,636	57,625
Provision for expected credit losses (ii)	(32,090)	(13,873)
	1,374,731	1,156,499



Recognition and measurement

Trade receivables are measured on initial recognition at fair value and are subsequently carried at amortised cost. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The Directors believe that the carrying amount of trade and other receivables approximates their fair value

- (i) Trade receivables are non-interest bearing. Interest may be charged on outstanding overdue balances in accordance with the terms and conditions under which goods are supplied. Trade debtors generally have terms of 30 days.

(ii) Provision for expected credit losses

	Not due A\$'000	30–60 days A\$'000	60–90 days A\$'000	90+ days A\$'000	Total 2022 A\$'000
Trade receivables – total	1,213,997	59,434	11,688	25,066	1,310,185
Provision for expected credit losses – total	(537)	(7,073)	(1,755)	(22,725)	(32,090)
	Not due A\$'000	30–60 days A\$'000	60–90 days A\$'000	90+ days A\$'000	Total 2021 A\$'000
Trade receivables – total	1,084,519	21,842	2,992	3,394	1,112,747
Provision for expected credit losses – total	(1,017)	(8,306)	(1,686)	(2,864)	(13,873)

The increase in provision for expected credit losses is attributable to the provisional take on balances of the LifeHealthcare Group acquisition (refer to Note B2).

C1. Trade and other receivables continued**Recognition and measurement**

The Group recognises a loss allowance for expected credit losses ("ECL") on trade receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

An ECL rate is determined based on the historic credit loss rates for the Group, adjusted for other current observable data that may materially impact the Group's future credit risk. This other observable data includes specific factors in relation to each debtor or general economic conditions of the industry in which the debtors operate.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable basis that a more lagging default criterion is more appropriate.

C2. Inventories

	2022 A\$'000	2021 A\$'000
Raw materials – at cost	22,267	6,503
Finished goods – at cost	1,097,786	778,258
	1,120,053	784,761

**Recognition and measurement**

Inventories consist of raw materials (for the manufacturing operations of EBOS) and finished goods. Inventories are recognised at the lower of cost, determined on a weighted average basis, and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

C3. Trade and other payables

	2022 A\$'000	2021 A\$'000
Current		
Trade payables	1,767,572	1,469,202
Other payables	218,324	142,710
Deferred purchase consideration	35,315	11,992
	2,021,211	1,623,904
Non-current		
Other payables	11,036	3,617
Deferred purchase consideration	10,247	-
	21,283	3,617

**Recognition and measurement**

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

Trade and other payables, are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

Trade payables are unsecured and are generally settled within the month following the invoice date.

Section D: Capital assets used by EBOS to operate our business



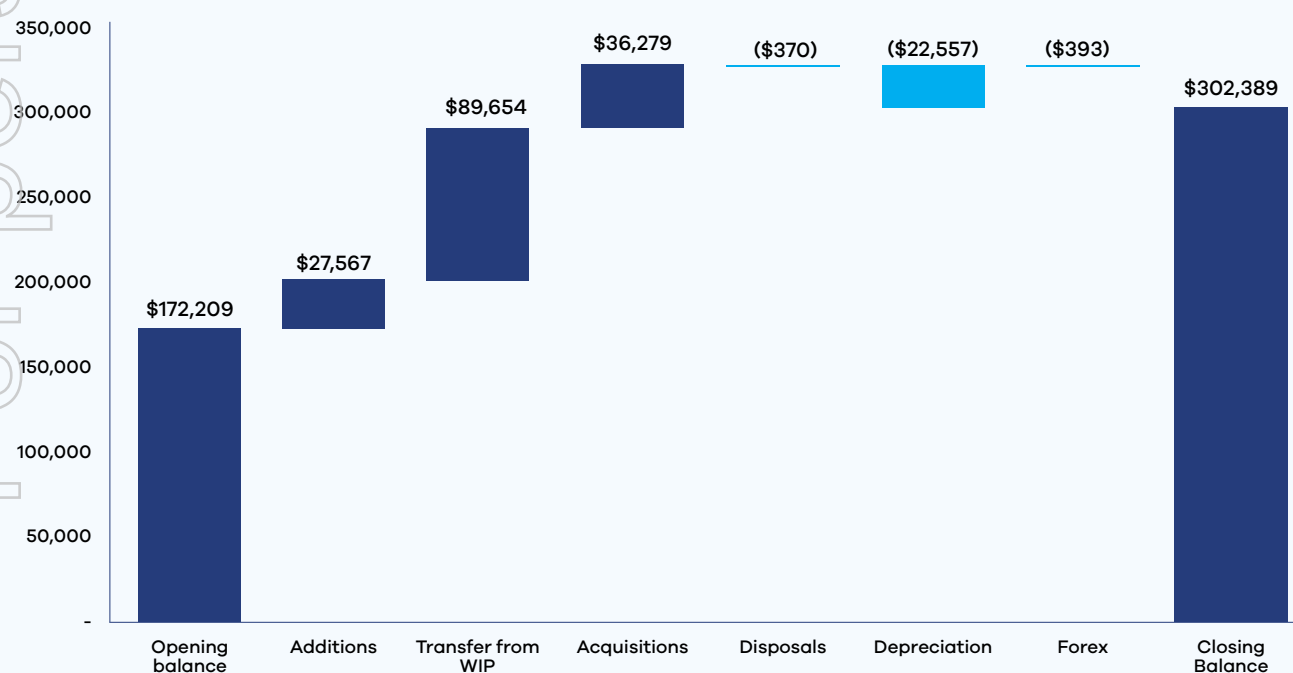
Section Overview

This section explains what capital assets, such as property, plant and equipment, that EBOS uses to operate its business activities. This section also describes the material movements in capital assets during the year.

D1. Property, plant and equipment

	Freehold land A\$'000	Buildings A\$'000	Leasehold improvements A\$'000	Plant and equipment A\$'000	Office equipment, furniture and fittings A\$'000	Total A\$'000
Cost	28,643	43,115	38,857	116,448	34,816	261,879
Accumulated depreciation	-	(9,217)	(15,167)	(45,389)	(19,897)	(89,670)
Balance at 30 June 2021	28,643	33,898	23,690	71,059	14,919	172,209
Cost	28,590	76,015	47,311	219,730	38,090	409,736
Accumulated depreciation	-	(10,567)	(18,432)	(54,620)	(23,728)	(107,347)
Balance at 30 June 2022	28,590	65,448	28,879	165,110	14,362	302,389

Reconciliation of the net carrying amount from the beginning to the end of the year (A\$'000)



D1. Property, plant and equipment continued**Recognition and measurement**

Property, plant and equipment is initially recorded at cost. Cost includes the original purchase consideration and those costs directly attributable to bringing the item of property, plant and equipment to the location and condition for its intended use. After recognition as an asset, property, plant and equipment is carried at cost less accumulated depreciation and impairment losses.

Depreciation of property, plant and equipment assets, other than freehold land, is calculated on a straight-line basis. This allocates the cost or fair value amount of an asset, less any residual value, over its estimated useful life.

**Judgements and estimates – useful lives**

EBOS estimates the remaining useful life of assets as follows:

- Buildings: 20 to 50 years
- Leasehold improvements: two to 15 years
- Plant and equipment: two to 20 years
- Office equipment, furniture and fittings: two to 10 years

The residual value and useful lives are reviewed and if appropriate adjusted at each reporting date.

D2. Capital work in progress

	2022 A\$'000	2021 A\$'000
Capital work in progress	24,992	70,362
	24,992	70,362

Section E: How we fund the business



Section Overview

This section explains how EBOS funds its operations and shows the sources of other available facilities that it may call upon if required to fund its operational or future investing activities.

Capital management

EBOS manages its capital, meaning total shareholders' funds, to provide appropriate returns to shareholders whilst maintaining a capital structure that safeguards its ability to remain a going concern and optimises the cost of capital.

E1. Share capital

	2022 No. 000's	2022 Total A\$'000	2021 No. 000's	2021 Total A\$'000
Fully paid ordinary shares				
Balance at beginning of financial year	164,164	993,616	162,864	961,486
Dividend reinvested	-	-	1,233	27,553
Share placement – December 2021	19,526	638,155	-	-
Retail offer – January 2022	4,955	159,981	-	-
Script consideration	691	22,638	-	-
Share placement and retail offer issue costs	-	(10,769)	-	-
Tax on deductible issue costs	-	3,097	-	-
Issue of shares to staff under employee share plan	47	1,617	67	1,665
Employee share issue costs	-	(116)	-	(144)
Shares vested under the long term executive incentive scheme	-	2,343	-	3,056
	189,383	1,810,562	164,164	993,616

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of shares held. Every ordinary shareholder present at a meeting of the Company in person or by proxy, is entitled to one vote, and upon a poll each ordinary share is entitled to one vote.

	2022 No. 000's	2021 No. 000's
Treasury stock		
Opening stock	-	585
Share scheme – shares fully vested	-	(585)
	-	-



Recognition and measurement

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

E2. Dividends**Recognition and measurement**

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

	2022		2021	
	A\$ Cents per share	Total A\$'000	A\$ Cents per share	Total A\$'000
Recognised amounts				
Fully paid ordinary shares:				
Final – prior year	44.1	72,228	36.5	59,225
Interim – current year	43.7	82,164	39.5	64,631
Dividends per share	87.8	154,392	76.0	123,856
Unrecognised amounts				
Final dividend	44.3	83,806	42.8	70,305

**Subsequent event**

A dividend of NZ 49.0 cents per share was declared on 23 August 2022 with the dividend being payable on 30 September 2022. The anticipated cash impact of the dividend is approximately \$67.0m.

The following table shows dividends approved in New Zealand dollars:

	2022 NZ\$ Cents per share	2021 NZ\$ Cents per share
Recognised amounts		
Fully paid ordinary shares:		
Final – prior year	46.0	40.0
Interim – current year	47.0	42.5
Dividends per share	93.0	82.5
Unrecognised amounts		
Final dividend	49.0	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.

E3. Borrowings

	2022 A\$'000	2021 A\$'000
Current		
Bank loans – securitisation facility (i)	221,517	116,640
Bank loans (ii)	110,000	-
	331,517	116,640
Non-current		
Bank loans (ii)	1,046,259	323,565
	1,046,259	323,565

(i) EBOS, through a subsidiary company, has a trade debtor securitisation facility of \$400.0m (2021: \$400.0m) of which \$178.5m was unutilised at 30 June 2022 (2021: \$283.4m). The securitisation facility involves providing security over the future cash flows of specific trade receivables, which meet certain criteria, in return for cash finance on a contracted percentage of the security provided. As recourse, in the event of default by a trade debtor, remains with EBOS, the trade receivables provided as security and the funding provided are recognised on the EBOS Consolidated Balance Sheet.

In April 2022, the Group entered into an agreement to extend the maturity date of this securitisation facility to April 2025.

At 30 June 2022, the value of trade receivables provided as security under this securitisation facility was \$271.6m (2021: \$158.5m). The net cash flows associated with the securitisation programme are disclosed in the Consolidated Cash Flow Statement as cash flows from financing activities.

(ii) EBOS has gross bank term loan facilities of \$1,380.3m (2021: \$789.5m), of which \$224.0m was unutilised at 30 June 2022 (2021: \$465.9m).

In May 2022, in conjunction with the acquisition of LifeHealthcare Group, the Group entered into additional bank debt funding facilities of \$540.0m in total, split evenly between a 3 and 4 year maturity tenor.

EBOS is in full compliance with its debt facility financial covenants. All bank loans, excluding the securitisation facility, are secured by a charge over the assets of EBOS.

Recognition and measurement

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received plus issue costs associated with the borrowing. After initial recognition, these loans and borrowings are subsequently measured at amortised cost using the effective interest method, which allocates the cost through the expected life of the loan or borrowing. The fair value of non-current borrowings is approximately equal to their carrying amount.

Bank loans are classified as current liabilities unless EBOS has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

E4. Borrowings facilities maturity profile

As at 30 June 2022, EBOS had unrestricted access to the following lines of available credit:

Facility	A\$millions	Maturity
Term debt facilities (\$AUD)	250.0	< 1 year
Term debt facilities (\$SGD)	52.2	1-2 years
Term debt facilities (\$NZD)	45.2	1-2 years
Term debt facilities (\$AUD)	125.0	1-2 years
Term debt facilities (\$AUD)	563.0	2-3 years
Term debt facilities (\$AUD)	345.0	3-4 years
Securitisation facility (\$AUD)	400.0	2-3 years

The following table shows the remaining contractual maturity for EBOS' borrowings at balance date. The table includes both interest and principal (undiscounted) cash flows, with total bank loans of \$1,377.8m (2021: \$440.2m):

	Less than 1 year A\$'000	1-2 years A\$'000	2-3 years A\$'000	3-4 years A\$'000	4-5 years A\$'000	5+ years A\$'000	Total A\$'000
Bank loans							
2022	151,297	188,324	802,383	354,736	-	-	1,496,740
2021	7,178	7,178	170,859	228,738	50,251	-	464,204

Financing activities

	2022 A\$'000	2021 A\$'000
Bank overdraft facility, reviewed annually and payable at call:		
Amount unused	7,329	1,364
	7,329	1,364
Bank loan facilities with various maturity dates through to June 2026 (2021: June 2026)		
Amount used	1,377,776	440,205
Amount unused	402,496	749,295
	1,780,272	1,189,500

E5. Operating cash flows**Reconciliation of profit for the year with cash from operating activities:**

For the financial year ended 30 June 2022	2022 A\$'000	2021 A\$'000
Profit for the year	202,038	184,049
Add/(less) non-cash items:		
Depreciation of property, plant and equipment	22,557	20,813
Depreciation on right of use assets	44,977	39,731
Loss/(gain) on sale of property, plant and equipment	434	(103)
Amortisation of finite life intangible assets	14,338	12,101
Share of profit from associates	(9,749)	(7,071)
Expense recognised in respect of share-based payments	6,266	3,749
Deferred tax	(16,426)	(13,532)
	62,397	55,688
Movement in working capital:		
Trade and other receivables	(218,232)	(133,912)
Prepayments	(19,925)	(1,330)
Inventories	(335,292)	(47,062)
Current tax refundable/payable	4,946	19,994
Trade and other payables	414,973	209,619
Employee benefits	18,358	16,479
Foreign currency translation of working capital balances	15	87
	(135,157)	63,875
Balances classified as investing activities	(30,883)	(12,914)
Working capital items acquired	150,341	7,616
Net cash inflow from operating activities	248,736	298,314

E5. Operating cash flows continued**Reconciliation of debt:**

	1 July 2021 A\$'000	Net borrowings A\$'000	Borrowings acquired A\$'000	Foreign currency movement A\$'000	30 June 2022 A\$'000
Bank loans	440,205	905,461	32,185	(75)	1,377,776

	1 July 2020 A\$'000	Net repayments A\$'000	Borrowings acquired A\$'000	Foreign currency movement A\$'000	30 June 2021 A\$'000
Bank loans	571,838	(131,859)	-	226	440,205

Accounting policies

Cash and cash equivalents comprise cash on hand and deposits readily convertible to cash and which are not subject to a significant risk of change in value.

The Consolidated Cash Flow Statement is prepared exclusive of Goods and Services Tax (GST), which is consistent with the method used in the Consolidated Income Statement.

- Operating activities include all transactions and other events that are not investing or financing activities.
- Investing activities are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.

Financing activities are those activities relating to changes in the equity and debt capital structure of the Group and those activities relating to the cost of servicing EBOS' equity capital.

Section F: EBOS Group structure



Section Overview

This section provides information to assist in understanding the EBOS Group legal structure and how it affects the financial position and performance of the Group. Details of businesses acquired are presented in **Section B**.

F1. Subsidiaries

The following entities comprise the significant trading and holding companies of the Group:

Parent and head entity: EBOS Group Limited

Subsidiaries (all balance dates 30 June unless otherwise noted)	Country of Incorporation	Ownership Interests and Voting Rights	
		2022	2021
Pet Care Holdings Australia Pty Ltd	Australia	100%	100%
EBOS Group Australia Pty Ltd	Australia	100%	100%
EBOS Health & Science Pty Ltd	Australia	100%	100%
PRNZ Ltd	New Zealand	100%	100%
Pharmacy Retailing NZ Ltd	New Zealand	100%	100%
Pet Care Distributors Pty Ltd	Australia	100%	100%
Masterpet Corporation Ltd	New Zealand	100%	100%
Masterpet Australia Pty Ltd	Australia	100%	100%
Botany Bay Imports and Exports Pty Ltd	Australia	100%	100%
QPharma Pty Ltd (formerly Aristopet Pty Ltd)	Australia	100%	100%
EAHPL Pty Limited	Australia	100%	100%
ZHHA Pty Ltd	Australia	100%	100%
ZAP Services Pty Ltd	Australia	100%	100%
Symbion Pty Ltd	Australia	100%	100%
Intellipharma Pty Ltd	Australia	100%	100%
Lyppard Australia Pty Ltd	Australia	100%	100%
DoseAid Pty Ltd	Australia	100%	100%
Symbion Trade Receivables Trust ¹	Australia	100%	100%
Endeavour Consumer Health Limited	New Zealand	100%	100%
Nexus Australasia Pty Ltd	Australia	100%	100%
EBOS PH Pty Ltd	Australia	100%	100%
TerryWhite Group Pty Ltd	Australia	100%	100%
Chemmart Holdings Pty Ltd	Australia	100%	100%
TW&CM Pty Ltd	Australia	100%	100%
TWC IP Pty Ltd	Australia	100%	100%
PBA Wholesale Pty Ltd	Australia	100%	100%

Subsidiaries (all balance dates 30 June unless otherwise noted)	Country of Incorporation	Ownership Interests and Voting Rights	
		2022	2021
VIM Health Pty Ltd	Australia	100%	100%
PBA Finance No. 1 Pty Ltd	Australia	100%	100%
PBA Finance No. 2 Pty Ltd	Australia	100%	100%
Chem Plus Pty Ltd	Australia	100%	100%
Pharmacy Brands Australia Pty Ltd	Australia	100%	100%
VIM Health IP Pty Ltd	Australia	100%	100%
Tony Ferguson Weight Management Pty Ltd	Australia	100%	100%
Lite Living Pty Ltd	Australia	100%	100%
Alchemy Holdings Pty Ltd	Australia	100%	100%
Alchemy Sub-Holdings Pty Ltd	Australia	100%	100%
HPS Holdings Group (Aust) Pty Ltd	Australia	100%	100%
HPS Hospitals Pty Ltd	Australia	100%	100%
HPS Corrections Pty Ltd	Australia	100%	100%
HPS Services Pty Ltd	Australia	100%	100%
Hospharm Pty Ltd	Australia	100%	100%
HPS IVF Pty Ltd	Australia	100%	100%
HPS Finance Pty Ltd	Australia	100%	100%
HPS Brands Pty Ltd	Australia	100%	100%
Endeavour CH Pty Ltd	Australia	100%	100%
Ventura Health Pty Ltd	Australia	100%	100%
You Save Management Pty Ltd	Australia	100%	100%
Mega Save Management Pty Ltd	Australia	100%	100%
Cincotta Holding Company Pty Ltd	Australia	100%	100%
CC Pharmacy Investments Pty Ltd	Australia	100%	100%
CC Pharmacy Promotions Pty Ltd	Australia	100%	100%
CC Pharmacy Management Pty Ltd	Australia	100%	100%
Shanghai EBOS Trading Co Ltd (formerly Shanghai EBOS Business Management Co Ltd)	Australia	100%	100%
ACN 618 208 969 Pty Ltd	Australia	100%	100%
Warner and Webster Pty Ltd	Australia	100%	100%
W & W Management Services PL	Australia	100%	100%
EBOS Medical Devices NZ Limited	Australia	100%	100%
EBOS Medical Devices Australia Pty Ltd	Australia	100%	100%
LMT Surgical Pty Ltd	Australia	100%	100%
National Surgical Pty Ltd	Australia	100%	100%
Healthcare Supply Partners Pty Ltd	Australia	100%	100%
EBOS Aesthetics Pty Limited	Australia	100%	100%

F1. Subsidiaries continued

Subsidiaries (all balance dates 30 June unless otherwise noted)	Country of Incorporation	Ownership Interests and Voting Rights	
		2022	2021
Pioneer Medical Ltd	New Zealand	100%	-
Sentry Medical Pty Ltd	Australia	100%	-
MD Solutions Australasia Pty Ltd	Australia	100%	-
MD Scopes Pty Ltd	Australia	100%	-
Fibertech Medical Australia Pty Ltd	Australia	100%	-
Klinik Solutions Australasia Pty Ltd	Australia	100%	-
Surgical and Medical Supplies Pty Ltd	Australia	100%	-
MD Solutions NZ Ltd	New Zealand	100%	-
Pacific Health Supplies TopCo1 Pty Ltd	Australia	100%	-
Pacific Health Supplies TopCo2 Pty Ltd	USA	100%	-
Pacific Health Supplies TopCo Pty Ltd	Australia	100%	-
Pacific Health Supplies Mezzco Pty Ltd	Australia	100%	-
Pacific Health Supplies Holdco Pty Ltd	Australia	100%	-
Pacific Health Supplies Bidco Pty Ltd	Australia	100%	-
LifeHealthcare Group Pty Ltd	Australia	100%	-
LifeHealthcare Finance Pty Ltd	Australia	100%	-
LifeHealthcare Pty Ltd	Australia	100%	-
LifeHealthcare Distribution Pty Ltd	Australia	100%	-
LifeHealthcare Services Pty Ltd	Australia	100%	-
LifeHealthcare Ltd	New Zealand	100%	-
LifeHealthcare Distribution (NZ) Ltd	New Zealand	100%	-
Culpan Distributors Ltd	New Zealand	100%	-
Culpan Medical Pty Ltd	Australia	100%	-
Spiran Pty Ltd	Australia	100%	-
Australian BioTechnologies Pty Ltd	Australia	100%	-
ABT Medical Pty Ltd	Australia	100%	-
Tissuelife Pty Ltd	Australia	100%	-
Tissue Technologies Pty Ltd	Australia	50.01%	-
Transmedic Pte Ltd	Singapore	51%	-
PT. Transmedic Indonesia	Indonesia	51%	-
Transmedic Healthcare Sdn Bhd	Malaysia	51%	-
Transmedic Company Ltd	Vietnam	51%	-
Transmedic Healthcare Co Ltd	Vietnam	51%	-
Transmedic Philippines, Inc	Philippines	51%	-

Subsidiaries (all balance dates 30 June unless otherwise noted)	Country of Incorporation	Ownership Interests and Voting Rights	
		2022	2021
Transmedic Holdings Philippines Inc	Philippines	51%	-
T-Medic Co Ltd	Thailand	51%	-
Transmedic (Thailand) Co Ltd	Thailand	51%	-
Transmedic China Ltd	Hong Kong	51%	-
Swissmed Pte Ltd	Singapore	51%	-
Ophthaswissmed Philippines Inc	Philippines	50.49%	-
Swissmed Sdn Bhd	Malaysia	51%	-

(1) The balance date of all subsidiaries is 30 June aside from the Symbion Trade Receivables Trust which has a balance date of 31 December. The results of the Symbion Trade Receivables Trust ("the Trust") have been included in the Group results for the year to 30 June 2022. The Trust is consolidated as EBOS has the exposure, or rights, to variable returns from its involvement with the Trust and the Group considers that it has existing rights that give it the current ability to direct the relevant activities of the Trust.

F2. Investment in associates

Name of associate company	Principal activities	Date of acquisition	Proportion of shares and voting rights acquired	Cost of acquisition A\$'000
Animates NZ Holdings Limited	Animal Care	December 2011	50%	17,353
Good Price Pharmacy Franchising Pty Limited	Healthcare	October 2014	44.18%	7,286
Good Price Pharmacy Management Pty Limited	Healthcare	October 2014	44.18%	7,286

The reporting date for Animates NZ Holdings Limited is 30 June. Animates NZ Holdings Limited is incorporated in New Zealand.

Although the company holds 50% of the shares and voting power in Animates NZ Holdings Limited, this entity is not deemed to be a subsidiary as the other 50% is held by a single shareholder, therefore EBOS is unable to exercise control over this entity.

The reporting date for Good Price Pharmacy Franchising Pty Limited and Good Price Pharmacy Management Pty Limited is 30 June. They are incorporated in Australia.

The summarised financial information in respect of the Group's associates is set out below:

F2. Investment in associates continued

The summary financial information in respect of the Group's associates is set out below:

	2022 A\$'000	2021 A\$'000
Statement of Financial Position		
Total assets	120,439	108,875
Total liabilities	(80,429)	(66,020)
Net assets	40,010	42,855
Group's share of net assets	19,706	21,250
Income Statement		
Total revenue	184,035	157,325
Total profit for the year	20,050	14,478
Group's share of profits of associates	9,749	7,071
Movement in the carrying amount of the Group's investment in associates:		
Balance at the beginning of the financial year	47,896	46,679
Share of profits of associates	9,749	7,071
Share of dividends	(10,607)	(5,761)
Net foreign currency exchange differences	(1,126)	(93)
Balance at the end of the financial year	45,912	47,896
Goodwill included in the carrying amount of the Group's investment in associates	23,277	23,724
The Group's share of the contingent liabilities of associates	-	-
The Group's share of capital commitments of associates	-	-

Recognition and measurement

An associate is an entity over which EBOS has significant influence and that is neither a subsidiary nor an interest in a joint venture or joint operation. EBOS has significant influence when it has the power to participate in the financial and operating policy decisions of the investee, but is not in control or joint control over those policies.

Investments in associates are incorporated in the Group's financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the Consolidated Balance Sheet at cost and adjusted for post-acquisition changes in EBOS' share of the net assets of the associate, less any impairment in the value of individual investments and less any dividends. Losses of an associate in excess of EBOS' interest in that associate are recognised only to the extent that EBOS has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over EBOS' share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment.

F3. Non-controlling interests

The following non-wholly owned subsidiaries of the Group have material non-controlling interests. The other non-controlling interests are not considered material and are therefore not disclosed in the financial statements.

Name of subsidiary	Principal place of business	Proportion of ownership interests held by non-controlling interests	Profit allocated to non-controlling interests for the year 2022 A\$'000	Non-controlling interests ¹
Transmedic Pte Limited (Transmedic)	Southeast Asia	49%	613	(106,755)

(1) The Group entered into arrangement providing a pathway to 100% ownership of Transmedic, resulting in a financial liability – derivative of \$137.0m has been recognised on the balance sheet (refer to Note G2). The non-controlling interests consist both the share of net assets and the recognition of the financial liability – derivative.

The summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests as at 30 June 2022, reflecting 100% of the underlying subsidiary's relevant figures, is set out below:

	2022 A\$'000
Statement of Financial Position	
Total assets	121,284
Total liabilities	(59,560)
Net assets	61,724
Equity attributable to owners of the company	31,479
Non-controlling interests	30,245
Non-controlling interests in %	49%
Income Statement	
Total revenue	9,807
Total profit for the year	1,254
Profit attributable to owners of the Company	641
Profit attributable to non-controlling interests	613
Cash Flow Statement	
Net cash inflow from operating activities	1,938
Net cash (outflow) from investing activities	(2,416)
Net cash (outflow) from financing activities	(232)
Total net cash (outflow)	(710)



Recognition and measurement

Non-controlling interests in subsidiaries are identified separately from the Group's equity. The non-controlling interests on the date of acquisition are initially measured at the non-controlling interests' proportionate share of the fair value of the identifiable net assets assumed. Subsequent to the acquisition, the carrying amount of non-controlling interests is the valuation on initial recognition plus the non-controlling interests' share of subsequent changes in equity. Transactions with non-controlling interests are recorded directly in equity.

Section G: How we manage risk



Section Overview

This section describes the financial risks that EBOS has identified and how it manages these risks, to protect its financial position and financial performance. Management of these risks includes the use of financial instruments to hedge against unfavourable interest rate and foreign currency movements.

G1. Financial risk management

The EBOS corporate treasury function provides services to the Group's entities, co-ordinates access to financial markets, and manages the financial risks relating to the operation of the Group.

EBOS does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by Group policies approved by the Board of Directors, which provide written principles on the use of financial derivatives. Compliance with policies and exposure limits is reviewed by the Board of Directors on a regular basis.



Foreign currency risk

EBOS is exposed to foreign currency risk arising primarily from the procurement of goods denominated in foreign currencies (US dollar, Australian dollars, Thai baht, Euro and British pound).

It is the policy of the Group to enter into foreign exchange forward contracts to manage the foreign currency risk associated with anticipated sales and purchase transactions typically out to 12 months of the exposure generated. It is the policy of the Group to enter into foreign exchange forward contracts for up to 100% of forecasted foreign currency transactions for the next six months and up to 80% of six to 12 months of forecasted foreign currency transactions.

All forward foreign currency contracts entered into fixed the exchange rate of highly probable forecast transactions, denominated in foreign currencies, and are designated as cash flow hedges to reduce the Group's cash flow exposure resulting from variable movements in exchange rates.

The Group performs a qualitative assessment of effectiveness of hedges using the critical terms of the underlying transaction and hedging instrument. It is expected that the value of the forward contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates.

EBOS enters into forward foreign exchange contracts only in accordance with the Board approved treasury policy.

No sources of ineffectiveness emerged from these hedging relationships.



Interest rate risk

EBOS is exposed to interest rate risk as it borrows funds in both New Zealand dollars and Australian dollars at floating interest rates.

The risk is assessed and managed by the use of interest rate swap and interest rate collar contracts. In interest rate swap contracts, EBOS agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. In interest rate collar contracts, EBOS pays upfront premiums to cap the interest at strike rates on agreed notional principal amounts. Such contracts enable EBOS to mitigate the risk of changing interest rates on debt held.

It is the policy of the Group to enter into interest rate swap and interest rate collar contracts to manage base interest rate risk associated with floating rate Group borrowings of up to 100% of the exposure generated for 1-3 years, up to 80% for 3-5 years and up to 50% for 5-10 years.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts and interest rate collar contracts capping the floating rates at strike rates are designated as cash flow hedges to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings.

The interest rate swaps and the interest payments on the loan occur simultaneously, and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

G1. Financial risk management continued

In 2022, the Group entered a number of interest rate collar contracts. Under the interest rate collar contracts, for each period where floating rates are above strike rates, the interest payments are limited to the strike rates. Changes in fair value of the collar due to intrinsic value changes are deferred in the cash flow hedge reserve. Changes in fair value of the collar due to changes in time value are deferred in a separate component of equity. The premium paid for the collars are recorded as an expense over the life of the instruments on a straight-line basis.

The Group performs a qualitative assessment of the effectiveness of hedges using the critical terms of the underlying transaction and hedging instrument. It is expected that the value of the interest rate swaps or interest rate collars, and the value of the corresponding hedged items (floating rate borrowings) will systematically change in opposite direction in response to movements in the underlying interest rates.

Interest rate swap and interest rate collar contracts are only entered into in accordance with the Group's Board approved treasury policy.

No sources of ineffectiveness emerged from these hedging relationships.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A one per cent increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates for the year ended 30 June 2022 had been one per cent higher/lower with all other variables held constant, the Group's:

- Profit before tax would decrease/increase by \$1.1m. This is attributable to the Group's unhedged exposure to interest rates on its variable rate borrowings.
- Other comprehensive income would decrease/increase by \$0.9m as a result of the changes in the fair value of interest rate swaps.



Liquidity risk

EBOS is exposed to liquidity risk as it must invest in significant levels of working capital such as inventory and accounts receivable which can impact liquidity unless they are converted to cash.

EBOS manages liquidity risk by maintaining adequate reserves, banking facilities and reserve banking facilities by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities. Refer to note E4 for information on EBOS' borrowings facility maturity profile.



Credit risk

EBOS is exposed to the risk of default in relation to receivables owing from its healthcare and animal care customers, hedging instruments and guarantees and deposits held with banks and other financial institutions.

EBOS has adopted a policy of only dealing with credit worthy counter parties as a means of mitigating the risk of financial loss from defaults. All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable international banking institutions.

Trade receivables consist of a large number of customers, spread across diverse sectors and geographical areas. On-going credit evaluation is performed on the financial condition of the trade receivables. Credit assessments are undertaken to determine the credit quality of the customer, taking into account their financial position, past experience and other relevant factors. Individual risk limits are granted in accordance with the internal credit policy and authorised via appropriate personnel as defined by the Group's delegation of authority manual.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the maximum exposure to EBOS of any credit risk.

EBOS does not have any significant credit risk exposure to any single counter party. The credit risk on liquid funds and derivative financial instruments is limited because the counter parties are banks with high credit ratings assigned by international credit rating agencies.

EBOS has not changed its overall strategy regarding the management of risk from 2021.

G2. Financial instruments

Derivatives

	2022 A\$'000	2021 A\$'000
Other financial assets – derivatives (at fair value)		
Forward foreign exchange contracts (i)	4,330	44
Interest rate swaps (i)	392	-
Interest rate collars (i)	15,000	-
	19,722	44
Other financial liabilities – derivatives (at fair value)		
Forward foreign exchange contracts (i)	-	577
Interest rate swaps (i)	-	6,054
Other financial liabilities - consideration for remaining non-controlling interest (ii)	137,000	-
	137,000	6,631

(i) Designated and effective as a cash flow hedging instrument carried at fair value.

(ii) Represents the present value of management's estimate of the financial obligation (put option) if the Group were to acquire the remaining 49% of Transmedic, a subsidiary of LifeHealthcare Group (refer to note B2). As at 30 June 2022, there have been no material changes in fair value of the option over non-controlling interests.

Recognition and measurement

EBOS has categorised these derivatives, both financial assets and financial liabilities, as Level 2 under the fair value hierarchy contained within NZ IFRS 13. There were no transfers between fair value hierarchy levels during the current or prior periods.

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

Interest rate swaps and interest rate collars are valued using a discounted cash flow valuation. Key inputs for the valuation of interest rate swaps and interest rate collars 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 counter parties.

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

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- The fair value of derivative instruments are calculated using quoted prices. Where such prices are not available use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments.

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

As hedge accounting has been applied for all derivatives except the option over non-controlling interests, and no hedge ineffectiveness has occurred during the period, the movement in these instruments has been recognised in other comprehensive income. The premium paid for the interest rate collars are recorded as an expense over the life of the instruments on a straight-line basis. The recognition in profit or loss depends on the nature of the hedge relationship. EBOS designates these derivatives as cash flow hedges of highly probable forecast transactions. Hedging gains or losses are recognised in the profit or loss when the hedged items affect the profit or loss except where they are hedging non-financial items in which case they are recognised as an adjustment to the initial carrying value of the non-financial items (basis adjustment). When a forward contract is used in a cash flow hedge relationship the Group has designated the change in fair value of the entire forward contract, i.e. including the forward element, as the hedging instrument.

G2. Financial instruments continued

Cash flow hedges

At the inception of a hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions.

Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated as a separate component of equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Financial liability – derivative (put option over non-controlling interests)

Where the Group writes a put option with the non-controlling shareholders on their equity interest in a non-wholly owned subsidiary for settlement in cash a financial liability – derivative, at the present value of the exercise price of the option, is recognised. When the non-controlling interests still have present access to the returns associated with the underlying ownership interest, non-controlling interests continue to be recognised and accordingly the liability is considered a transaction with owners and recognised within non-controlling interests. Subsequent to the initial recognition, any changes in the carrying amount of the financial liability – derivative, including the accretion of interest, are recognised directly in equity within non-controlling interests.



Judgement: measurement of financial liability – derivative (put option over non-controlling interests)

Valuation of the financial liability – derivative is based upon management's most recent assessment of the consideration to be payable, in the event that the option is exercised by the minority shareholders.

Consideration payable is subject to future financial performance of the subsidiary and the current market assessment of the time value of money. In the event that the option is not exercised during the option period, and therefore expires, then the financial liability – derivative is derecognised with no impact to Profit or Loss.

Outstanding forward foreign currency contracts: nominal value

	2022 A\$'000	2021 A\$'000
Buy Australian dollars	6,111	6,853
Buy Euro	6,374	3,735
Buy British pounds	4,289	2,454
Buy Thai baht	10,624	10,941
Buy US dollars	46,736	25,886
Buy CH francs	926	-
	75,060	49,869

Outstanding interest rate swap contracts: nominal value

	2022 A\$'000	2021 A\$'000
Less than 1 year	170,000	94,655
1 to 3 years	25,000	195,000
3 to 5 years	-	-
Greater than 5 years	-	-
	195,000	289,655

G2. Financial instruments continued**Outstanding interest rate collar contracts: nominal value**

	2022 A\$'000	2021 A\$'000
Less than 1 year	-	-
1 to 3 years	180,000	-
3 to 5 years	420,000	-
Greater than 5 years	200,000	-
	800,000	-

Section H: Other disclosures



Section Overview

This section includes the remaining information relating to EBOS that is required to be presented so as to comply with its financial reporting requirements.

H1. Contingent liabilities

	2022 A\$'000	2021 A\$'000
Contingent liabilities		
Guarantees given to third parties	2,988	320
	2,988	320

H2. Commitments for expenditure

	2022 A\$'000	2021 A\$'000
Capital expenditure commitments:		
Plant	10,872	22,232
	10,872	22,232

H3. Subsequent events



Subsequent event

Subsequent to year end the Board has approved a final dividend to shareholders. For further details please refer to note E2.

H4. Related party disclosures

Key management personnel compensation

	2022 A\$'000	2021 A\$'000
Employee benefits	23,993	14,106
	23,993	14,106

EBOS operates a long term incentive scheme whereby eligible staff receive performance rights entitling each holder of the performance right to 1 new share per right issued (or payment of cash in lieu, at the Board's discretion). Performance rights do not vest until performance conditions are met over a three year period. In the current year 320,068 performance rights were issued with a 3 year performance period of 1 July 2021 to 30 June 2024 (2021: 313,890 with a 3 year performance period of 1 July 2020 to 30 June 2023).

H5. Remuneration of auditors

All non-audit services provided by EBOS Group's Auditor require pre-approval by the Audit and Risk Committee. Before any non-audit services are approved, the Audit and Risk Committee must be satisfied that the provision of such services will not have any influence on the independence of the auditors.

	2022 A\$'000	2021 A\$'000
Auditor of the Group (Deloitte)		
Audit of the financial statements	1,122	600
Audit related services for review of interim financial statements	244	202
Taxation compliance	4	4
	1,370	806

H6. Leases



The Group as a lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right of use (ROU) asset and a corresponding liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group applies the practical expedient and recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the lease assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate (IBR).

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments, less incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease term is the non-cancellable period of a lease, together with periods covered by an option (available to the lessee only) to extend or terminate the lease if the lessee is reasonably certain to exercise/not to exercise that option. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise/not exercise an option.

The lease liability is presented as a separate line in the Consolidated Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related ROU asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under NZ IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

ROU assets are depreciated over the shorter period of either the lease term or the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Group expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The ROU assets are presented as a separate line in the Consolidated Balance Sheet.

The Group applies NZ IAS 36 Impairment of Assets to determine whether a ROU asset is impaired and accounts for any identified impairment loss under this standard.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "operating lease rental expenses" in the Consolidated Income Statement.

As a practical expedient, NZ IFRS 16 Leases permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has adopted this practical expedient.

H6. Leases continued**Right of use assets**

	Land and buildings A\$'000	Office, plant and equipment A\$'000	Motor vehicles A\$'000	Total A\$'000
Cost				
Balance as at 1 July 2021	277,742	11,917	4,792	294,451
Additions (including business combination)	74,006	2,082	1,123	77,211
Disposals	(8,102)	(2,686)	(1,082)	(11,870)
Forex	(2,175)	(148)	(51)	(2,374)
Balance as at 30 June 2022	341,471	11,165	4,782	357,418

Accumulated depreciation

Balance as at 1 July 2021	(64,977)	(4,837)	(2,270)	(72,084)
Disposals	5,223	1,980	1,083	8,286
Depreciation expense	(40,499)	(2,871)	(1,607)	(44,977)
Forex	875	51	27	953
Balance as at 30 June 2022	(99,378)	(5,677)	(2,767)	(107,822)

Net book value

As at 30 June 2021	212,765	7,080	2,522	222,367
As at 30 June 2022	242,093	5,488	2,015	249,596

	2022 A\$'000	2021 A\$'000
Amounts recognised in profit and loss		
Depreciation on right of use assets	44,977	39,731
Finance costs – leases	8,504	7,705
Expense relating to short term leases and low value assets	7,423	5,080
Lease liabilities		
Current	42,627	36,498
Non-current	227,203	203,621
Maturity analysis (undiscounted future cash flows)		
Year 1	52,145	43,388
Year 2	48,869	38,899
Year 3	45,430	36,871
Year 4	38,233	33,660
Year 5	30,596	26,268
Onwards	103,545	92,736
	318,818	271,822
Cash outflows for leases		
Interest on lease liabilities	(8,504)	(7,705)
Repayments of lease liabilities	(40,941)	(35,261)
Short term leases and low value asset leases	(7,423)	(5,080)
	(56,868)	(48,046)

H7. New accounting standards

The Group has adopted all new accounting standards that have become effective during the current year. The adoption of these new standards has had no impact upon these financial statements.

The Group is not aware of any NZ IFRS Standards or Interpretations that have been recently issued or amended that have not yet been adopted by the Group that would materially impact the Group for the reporting period ended 30 June 2022.

Additional stock exchange information

As at 25 July 2022

Twenty largest shareholders	Fully paid shares	Percentage of paid capital
Sybos Holdings Pte Limited	35,285,353	18.63
Custodial Services Limited	15,755,060	8.32
Citibank Nominees (New Zealand) Limited - NZCSD	10,454,801	5.52
HSBC Nominees (New Zealand) Limited - NZCSD	9,215,016	4.87
JP Morgan Nominees Australia Limited	7,590,783	4.01
JPMorgan Chase Bank Na NZ Branch-Segregated Clients Acct - NZCSD	7,281,283	3.84
Forsyth Barr Custodians Limited	6,484,058	3.42
FNZ Custodians Limited	5,266,356	2.78
HSBC Custody Nominees (Australia) Limited	5,215,323	2.75
BNP Paribas Nominees (NZ) Limited - NZCSD	5,132,553	2.71
HSBC Nominees (New Zealand) Limited A/C State Street - NZCSD	5,095,802	2.69
Accident Compensation Corporation - NZCSD	4,718,820	2.49
National Nominees Limited - NZCSD	3,445,326	1.82
HSBC Nominees A/C NZ Superannuation Fund Nominees Limited - NZCSD	3,349,425	1.77
Tea Custodians Limited Client Property Trust Account - NZCSD	3,105,996	1.64
JBWere (NZ) Nominees Limited	2,833,514	1.50
ANZ Wholesale Australasian Share Fund - NZCSD	2,164,148	1.14
National Nominees Limited	2,026,426	1.07
Citicorp Nominees Pty Limited	2,016,648	1.07
New Zealand Depository Nominee Limited	1,988,730	1.05
	138,425,421	73.09

Substantial product holders and number of securities

The following information is provided in compliance with section 293 of the Financial Markets Conduct Act and the ASX Listing Rules.

Number of ordinary shares	As at balance date	As at 25 July 2022
	189,383,176	189,387,837

Number of unquoted performance rights	As at balance date	As at 25 July 2022
	756,040	1,074,519

Substantial holder name*	Ordinary shares as at balance date	Percentage of share capital as at balance date	Ordinary shares as at 25 July 2022	Percentage of share capital as at 25 July 2022
Sybos Holdings Pte Limited	35,285,353	18.63%	35,285,383	18.63%

* based on substantial holding notices received by the Company.

Additional stock exchange information continued

Distribution of shareholders and shareholdings	Holders	Fully paid ordinary shares	Percentage of paid capital
Size of Holding			
1 to 1,000	7,358	2,689,054	1.42
1,001 to 5,000	3,966	9,027,344	4.77
5,001 to 10,000	787	5,551,298	2.93
10,001 to 100,000	623	13,383,184	7.07
100,001 and over	62	158,736,957	83.81
Total	12,796	189,387,837	100.00

Distribution of performance rights (not quoted on NZX and ASX)	Number of performance rights participants	Number of performance rights	Percentage of performance rights
As at 25 July 2022			
1 to 1,000	23	17,172	2.0
1,001 to 5,000	33	83,580	9.8
5,001 to 10,000	10	71,417	8.4
10,001 to 100,000	14	467,834	43.1
100,001 and over	2	434,567	36.6
Total	82	1,074,519	100.00

Unmarketable parcels

As at 25 July 2022, there were 268 shareholders (with a total of 1,782 shares) holding less than a marketable parcel of shares based on the closing price of the Company's shares on the ASX of A\$35.19. The ASX Listing Rules define a marketable parcel of shares as a parcel of shares of not less than A\$500.

Restricted securities

A total of 691,015 fully paid ordinary shares are subject to voluntary escrow. The escrow will cease to apply at the end of the relevant escrow period, or earlier in limited circumstances.

Of the escrowed shares, 195,604 fully paid ordinary shares are subject to escrow until the later of (subject in each case to ASX Listing Rule 3.10A) 4.14 pm on:

- (a) the first trading day 12 months after completion of the LifeHealthcare acquisition (with completion occurring on 31 May 2022); and
- (b) the trading day following the day on which EBOS' results for the financial year ending 30 June 2023 are released to ASX and NZX.

Of the escrowed shares, 495,411 fully paid ordinary shares are subject to escrow until 4.14pm on 29 February 2024.

References to time are to Melbourne, Australia time.

Waivers granted from the NZX Listing Rules/ASX Admission

There were no waivers granted by NZX during the year or waivers of NZX Listing Rules relied upon by the Company during the year.

The terms of the Company's admission to the ASX and on-going listing requires the following disclosures:

1. The Company is not subject to Chapters 6, 6A, 6B and 6C of the Australian Corporations Act dealing with the acquisition of shares (including substantial holdings and takeovers).
2. Limitations on the acquisition of securities imposed under New Zealand law are as follows:

- (a) In general, securities in the Company are freely transferable and the only significant restrictions or limitations in relation to the acquisition of securities are those imposed by New Zealand laws relating to takeovers, overseas investment and competition.
- (b) The New Zealand Takeovers Code creates a general rule under which the acquisition of 20% or more of the voting rights in the Company or the increase of an existing holding of 20% or more of the voting rights of the Company can only occur in certain permitted ways. These include a full takeover offer in accordance with the Takeovers Code, a partial takeover in accordance with the Takeovers Code, an acquisition approved by an ordinary resolution, an allotment approved by an ordinary resolution, a creeping acquisition (in certain circumstances), or compulsory acquisition of a shareholder holding 90% or more of the shares.
- (c) The New Zealand Overseas Investment Act 2005 and Overseas Investment Regulations 2005 (New Zealand) regulate certain investments in New Zealand by overseas interests. In general terms, the consent of the New Zealand Overseas Investment Office is likely to be required where an 'overseas person' acquires shares in the Company that amount to 25% or more of the shares issued by the Company, or if the overseas person already holds 25% or more, the acquisition increases that holding.
- (d) The New Zealand Commerce Act 1986 is likely to prevent a person from acquiring shares in the Company if the acquisition would have, or would be likely to have, the effect of substantially lessening competition in the market.

Voting Rights

Shareholders may vote at a meeting of shareholders either in person or by proxy, attorney, or representative.

In a poll every shareholder present in person or by proxy, attorney or representative has one vote for each share.

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Corporate Governance

The Board and management of EBOS Group Limited are committed to ensuring that the Company adheres to best practice and governance principles and maintains high ethical standards.

The 2022 Corporate Governance Statement relating to the Company and its subsidiaries (the Group) can be found at: <https://ebosgroup.gcs-web.com/corporate-governance>.

The Corporate Governance Statement refers to a number of codes, policies and charters of the Group. These documents (or a summary of them) can be found at <https://ebosgroup.gcs-web.com/corporate-governance>.

For the purposes of compliance with the NZ Companies Act, NZX Listing Rules and NZX Corporate Governance Code dated 17 June 2022 (NZX Code), the following disclosures are included in the Annual Report.

Diversity

The Group has a Diversity & Inclusion Policy which is set out as Appendix F of the Corporate Governance Code. Under the policy, the Board is responsible for setting measurable objectives for achieving diversity. The Board set the current objectives in February 2021. Set out below is the Board's assessment of those objectives for the 2021/22 year:¹

Objective	Progress during 2021/2022
Aim to increase the proportion of women on the Board as vacancies arise, having regard to the circumstances (including skill requirements) relating to the vacancies.	There has been an increase in the number of women on the Board from two to three. As at 30 June 2022, 50% of directors were female. Succession planning for directors remains a focus of the Board given there are directors with long tenures at the Company who have indicated an intention to retire over the next few years. The Board has been mindful to ensure a diverse range of potential candidates are considered as part of this process.
Aim to increase the proportion of women in executive and senior leadership roles by identifying internal talent through robust succession planning, developing female leaders and acquiring external talent through fair and objective recruitment practices.	There has been an increase in the number of women on the Executive Leadership Team from three to four. As at 30 June 2022, 40% of Executive Leadership Team members were female. The Recruitment and Selection Policy was launched in 2021/22 and continues to be further embedded in the Group, including ensuring recruitment and selection processes have diverse representation for both decision makers and candidates. EBOS has a sponsorship and development program called 'Catalyst' and is committed to 40:40:20 representation on that program. Under the current intake of the program, 53% of participants are female.
Ensure a remuneration framework is in place that will allow the organisation to complete an objective analysis of EBOS pay equity annually to monitor pay rates and identify if there are any gender based pay issues that need to be addressed.	A new remuneration framework was developed and implemented during 2021/22. This enabled greater objectivity in relation to assessing pay outcomes. This also formed the basis of a pay equity report which was reviewed by the Board.
Continue to promote family friendly and flexible work place practices including but not limited to a commitment to supporting those on parental leave, supporting flexible return to work arrangements and on-going flexible work arrangements that suit both the organisation and the individual.	There has been ongoing support for flexible working during 2021/22, particularly having regard to the impact of the COVID-19 pandemic on our people. In 2021/22 parental leave returns were monitored and tracked. 81% of those who took parental leave returned to the business after their leave.
Continue to commit to the EBOS Reconciliation Action Plan in Australia and improving cultural awareness across both Australia and NZ.	EBOS commenced development of a First Peoples Engagement Strategy in partnership with a first nations consulting firm. The strategy is a part of delivering on actions as part of our Reconciliation Action Plan. Māori inclusion training delivered by a third party was offered to a number of leaders in New Zealand.

¹ The assessment of the Group's diversity and inclusion objectives does not include initiatives or data related to LifeHealthcare, noting that the acquisition completed on 31 May 2022. This will be included in future reports.

Objective

Educate our leaders through training to ensure they are equipped and can role model the principles outlined in our Diversity and Inclusion policy and bring the policy to life in our workplace.

Progress during 2021/2022

In 2021/22, we implemented our online Integrity Training. This included a number of topics such as our Code of Ethics, anti-bullying and harassment and workplace health and safety. These policies support the principles in our Diversity and Inclusion Policy. EBOS also continues to provide unconscious bias training.

Gender representation

The Group's gender representation as at 30 June 2022 was as follows:

Board	Female %	Female (no.)	Male %	Male (no.)	Gender Diverse %	Gender Diverse (no.)
2021/22	50%	3	50%	3	0%	0
2020/21	33.3%	2	66.6%	4	0%	0

Officer	Female %	Female (no.)	Male %	Male (no.)	Gender Diverse %	Gender Diverse (no.)
2021/22	40%	4	60%	6	0%	0
2020/21	33.3%	3	66.6%	6	0%	0

Officer has the meaning given in the NZX Listing Rules.

Group	Female %	Male %
2021/22	57	43
2020/21	59	41

The Group data does not include LifeHealthcare employees.

Director independence

The Board's assessment of the independence of each person that was a director as at 30 June 2022 is set out below.

Name	Status	Appointment date
Elizabeth Coutts	Independent ¹	July 2003
Tracey Batten	Independent	July 2021
Stuart McGregor	Independent	July 2013
Stuart McLauchlan	Independent	July 2019
Sarah Ottrey	Independent	September 2006
Peter Williams	Independent	July 2013

The Board has determined that all directors are Independent. Dr Tracey Batten was appointed to the Board on 1 July 2021 and Stuart McLauchlan was appointed to the Board on 1 July 2019, neither Tracey Batten or Stuart McLauchlan have relationships

which the Board considers affects its assessment of their independence. On 6 July 2021, it was announced that the Board determined that Peter Williams and Stuart McGregor were Independent Directors (as defined in the NZX Listing Rules). Peter Williams and Stuart McGregor were first appointed to the EBOS Board in 2013 in connection with the investment in EBOS by Sybos (an entity that is part of the Zuellig Group). Peter Williams and Stuart McGregor's associations with the Zuellig Group changed since 2013 and neither have executive or non-executive roles representing Zuellig Group interests.

In relation to Elizabeth Coutts and Sarah Ottrey, the Board is unanimously of the view that each director brings, amongst other things, an independent view to decisions in relation to EBOS and that their tenure is not, of itself, an indication that they are no longer Independent.

NZX Code

Under NZX Listing Rule 3.8.1(b), EBOS is required to state in the annual report which recommendations in the NZX Code were not followed in the financial year ended 30 June 2022.

Recommendation	Comment
3.4 – Nomination Committee	The Board does not have a nomination committee. The Board has determined, having regard to the current composition of the Board, that a nomination committee is not currently required. The Board undertakes the functions that were previously delegated to a nominations committee.
5.2 – Remuneration policy	EBOS has a remuneration policy. The policy does not include the relative weightings of remuneration and performance criteria. This information is included in the Company's Corporate Governance Statement (as required under the policy) to ensure it accurately reflects the remuneration structures.
8.4 – equity raising	The acquisition of LifeHealthcare, announced on 9 December 2021, was partly funded by a placement of shares conducted in December 2021 and a retail offer (share purchase plan) which closed in January 2022. The placement and retail offer structure was considered to be in the best interests of the Company and preferred because: (i) it was regarded as challenging to undertake a traditional rights issue over the Christmas and New Year period and (ii) it allowed pricing with a smaller discount to the market price than would be typical for a traditional rights issue, meaning less dilution for those shareholders who were unable to (or chose not to) participate. As part of the placement allocation process, EBOS and the lead manager applied an allocation policy to ensure fairness across existing shareholders – i.e. ensuring that existing shareholders had the opportunity to receive a minimum of their pro rata, should they apply for it. The retail offer price was structured to provide participating shareholders with downside pricing protection for the period between the announcement of the placement and retail offer and closing of the retail offer. The price was structured to be the lower of the placement price or a price based on a 5 day volume weighted average price up to the closing of the retail offer. Further, in recognition of the strong support from shareholders, EBOS elected to increase the size of the retail offer, setting it at an amount that provided participating eligible shareholders with their pro rata allocation² (up to the maximum application amount³).

¹ Independent means that the director is considered to be an Independent Director as defined under the NZX Listing Rules and independent having regard to the factors set out in the ASX Corporate Governance Council's Corporate Governance Principles & Recommendations.

² Pro rata allocation based on the announced offer size on 9 December 2021 comprising a NZ\$674 million (A\$642 million) placement and NZ\$105 million (A\$100 million) Retail Offer, representing the same offer size that was used to calculate pro rata for shareholders who participated in the placement.

³ Or the amount applied for if an eligible shareholder applied for a lower amount.

Remuneration

Remuneration Overview

EBOS Group Limited presents this remuneration overview for the Company and its controlled entities for the year ended 30 June 2022. This overview provides details beyond those required under New Zealand laws and the NZX Corporate Governance Code. The Board considers that it is important to provide an appropriate level of transparency around EBOS' approach to remuneration in order to encourage confidence in EBOS' executive and director remuneration processes.

This overview provides details of EBOS' approach to remuneration including incentive plans for senior executives that were in place for the reporting year and remuneration received by the CEO and the directors.

Remuneration Philosophy and Principles

During the year ended 30 June 2022 (FY2022), a review was undertaken of EBOS' Remuneration Policy. A copy of the revised policy is available on the Group's website (<https://ebosgroup.gcs-web.com/corporate-governance>).

The revised policy formalises EBOS' existing remuneration philosophy and guiding principles. As described in that policy, EBOS believes that it is in the best interests of both EBOS and its employees to pay everyone fairly for the value of the work performed, in a financially responsible manner.

EBOS adopts an objective, market-competitive system to determine the remuneration levels of roles at EBOS based on the job requirements, skills, and knowledge required of a fully competent job incumbent without bias. This approach is also flexible enough to ensure that EBOS is able to recruit, develop and retain a highly qualified workforce. Attracting, developing and retaining people of a high calibre is critical to support the business and its strategy and the remuneration of directors and executives is set having regard to this.

Specifically in relation to executives, EBOS aligns components of executive remuneration with the performance of EBOS. Accordingly, executive remuneration comprises fixed and 'at risk' (or performance-based) elements which are both short and long-term in nature. The purpose of this structure is to ensure that the interests of the executives, EBOS and its shareholders are aligned during the period over which the business results are realised.

As a result, the remuneration framework is structured to promote the long-term sustainable growth of the Group with a significant portion of performance-based executive remuneration awarded as rights to equity to reinforce alignment with the interests of EBOS and its shareholders over this period.

Remuneration Governance

As set out in the Charter for the Remuneration Committee, the Committee is responsible for reviewing, recommending and, if delegated by the Board, setting, in accordance with EBOS' Remuneration Policy and practices, all components of the remuneration of the directors and executives. The charter for the Remuneration Committee can be found at <https://ebosgroup.gcs-web.com/corporate-governance>.

The Remuneration Committee is responsible for:

- approving the remuneration of executives; and
- recommending non-executive director remuneration to the Board.

The Board is responsible for:

- approving non-executive director remuneration; and
- approval of remuneration policies.

The members of the Remuneration Committee during the year were Elizabeth Coutts (Chair), Stuart McLauchlan, Sarah Ottrey and Tracey Batten. Dr Batten replaced Ms Ottrey as a member of the Remuneration Committee at which time Ms Ottrey was appointed to the Audit & Risk Committee.

Executive Remuneration Framework

The Group's remuneration structure for executives, including the CEO, comprises three elements:

- Total Fixed Remuneration (TFR);
- Short-Term Incentive (STI); and
- Long-Term Incentive (LTI).

The following summarises each component of executive remuneration. A summary of the remuneration of the CEO, Mr John Cullity, is set out in section 5.

a. Total Fixed Remuneration (TFR)

Fixed remuneration may include a component of compulsory superannuation contributions for Australian-based executives and KiwiSaver contributions for New Zealand-based executives. Executives fixed remuneration is set having regard to the person's position accountabilities, their qualifications, performance experience and record of achievement at EBOS, market data for similar positions at broadly comparable companies (typically by size, industry classification and complexity) and any other relevant talent market considerations.

b. Short Term Incentive (STI)

The STI is currently an annual cash payment which is dependent on the achievement of a combination of Group and individual performance measures.

The performance measures for the STI are set by reference to the executive's responsibilities and particular projects relevant to that executive and the business or function for which they are responsible. The purpose of the STI is to reward executives for meeting measurable objectives linked to a financial year.

For example, for executives that are responsible for businesses in the Group, their performance measures may be set by reference to the performance of that business and the Group as a whole.

For executives that have functional responsibilities, their performance objectives may be set by reference to the financial performance of EBOS.

For FY2022, the Board introduced a stretch component to STIs for executives whereby 150% of an executive's target STI entitlement would be paid for financial outperformance by the Group. Further details regarding the stretch component for the CEO are set out in section 5d.

The Board also has the flexibility to award short term incentive payments for special or strategically important projects.

The performance measures for the STI for executives are considered by the Board at the same time as the audited accounts for the relevant financial year. Accordingly, the STI outcomes in respect of the year ended 30 June 2022 (2022 STI) will be paid in FY2023.

Table 1: FY2022 STI plan

Feature	Approach
Purpose	Align individual performance with Group objectives. Provide individuals with a competitive market position for total reward (i.e. variable and fixed pay components).
Eligibility	Those considered for participation in the program must be able to impact the performance of their own work area, their business or function and also contribute to the Group's overall performance.
Instrument	Cash.
Performance Criteria	The following criteria must be met before any payments are made: • Group Profit Before Tax (PBT) target for the financial year; and • for those with business unit responsibilities either Segment EBITDA or EBIT targets for the financial year (Healthcare or Animal Care). The Board determined that the 2022 STI for executives, including the CEO, and other managers on short term incentives would include a stretch incentive that explicitly incentivises and rewards outperformance. The maximum STI entitlement for achieving this outperformance is 150% of the applicable executive's target STI entitlement. The details of Mr Cullity's 2022 STI opportunity are set out in section 5d below.

Table 2: FY2022 LTI plan

c. Long-Term Incentive (LTI)

EBOS has a long-term incentive plan which currently takes the form of a performance rights plan. The table below sets out the key terms for the LTIs granted during FY2022 (2022 LTI).

Feature	Approach
Purpose	Align a portion of executives' total remuneration with the medium to long term performance of the Group.
Eligibility	The Remuneration Committee determines whether an LTI plan will operate and the extent (if any) to which each executive is invited to participate in an LTI plan.
Instrument	Performance rights which are rights to acquire ordinary shares in EBOS for nil consideration.
Performance period	Three years from 1 July 2021 to 30 June 2024.

Table 2: FY2022 LTI plan continued

Feature	Approach
Performance Criteria	The performance criteria (vesting conditions) for executives are: • continuous employment with the Group; • growth in EBOS' earnings per share over the performance period must equal or exceed a specific compound annual growth percentage target. The Board determined that the vesting conditions for the 2022 LTI would include a 'stretch' target for certain senior executives to incentivise and reward outperformance by EBOS. The details of performance rights issued to Mr Cullity as his 2022 LTI are set out in section 5d and includes this stretch target. The performance criteria is assessed at the end of the 3 year performance period.
Settlement	If the Board determines that performance rights have vested it may determine with respect to each vested right whether to: • allot and issue, or transfer, shares to a participant (equity settle); or • pay a cash amount to a participant equivalent to the 'market value' of a share as at the date of vesting of the performance rights (cash settle). The market value of an EBOS share is calculated by reference to the volume weighted average price of EBOS shares on NZX for the 5 trading days immediately prior to the date that the Board determines the rights have vested.
Dividends and voting rights	Performance rights do not have voting rights or accrue dividends.
Clawback	The Board has broad discretion to adjust downwards (including to zero) unvested or vested LTI awards where, in the opinion of the Board; the CEO or an executive has: • acted fraudulently, dishonestly or engaged in gross misconduct or is in breach of their obligations to EBOS; • acted in a way that has contributed to material reputational damage to EBOS; or • received performance rights that have vested as a result of fraud, dishonesty or breach of obligations of any person or as a result of a material misstatement of the financial statements of EBOS.
Restriction on hedging	Hedging of performance rights by executives is prohibited under the plan rules and EBOS' Securities Trading Policy.
Change of control	Vesting of performance rights is subject to Board discretion.
Cessation of employment	Resignation: subject to the Board determining otherwise, unvested performance rights are forfeited. Termination for cause: if an executive's employment is terminated for cause, subject to the Board determining otherwise, unvested and vested performance rights are forfeited. Termination without cause (including circumstances such as redundancy and retirement): the Board shall determine the treatment of unvested performance rights. All vested performance rights remain on foot unless otherwise determined by the Board.

d. Executive Remuneration Mix

EBOS' Remuneration Policy does not include the relative weightings of remuneration and performance criteria.

As required under the Remuneration Policy, the relative weightings of realised executive remuneration components in FY2022 is set out in the Group's Corporate Governance Statement. The relative weightings of the CEO's remuneration are included in section 5c below for completeness.

CEO Remuneration

a. Past Financial Performance

The table below presents the financial performance for EBOS Group Limited for the previous five financial years.

Table 3: Past Financial Performance

	2022	2021	2020	2019	2018
NPAT¹	A\$202.6m	A\$185.3m	A\$162.5m	A\$137.7m	A\$137.3m
Basic EPS (Annual)	A\$114.5cps	A\$113.2cps	A\$100.6cps	A\$89.8cps	A\$90.4cps
Compound growth in Basic EPS (3 year)	8.4% per annum (2020-2022)	7.8% per annum (2019-2021)	6.6% per annum (2018-2020)		
Share price at end of financial year	NZ\$39.01	NZ\$32.30	NZ\$21.61	NZ\$23.15	NZ\$17.95
Market capitalisation at end of financial year	NZ\$7,388m	NZ\$5,302m	NZ\$3,519m	NZ\$3,743m	NZ\$2,738m
Total dividends in period (NZ\$ cps)	96.0	88.5	77.5	71.5	68.5
Total shareholder return (annual)²	23.7%	53.56%	(3.30%)	32.95%	6.5%
Total shareholder return (3 year)	79.8% (2020-2022)	93.2% (2019-2021)	35.9% (2018-2020)	53.9% (2017-2019)	93.7% (2016-2018)
Total shareholder return (4 year)	135.9% (2019-2022)				

Note 1: Net profit after tax attributable to owners of the company.

Note 2: Total shareholder return is calculated as the share price at the end of the year plus dividends declared in relation to that year divided by the opening share price for the year.

b. Key terms of CEO employment contract

The table below sets out the key terms of Mr Cullity's employment contract.

Table 4: CEO Contract

Contract duration	Notice period – company	Notice period – CEO	Termination provision (where notice provided)	Post-employment restraint
Ongoing until terminated by either party	12 months unless for cause	12 months	12 months	18 months

c. Relative weightings of CEO remuneration

The table below sets out the relative weightings of Mr Cullity's remuneration:

Chief Executive Officer	21% fixed remuneration
	39% short term incentive
	40% long term incentive

d. CEO Remuneration Outcomes for FY2022

The table below sets out the realised remuneration outcomes for Mr. Cullity for FY2022 and FY2021

Table 5: Summary of total realised remuneration

Financial year	Fixed remuneration (including compulsory superannuation)	STI	LTI	Total
2022	A\$1,417,500	A\$1,820,000	A\$2,614,036	A\$5,851,536
2021	A\$1,350,000	A\$1,350,000	A\$1,000,000	A\$3,700,000

The table below sets out the expected STI that will be paid shortly after the release of the annual report in respect of the Group's FY2022 results (2022 STI).

Table 6: Expected STI

Financial year	Expected STI
2023	\$2,550,000

The amounts set out in this section may differ from the amounts included in Note H4 to the Financial Report and the table of employee remuneration included on pages 112 and 113 which are reported according to accounting standards.

The accounting values of remuneration reported may not reflect what a person was actually paid during the financial year, particularly due to the valuation of share based payments and accrual of short term incentives.

Fixed remuneration

In FY2022, Mr Cullity received fixed remuneration of \$1,417,500. This included compulsory superannuation contributions.

Short Term Incentive (STI) payment – Realised 2021 STI and Expected 2022 STI

Realised 2021 STI

In FY2022, Mr Cullity received an STI payment of \$1,820,000. This was based on the financial performance of EBOS for the prior year (that is, the year ended 30 June 2021) (2021 STI) and was paid following the finalisation of EBOS' audited accounts for that year.

With regard to the 2021 STI, a target was originally set by reference to EBOS' FY2021 underlying Profit Before Tax results (2021 Target). If EBOS' FY2021 underlying Profit Before Tax (PBT) results were equal to:

- the 2021 Target, 75% of the STI was payable;
- 102% of the 2021 Target, 90% of the STI was payable; and
- 103.5% of the 2021 Target, Mr Cullity's maximum STI entitlement was payable.

At the time the 2021 Target was set Mr Cullity's maximum STI entitlement was \$1,400,000. The Board exercised its discretion and determined that the STI paid in respect of that financial year to executives, including Mr. Cullity, and other senior managers on short term incentives would be increased to 130% of this originally set maximum entitlement in recognition of EBOS' and the executives' outstanding overall performance. Accordingly, Mr Cullity received \$1,820,000 (130% of \$1,400,000) for his 2021 STI and this amount was paid in FY2022.

Expected 2022 STI

In relation to the STI target for senior executives for FY2022, the Board implemented a structure that included a stretch target that explicitly rewards outperformance. For FY2022, if EBOS' underlying PBT results (2022 Target) were equal to:

- the 2022 Target, 75% of the STI is payable;
- 102% of the 2022 Target, 90% of the STI is payable;
- 103.5% of the 2022 Target, 100% of the STI is payable ('target STI entitlement');

- from 104.4% to 108% of the 2022 Target, between 110% to 150% ('maximum STI entitlement') of the target STI entitlement is payable on a straight line basis.

Mr Cullity's target STI entitlement under the 2022 STI is \$1,700,000 and his maximum STI entitlement is \$2,550,000 (150% of his target STI entitlement). It is expected that Mr Cullity will receive \$2,550,000 for his 2022 STI, with this amount to be paid in FY2023. Mr Cullity will also be eligible for a special short term incentive for the additional effort and successful execution of the LifeHealthcare acquisition.

Long Term Incentives

During the year ended 30 June 2022, Mr Cullity received long term incentives totalling \$2,614,036 in cash. This comprised:

- An award of \$1,000,000 in cash for full achievement of EPS performance hurdles over the three year performance period from 1 July 2018 to 30 June 2021; and
- Full vesting and cash settlement of 47,500 performance rights (with a value of \$1,614,036 on vesting) as a result of the achievement of the EPS performance hurdles for the three year performance period from 1 July 2018 to 30 June 2021. \$731,500 of this cash payment that was made on vesting was attributable to strong share price performance over the relevant three year performance period above, reinforcing alignment with shareholder value creation over this period. Mr Cullity will not share in any share price accretion from this point into the future in respect of these performance rights as they have been cash settled.

Expected 2020 LTI Vesting

In relation to the 45,455 performance rights issued in respect of the performance period 1 July 2019 to 30 June 2022, it is expected that these performance rights will vest shortly after the release of the annual report.

Table 7: LTIs – Chief Executive Officer

	Performance Period	Instrument	Vested/Unvested
LTI – 2022/2025	1 July 2022 to 30 June 2025	80,195 performance rights	Unvested
LTI – 2021/2024	1 July 2021 to 30 June 2024	94,124 performance rights	Unvested
LTI – 2020/2023	1 July 2020 to 30 June 2023	75,000 performance rights	Unvested
LTI – 2019/2022	1 July 2019 to 30 June 2022	45,455 performance rights	Unvested
LTI – 2018/2021	1 July 2018 to 30 June 2021	47,500 performance rights	Vested (cash settled)
LTI – 2017/2020	1 July 2017 to 30 June 2020	110,000 loan-backed shares	Vested
LTI – 2016/2019	1 July 2016 to 30 June 2019	95,000 loan backed shares	Vested

Granted 2022 LTI

The performance conditions for the performance rights granted during FY2022 (2022 LTI) are described in section 4.c above. The maximum LTI opportunity in the form of equity instruments for Mr Cullity, which is inclusive of a stretch component as described in section 4c, for the financial year ended 30 June 2022 was \$2,850,000. These rights will be tested after 30 June 2024 following the conclusion of the relevant performance period with any vesting occurring during FY2025.

Granted 2023 LTI

In July 2022, Mr Cullity, together with other senior executives, was issued with performance rights in relation to the performance period 1 July 2022 to 30 June 2025. Although this grant of performance rights occurred after FY2022, the details are included in Table 7 for completeness.

Vested LTI Shares

In previous financial years, EBOS operated a long term incentive share plan whereby EBOS provided an interest free, non-recourse loan to participating senior executives, including Mr Cullity, in order for those executives to purchase shares in the Company. Those shares have vested. The loan balances in respect of those vested shares as at 30 June 2022 are as follows:

- LTI 2016/2019 – 95,000 shares – NZ\$1,403,851;
- LTI 2017/2020 – 110,000 shares – NZ\$1,584,202.

Summary of LTIs

Long term incentives in the form of equity instruments received by Mr Cullity since the commencement of his employment with the Group in 2009 are:

Non-Executive Director Remuneration

To support the attraction and retention of directors of the highest calibre and requisite expertise from New Zealand, Australia and internationally, the Group aims to set remuneration of non-executive directors having regard to:

- the time commitment and responsibilities of the non-executive directors (including any commitment as a member of a standing or ad hoc Board committee and special exertion for significant project work outside of the normal workload for the Board and Committees); and
- market rates for non-executive director remuneration for comparable companies (by size, industry classification and complexity).

Non-executive director remuneration is in the form of fees. Non-executive directors do not receive performance-based or equity-based remuneration.

Total remuneration for non-executive directors is subject to an aggregate fee pool limit of NZ\$1,565,000 (including payments made in respect of KiwiSaver and compulsory superannuation contributions) in any financial year. The fee pool was approved by shareholders at the Annual Meeting held on 19 October 2021. The table below sets out the current fee allocations for director fees by position.

Table 8: Non-executive director fees by position

Position	Fees (NZ\$)
Chair	\$336,000
Director (other than Chair)	\$168,000
Chair of Audit & Risk Committee	\$40,000
Chair of Remuneration Committee	\$33,000
Member of Audit & Risk Committee	\$20,000
Member of Remuneration Committee	\$16,500
Special exertion fee pool	\$75,000*

*No special exertion fees were paid to directors during FY2022.

Directors' remuneration and other benefits required to be disclosed pursuant to section 211(1) of the Companies Act 1993 for the year ended 30 June 2022 were as follows:

Table 9: Non-executive director fees paid during the year ended 30 June 2022

Director	Base Fee NZ\$	Audit and Risk Committee NZ\$	Remuneration Committee NZ\$	Total NZ\$
E Coutts	\$336,000	\$20,000	\$33,000	\$389,000
T Batten	\$168,000	-	\$2,810	\$170,810
S McGregor	\$168,000	-	-	\$168,000
S McLauchlan	\$168,000	\$40,000	\$16,500	\$224,500
S Ottrey	\$168,000	\$3,407	\$13,690	\$185,097
P Williams	\$168,000	-	-	\$168,000
N Dowling*	\$102,200	\$12,167	-	\$114,367

*Mr Dowling ceased to be a director on 8 February 2022

Employee Payment Bands

Grouped below, in accordance with Section 211 of the Companies Act 1993, are the number of employees or former employees of the Company and its subsidiaries, including those based outside of New Zealand, who received remuneration and other benefits in their capacity as employees totalling NZ\$100,000 or more during the year.

Employee remuneration (NZ\$)	30 June 2022 Number of Employees
\$100,000 to \$110,000	221
\$110,000 to \$120,000	156
\$120,000 to \$130,000	127
\$130,000 to \$140,000	111
\$140,000 to \$150,000	84
\$150,000 to \$160,000	72
\$160,000 to \$170,000	48
\$170,000 to \$180,000	45
\$180,000 to \$190,000	32
\$190,000 to \$200,000	23
\$200,000 to \$210,000	20
\$210,000 to \$220,000	27
\$220,000 to \$230,000	20
\$230,000 to \$240,000	17
\$240,000 to \$250,000	12
\$250,000 to \$260,000	14
\$260,000 to \$270,000	8
\$270,000 to \$280,000	11
\$280,000 to \$290,000	4
\$290,000 to \$300,000	9
\$300,000 to \$310,000	5
\$310,000 to \$320,000	4
\$320,000 to \$330,000	2
\$330,000 to \$340,000	4
\$340,000 to \$350,000	3
\$350,000 to \$360,000	5
\$360,000 to \$370,000	2
\$370,000 to \$380,000	1
\$380,000 to \$390,000	2
\$390,000 to \$400,000	3

Employee remuneration (NZ\$)	30 June 2022 Number of Employees
\$400,000 to \$410,000	3
\$410,000 to \$420,000	1
\$420,000 to \$430,000	2
\$430,000 to \$440,000	1
\$450,000 to \$460,000	1
\$460,000 to \$470,000	3
\$470,000 to \$480,000	2
\$480,000 to \$490,000	4
\$490,000 to \$500,000	2
\$510,000 to \$520,000	1
\$520,000 to \$530,000	2
\$550,000 to \$560,000	1
\$560,000 to \$570,000	1
\$610,000 to \$620,000	2
\$700,000 to \$710,000	1
\$710,000 to \$720,000	1
\$810,000 to \$820,000	1
\$830,000 to \$840,000	1
\$910,000 to \$920,000	1
\$1,080,000 to \$1,090,000	1
\$1,240,000 to 1,250,000	1
\$1,280,000 to \$1,290,000	1
\$1,640,000 to \$1,650,000	1
\$1,660,000 to \$1,670,000	1
\$1,750,000 to \$1,760,000	1
\$1,890,000 to \$1,900,000	1
\$1,930,000 to \$1,940,000	1
\$2,750,000 to \$2,760,000	1
\$6,270,000 to \$6,280,000	1

Directors' Interests and Disclosures

Disclosure of interests

In accordance with section 140(2) of the Companies Act 1993, the directors named below have made a general disclosure of interest, by a general notice disclosed to the Board and entered in the Company's interests register during the year ended 30 June 2022, as follows:

E.M. Coutts: Chair of Oceania Healthcare Limited and Skellerup Holdings Limited, Director of EBOS Group subsidiaries in New Zealand and Member, Marsh New Zealand Advisory Board.

T.L. Batten: Director of Medibank Private Limited, NIWA Australia Pty Ltd, National Institute of Water and Atmospheric Research Limited and Accident Compensation Corporation.

S.J. McGregor: Director of Symbion Pty Ltd and other EBOS Group subsidiaries.

S.J. McLauchlan: Chairman of Scott Technology Limited, Analog Digital Instruments Limited, Cargill Hotel 2002 Ltd, G S McLauchlan & Co, Otago Community Hospice and Wood Solutions. Director of Southlink Health Education Trust, Argosy Property Ltd, Dunedin Casinos Ltd, NZ Whisky and Scenic Hotels Group. Governor, NZ Sports Hall of Fame. Member, Advisory Board to Partridge Jewellers group. Member, Marsh NZ Advisory Board.

S.C. Ottrey: Chair of Whitestone Cheese Ltd and director of Sarah Ottrey Marketing Ltd, Skyline Enterprises Limited and subsidiaries, Mount Cook Alpine Salmon Limited and Christchurch International Airport Ltd. Member of the Institute of Directors – Otago Southland Branch committee, Trustee for the SGE and AA Berry Family Trust.

P.J. Williams: Director of Green Cross Health Limited.

Share dealings by Directors

The directors have disclosed to the Board under section 148(2) of the Companies Act 1993 particulars of acquisitions or disposals of a relevant interest in the Company's shares during the year ended 30 June 2022.

Director	Ordinary Shares Purchased/(Sold)	Consideration Paid/(Received)	Date of Transaction
Elizabeth Coutts	1,449	NZ\$49,990.50	24 January 2022
Tracey Batten	1,500	A\$54,746.40	13 December 2021
Stuart McLauchlan	284	NZ\$9,798.00	24 January 2022
Sarah Ottrey	1,166	NZ\$40,227	24 January 2022
	419	NZ\$14,455	24 January 2022
Former director			
Nicholas Dowling*	(1,198)	A\$(45,478.47)	11 January 2022
	206	A\$6,707.36	24 January 2022

*Mr Dowling resigned from the Board with effect from 8 February 2022. The information is as at the date of his resignation.

Former director

N.W Dowling: Director of ABI Dowling Pty Ltd, Balmoral Australia Pty Ltd, Balmoral Financial Investments Pty Ltd, Balmoral Operations Pty Ltd, BPI Property Investments Pty Ltd and BPI Property Developments Pty Ltd.

Indemnity and Insurance

In accordance with section 162 of the Companies Act 1993 and the constitution of the Company, the Company has given indemnities to, and has effected insurance for, the directors and executives of the Company and its related companies which, except for some specific matters that are expressly excluded, indemnify and insure directors and executives against monetary losses as a result of actions undertaken by them in the course of their duties. Specifically excluded are certain matters, such as the incurring of penalties and fines, which may be imposed for breaches of law.

Use of information

There were no notices from directors of the Company requesting to use Company information received in their capacity as directors, which would not otherwise have been available to them.

Directors' shareholdings

Director		30 June 2022	30 June 2021
Elizabeth Coutts	– Indirect/beneficial interest	35,323	33,874
	– Direct, non-beneficial interest – trustee of EBOS Staff Share Plan	71,592	71,592
Tracey Batten	– Direct interest	1,500	N/A
Stuart McLauchlan	– Indirect/beneficial interest	2,355	2,071
Sarah Ottrey	– Indirect/beneficial interest	3,469	3,050
	– Held with associated person	9,650	8,484
Former Director			
Nicholas Dowling*	– Indirect/beneficial interest	508*	1,500

*Mr Dowling resigned from the Board with effect from 8 February 2022. The information is as at the date of his resignation.

Attendance at Board and committee meetings

Director	Board		Audit & Risk		Remuneration	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Elizabeth Coutts	17	17	3	3	4	4
Tracey Batten	17	17	-	-	1	1
Stuart McGregor	17	15	-	-	-	-
Stuart McLauchlan	17	17	3	3	4	4
Sarah Ottrey	17	15	1	1	3	3
Peter Williams	17	17	-	-	-	-
Former director						
Nicholas Dowling	11	11	1	1	-	-

Disclosures relating to subsidiaries

Subsidiary	Current Directors
ABT Medical Pty Ltd	J Cullity
ABT Nevada LLC	J Cullity L Hansen M Muscio S Berry J Goldberg
ACN 618 208 969 Pty Ltd	J Cullity S McGregor#
Alchemy Holdings Pty Ltd	J Cullity S McGregor#
Alchemy Sub-Holdings Pty Ltd	J Cullity S McGregor#
Australian Biotechnologies Pty. Limited	J Cullity
Beaphar Pty Ltd	J Cullity
BFCMC Pty Ltd	J Cullity S McGregor#
Blackhawk Premium Pet Care Pty Ltd	J Cullity S McGregor#
Botany Bay Imports Exports Pty Ltd	J Cullity
CC Pharmacy Investments Pty Ltd	J Cullity S McGregor#
CC Pharmacy Management Pty Ltd	J Cullity S McGregor#
CC Pharmacy Promotions Pty Ltd	J Cullity S McGregor#
Chem Plus Pty Ltd	J Cullity S McGregor#
Chemmart Holdings Pty Ltd	J Cullity S McGregor#
Cincotta Holding Company Pty Ltd	J Cullity S McGregor#
Clinect Pty Ltd	J Cullity S McGregor
Clinect NZ Pty Limited	E Coutts J Cullity L Hansen
Collaboration Medical Clinics Pty Ltd	J Cullity S McGregor#

Subsidiary	Current Directors
Collaboration Medical Clinics Investments Pty Ltd	J Cullity
Culpan Distributors Ltd	J Cullity L Hansen
Culpan Medical Pty Ltd	J Cullity
Developing People Pty Ltd	J Cullity S McGregor#
DoseAid Pty Ltd	J Cullity S McGregor
EAHPL Pty Ltd	J Cullity S McGregor#
EBOS Aesthetics Pty Ltd	J Cullity
EBOS Group Australia Pty Ltd	J Cullity S McGregor#
EBOS Health & Science Pty Ltd	J Cullity S McGregor#
EBOS Medical Devices Australia Pty Ltd	J Cullity S McGregor#
EBOS Medical Devices NZ Limited	E Coutts J Cullity L Hansen
EBOS PH Pty Ltd	J Cullity S McGregor#
Endeavour CH Pty Ltd	J Cullity S McGregor#
Endeavour Consumer Health Limited	E Coutts J Cullity L Hansen
Fibertech Medical Australia Pty Ltd	J Cullity
Healthcare Supply Partners Pty Ltd	J Cullity
Hospharm Pty Ltd	J Cullity S McGregor#
HPS Brands Pty Ltd	J Cullity S McGregor#
HPS Corrections Pty Ltd	J Cullity S McGregor#
HPS Finance Pty Ltd	J Cullity S McGregor#

Subsidiary	Current Directors
HPS Holdings Group (Aust) Pty Ltd	J Cullity S McGregor#
HPS Hospitals Pty Ltd	J Cullity S McGregor#
HPS IVF Pty Ltd	J Cullity S McGregor#
HPS Services Pty Ltd	J Cullity S McGregor#
Intellipharma Pty Ltd	J Cullity S McGregor
Klinik Solutions Australasia Pty Ltd	J Cullity
LifeHealthcare Limited	J Cullity L Hansen
LifeHealthcare Distribution (NZ) Limited	J Cullity L Hansen
LifeHealthcare Pty Limited	J Cullity
LifeHealthcare Distribution Pty Limited	J Cullity
LifeHealthcare Finance Pty Limited	J Cullity
LifeHealthcare Group Pty Limited	J Cullity
LifeHealthcare Services Pty Ltd	J Cullity
Lite Living Pty Ltd	J Cullity S McGregor#
LMT Surgical Pty Ltd	J Cullity S McGregor#
Lyppard Australia Pty Ltd	J Cullity S McGregor#
Masterpet Australia Pty Limited	J Cullity
Masterpet Corporation Limited	E Coutts J Cullity L Hansen
Masterpet Logistics Pty Ltd	J Cullity
MD Scopes Pty Ltd	J Cullity
MD Solutions Australasia Pty Ltd	J Cullity
MD Solutions NZ Limited	J Cullity L Hansen

Current Directors	Current Directors
Mega Save Management Pty Ltd	J Cullity S McGregor#
National Surgical Pty Ltd	J Cullity S McGregor#
Nexus Australasia Pty Limited	J Cullity S McGregor#
Pacific Health Supplies Topco1 Pty Limited	J Cullity
Pacific Health Supplies TopCo2 LLC	J Cullity
Pacific Health Supplies BidCo Pty Limited	J Cullity
Pacific Health Supplies HoldCo Pty Limited	J Cullity
Pacific Health Supplies MezzCo Pty Limited	J Cullity
Pacific Health Supplies TopCo Pty Limited	J Cullity
PBA Finance No. 1 Pty Ltd	J Cullity S McGregor#
PBA Finance No. 2 Pty Ltd	J Cullity S McGregor#
PBA Wholesale Pty Ltd	J Cullity S McGregor#
Pet Care Distributors Pty Ltd	J Cullity S McGregor#
Pet Care Holdings Australia Pty Ltd	J Cullity S McGregor#
Pet Care Wholesalers Pty Ltd	J Cullity S McGregor#
Pets International Pty Ltd	J Cullity
Pharmacy Brands Australia Pty Ltd	J Cullity S McGregor#
Pharmacy Retailing (NZ) Limited	E Coutts J Cullity L Hansen
Pioneer Medical Limited	E Coutts J Cullity L Hansen

Subsidiary	Current Directors
PRNZ Limited	E Coutts J Cullity L Hansen
QPharma Pty Ltd	J Cullity
Richard Thomson Pty Limited	J Cullity S McGregor#
Sentry Medical Pty Limited	J Cullity
Shanghai EBOS Business Management Co Ltd	J Cullity
Spiran Pty. Ltd.	J Cullity
Surgical and Medical Supplies Pty. Ltd.	J Cullity
Symbion Pty Ltd	J Cullity S McGregor
Terry White Group Pty Ltd	J Cullity S McGregor#
Tissue Technologies Pty Ltd	J Cullity
Tissuelife Pty Limited	J Cullity
Tony Ferguson Weight Management Pty Ltd	J Cullity S McGregor#
Transmedic Pte Ltd	J Cullity
TW&CM Pty Ltd	J Cullity S McGregor#
TWC IP Pty Ltd	J Cullity S McGregor#
Ventura Health Pty Ltd	J Cullity S McGregor#
VIM Health Pty Ltd	J Cullity S McGregor#
VIM Health IP Pty Ltd	J Cullity S McGregor#
Vitapet Corporation Pty Limited	J Cullity
Warner & Webster Pty Ltd	J Cullity S McGregor#
W & W Management Services Pty Ltd	J Cullity S McGregor#

Subsidiary	Current Directors
You Save Management Pty Ltd	J Cullity S McGregor#
ZAP Services Pty Ltd	J Cullity S McGregor
ZHHA Pty Ltd	J Cullity S McGregor

Alternate director.

No employee of the Group appointed as a director of the Company or its subsidiaries receives remuneration or other benefits in their role as a director. The remuneration and other benefits of such employees, received as employees, are included in the relevant bandings for remuneration disclosed under employee remuneration range on page 112.

Auditor

The Company's Auditor, Deloitte, will continue in office in accordance with the Companies Act 1993.

The directors are satisfied that the provision of non-audit services, during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Companies Act 1993. Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note H5 of the financial statements.



Elizabeth Coutts
Chair of Directors



Stuart McLauchlan
Director

Directory

Registered offices

108 Wrights Road
PO Box 411
Christchurch 8024
New Zealand
Telephone: +64 3 338 0999
Email: ebos@ebos.co.nz

Level 7, 737 Bourke Street
Docklands 3008
PO Box 7300
Melbourne 8004
Australia
Telephone: +61 3 9918 5555
Email: ebos@ebosgroup.com

Website address

www.ebosgroup.com

Directors

Elizabeth Coutts
Independent Chair

Tracey Batten
Independent Director

Stuart McGregor
Independent Director

Stuart McLauchlan
Independent Director

Sarah Ottrey
Independent Director

Peter Williams
Independent Director

Senior executives

John Cullity
Chief Executive Officer

Brett Barons
CEO Symbion

Andrea Bell
Chief Information Officer

Simon Bunde
*EGM Strategic Operations,
ESG and Innovation*

Janelle Cain
General Counsel

Julie Dillon
CEO Animal Care

Leonard Hansen
Chief Financial Officer

David Lewis
EGM Strategy

Jacinta McCarthy
Group GM – Human Resources

Matt Muscio
CEO Medical Technology

Auditor

Deloitte Limited
Christchurch

Securities exchange

EBOS Group Limited shares are quoted on the New Zealand Securities Exchange and the Australian Securities Exchange (NZX/ASX code: EBO).

Share register

Computershare Investor Services Ltd
Private Bag 92119
Auckland 1142
New Zealand
Telephone: +64 9 488 8777

Computershare Investor Services
Pty Ltd
GPO Box 3329
Melbourne, Victoria 3001
Australia
Telephone: 1800 501 366



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

General enquiries can be directed to:

- enquiry@computershare.co.nz
- Private Bag 92119, Auckland 1142, New Zealand or GPO Box 3329, Melbourne, Victoria 3001, Australia
- Telephone (NZ) +64 9 488 8777 or (Aust) 1800 501 366
- Facsimile (NZ) +64 9 488 8787 or (Aust) +61 3 9473 2500

Please assist our registrar by quoting your CSN or shareholder number.



Annual Meeting

The Annual Meeting of EBOS Group Limited will be held on Thursday, 27 October 2022 at 2pm, at the Park Hyatt Hotel, 99 Halsey Street, Auckland, New Zealand.

For personal use only

