

# Annual Report 2023



# Contents

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<b>Business Overview</b>	<b>3</b>
Foreword	3
Summary of Results	4
Chair & CEO Report	6
Our DNA	10
Built by Our Businesses	12
From Paddock to Bowl	14
A Growing Player in Medical Technology	16
Environmental, Social and Governance Program	18
Business Highlights Healthcare	20
Business Highlights Animal Care	26
Our Board	28
<b>Financials</b>	<b>30</b>
Financial Summary	30
Financial Report	32
Auditor's Report	34
Financial Statements	38
<b>Corporate Governance</b>	<b>96</b>
<b>Remuneration</b>	<b>99</b>
<b>Directors' Interests and Disclosures</b>	<b>108</b>
<b>Directory</b>	<b>113</b>



# Foreword

**In every corner of the healthcare and animal care landscape in which we operate, EBOS and our dedicated employees have been there to deliver the highest-quality products and services that drive us to advance opportunities to enrich lives.**

We are proud to share the activities, milestones and highlights of another remarkable year, and extend our thanks to our employees and stakeholders for their role in our continued success.

At EBOS, we have always operated with a view to the future and this year was no exception.

Our investment in our people and infrastructure has continued to strengthen our Company and benefit our shareholders.

Guided by our strategy of investing for growth, we have taken steps to secure our financial sustainability through continued focus on new opportunities to further support our valued customers.

Our increased focus into Southeast Asia has opened up new opportunities for further growth in the region. This expansion, together with the investment in our Medical Technology business across Australasia, is further evidence of our determination to grow our trusted reputation as a leading supplier, retailer and marketer of medical devices and consumables to pharmacies, hospitals, medical clinics and aged care facilities.

For pet owners, we expanded and improved our products and manufacturing capabilities to ensure their pets receive the highest quality food and treats.

But our success is not possible without the backbone of our operations – more than 5,000 employees across New Zealand, Australia and Southeast Asia.

This Annual Report is a testament to their determination in ensuring we deliver the products and services customers rely on, when and where they need them.

## FY23 Highlights

**\$12.2b** revenue

**\$281.8m** underlying net profit

**\$97.8m** net investment in capital works

**NZ110.0c** total dividends per share

**12,744** shareholders

All figures within this report are presented in Australian dollars unless otherwise stated.

## Our Business

**5,000+**  
employees

**108**  
locations in  
Australia, New  
Zealand and  
Southeast Asia

**65%** Australia

**22%** New Zealand

**13%** Southeast Asia



# Summary of Results

## Financial Highlights

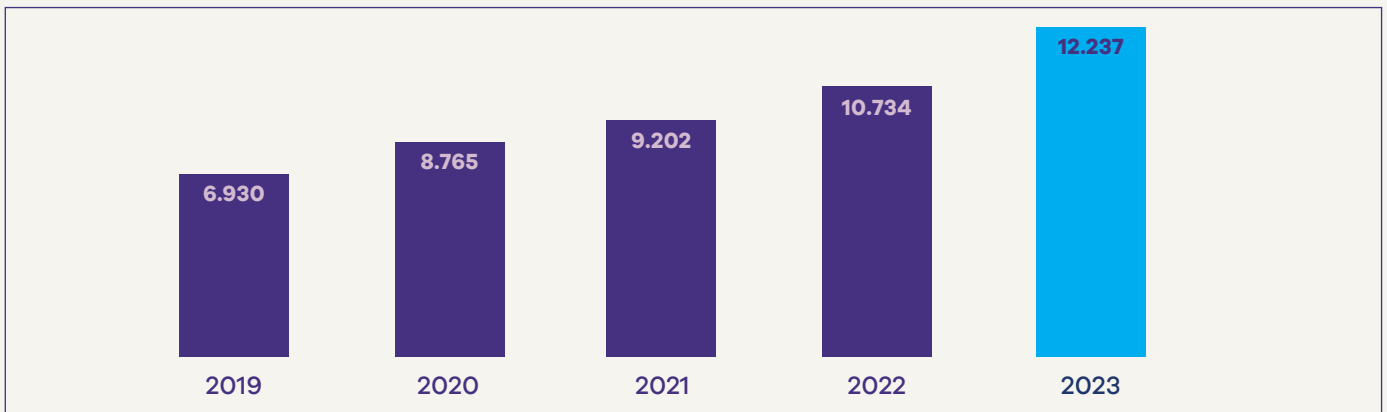
**\$12.2b** revenue + 14.0% increase

**\$281.8** million underlying net profit after tax + 23.0% increase

**147.9c** underlying earnings per share + 14.1% increase

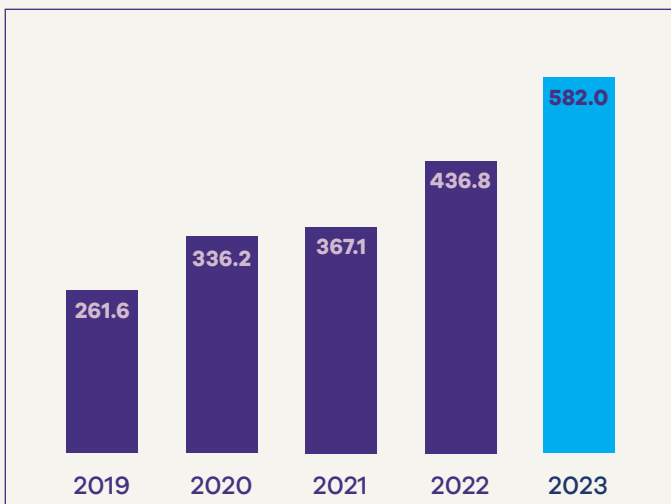
**NZ110.0c** dividends per share + 14.6% increase

## Revenue

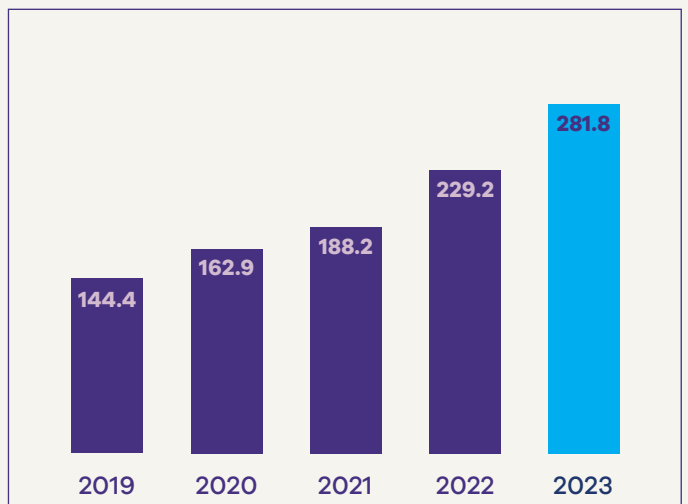


Five year revenue trend for the year to 30 June (\$ billions)

## Underlying Profit Results



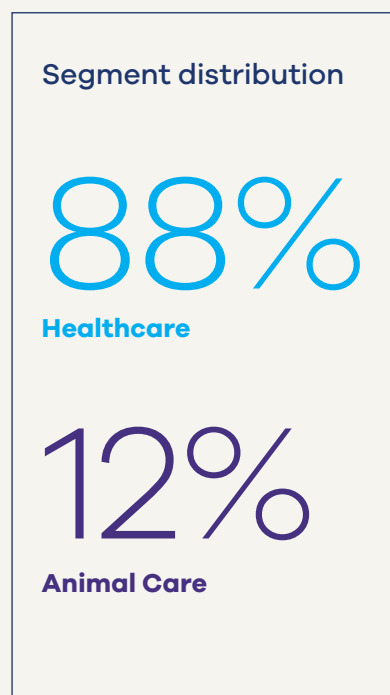
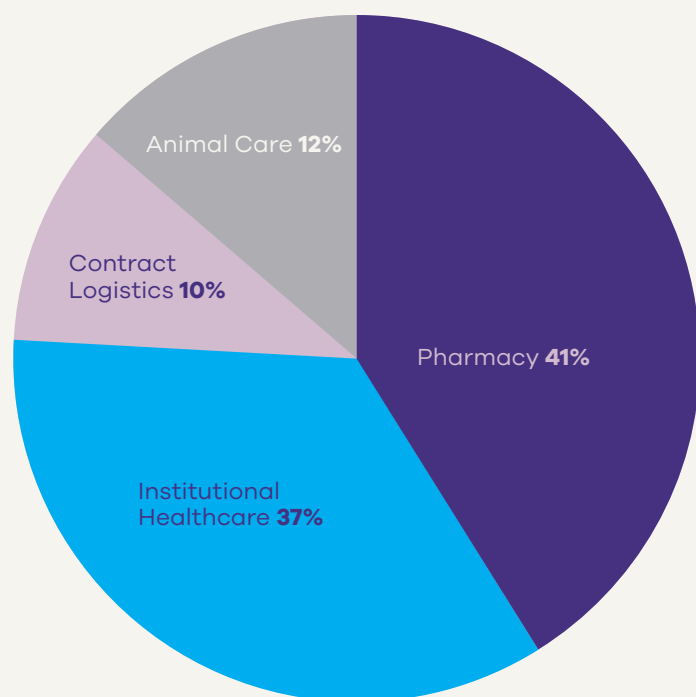
Five year EBITDA trend for the year to 30 June (\$ millions)



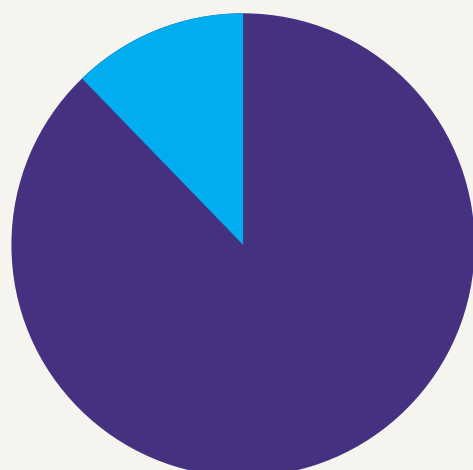
Five year NPAT trend for the year to 30 June (\$ millions)

### Segment and Divisional Earnings Overview

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

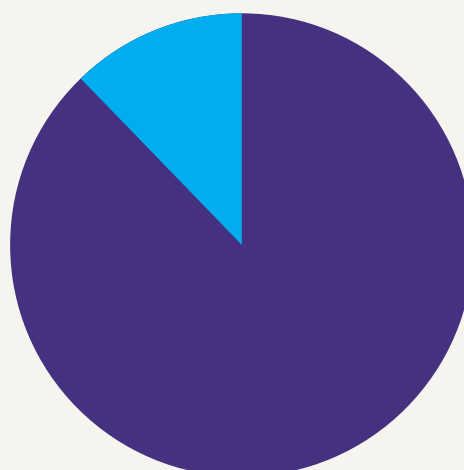


Revenue



81% Australia  
19% New Zealand and Southeast Asia

EBITDA



81% Australia  
19% New Zealand and Southeast Asia



# Chair & CEO Report

**In a year where EBOS' focus has been on capitalising on our most recent strategic acquisitions we are pleased to report another record result for the 2023 financial year.**

Our performance continues EBOS' long-term track record of delivering strong growth for shareholders which has seen dividends increase by approximately 170% since 2014. Driven by continued strong organic growth across our businesses as well as substantial contribution from prior year acquisitions, this result again reflects the benefits of our strategy of investing for growth.

The success we have achieved as a business across the 2023 financial year is thanks to the combined efforts of our more than 5,000 employees across New Zealand, Australia and Southeast Asia. We acknowledge their commitment to each other, our businesses and to the communities they serve.

## Highlights

Our Healthcare segment growth was driven by our leading market positions and contributions from our Community Pharmacy, TerryWhite Chemmart (TWC), Institutional Healthcare and Contract Logistics divisions and businesses. Each of our divisions in the Healthcare segment recorded strong growth, with Institutional

Healthcare benefitting from the performance of our recently acquired LifeHealthcare business.

Increases in Community Pharmacy revenue were driven by customer share growth, strong performances from our community pharmacy retail brands including TWC, above market growth in ethical sales to our major wholesale customers, and sales growth of high value specialty medicines and over-the-counter (OTC) products. In addition, the result benefited from COVID-19 related product sales including anti-viral medications and cold and flu OTC products. The greater proportion of the COVID-19 sales occurred in the first half of the financial year as we fortunately saw a decrease in COVID-19 infections in the second half of the year.

Our TWC franchise continued its robust growth adding 40 net new pharmacies to the network during the year, further strengthening TWC's position as Australia's largest health-advice oriented community pharmacy network with more than 550 trading stores. TWC's performance was driven by continued investment in media, the TWC catalogue and promotional program, the leading role of the TWC network in providing community pharmacy vaccinations and industry leading pharmacist education programs.

The Australian Government has recently implemented a policy which will allow pharmacists to dispense 60 days' supply of Pharmaceutical Benefits Scheme (PBS) medicines, compared to previous limits of 30 days' supply. This policy will apply to approximately 300 common PBS medicines (out of >900 listed PBS medicines) and will be implemented in three stages over a 12-month period, starting from 1 September 2023. The Government has advised that it will increase the Community Service Obligation (CSO) funding pool and introduce other initiatives in support of Community Pharmacy, which will largely offset the earnings impact of this policy change.

Our Institutional Healthcare performance was driven by contributions of five acquisitions completed in FY22, as well as strong growth in Symbion Hospitals. These acquisitions significantly expanded our presence in medical consumables and medical technology (previously known as medical devices) distribution.

The integration of LifeHealthcare into the Group's expanded Medical Technology business is now well progressed. LifeHealthcare's financial performance for FY23, its first full financial year under EBOS' ownership, was in-line with expectations with both the Australia – New Zealand (ANZ) and Southeast Asia businesses achieving growth.

Our Contract Logistics division continued to service New Zealand's health system with the ongoing demand for storage and servicing of medicines, as well as some COVID-19 related products such as protective equipment. This division has also benefitted from Australian Government initiatives to improve the depth of medicines inventory cover onshore.

The Healthcare segment has continued to invest in its operational infrastructure to support its growth, including the recently completed contracts logistics distribution centre in Auckland. The construction of a new contract logistics distribution centre in Sydney is underway, as well as new pharmacy wholesaling and medical consumables distribution centres in Auckland. These facilities will create additional capacity for future growth.

In early June 2023, EBOS was informed by Chemist Warehouse (CWH) that it intends to pursue alternative wholesale supply arrangements for its Australian stores and, as a result, CWH's contract with us will not be renewed beyond its expiry date of 30 June 2024. EBOS currently generates approximately \$2 billion in revenue annually from the contract and will continue to perform services under the contract until the expiry date.

We always recognised that the contract renewal was a risk to our business and therefore we have been developing strategies to minimise the earnings impact from this potential outcome and create alternative

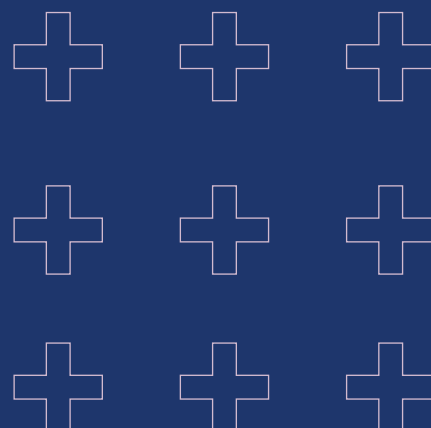
opportunities for growth. We are confident in the growth strategies we have for both our Healthcare and Animal care segments and in the overall diversity of the Group's earnings.

The growth in our Animal Care segment was driven by strong performances from our leading brands and businesses, the benefits of our new pet food manufacturing facility and growth in Animates, our New Zealand pet retail joint venture.

Each of Animal Care's key brands and businesses – Black Hawk, VitaPet and Lyppard – performed strongly with Black Hawk and VitaPet continuing to maintain share leadership in their respective segments. Second half performance reflected continued resilience in the premium pet food category, which represents the largest contributor to Animal Care's earnings, while growth slowed in the pet treats and accessories categories, as consumer spending impacted demand for discretionary products.

Our Australian pet food manufacturing facility has been operational for approximately one year and is successfully operating 24 hours, 5 days a week and delivering commercial production rates meeting demand. Importantly on-site storage has been increased to safeguard against material ingredient and unforeseen supply constraints.

**The growth in our Animal Care segment was driven by strong performances from our leading brands and businesses, the benefits of our new pet food manufacturing facility and growth in Animates, our New Zealand pet retail joint venture.**



# Chair & CEO Report

Consistent with our Animal Care growth strategy, several new product development launches are planned for FY24, including the Black Hawk Healthy Benefits® range which is the first specific benefits line from Black Hawk. These specially formulated diets are focused on supporting the health of dogs with specific needs. Manufacturing of the range commenced at Parkes, NSW in July 2023 and the new products are expected to start appearing on shelves in leading pet specialty retailers and vet clinics in September 2023.

Also aligned with our growth strategy, EBOS completed the acquisition of Superior Pet Food Co. (Superior), on 31 July 2023. Superior is a leading New Zealand based manufacturer and supplier of premium dog rolls and is also a supplier of dog treats. Superior's portfolio of branded products – including the Chunky, Possum, Ranchmans, Field & Forest and Superior brands – are sold through major grocery and rural retailers throughout New Zealand. The acquisition is consistent with Animal Care's strategy of expanding our portfolio of branded products in attractive categories, increasing our in-house manufacturing capabilities, and accelerating our new product development initiatives. The Superior product offering is complementary to Animal Care's existing portfolio of products marketed under the Black Hawk and VitaPet brands.

The defensive and diversified nature of our portfolio of businesses has provided us stability in the current dynamic macroeconomic environment. Demand for our products and services continues to demonstrate resilience to economic conditions but with the current inflationary environment, we have experienced increases in key cost items including labour, freight and rent to varying degrees across our businesses. Importantly each business has had an increased focus on various strategies to mitigate these increases and preserve margins.

Workplace safety remains a priority for EBOS under the guidance of our Group Safety Committee. The committee concentrates on driving consistent safety standards, fostering knowledge exchange across business units, and promoting stronger safety awareness throughout the organisation. In FY23, we improved our safety metrics with a 5% reduction in recordable injuries in New Zealand and Australia, underlining our dedication to the continued safety and wellbeing for all our employees. More details about EBOS' safety outcomes are detailed in our 2023 Sustainability Report.

## Sustainability and Community

In FY23, we achieved net zero Scope 1 emissions in New Zealand and Australia. We achieved this by investing in operational improvements and procuring offsets. This included Australian Carbon Credit Units (ACCUs) generated from the Darling River Eco-Corridor project which help to offset emissions and combat climate change where growing forests capture carbon dioxide from the atmosphere and carbon is stored in vegetation and soil. The next milestone in our journey to carbon neutrality is to become carbon neutral for our buildings in New Zealand and Australia.

For the last 16 years we have supported Greenfleet by offsetting the estimated greenhouse gas emissions from transport associated with customer deliveries in the Healthcare segment excluding Medical Technology and pre-wholesale. This year we increased our contribution and offset 16,600 tonnes CO<sub>2</sub>e.

At our pet food manufacturing facility in Parkes, NSW we have completed the first phase of our solar array project with the installation of a 500kW roof-mounted array. We are now progressing the engineering work and managing the regulatory approvals for the next phase of the project which is a significantly larger ground-mounted array. The entire 18.8MW solar array is forecast to meet all of the Group's Australian electricity requirements by FY27.

From FY24, EBOS is required to make certain climate related disclosures. The standards for these compulsory disclosures were published by the New Zealand External Reporting Board (XRB) in December 2022. We have selected an international professional services firm to assist us to ensure we are well placed to respond to the New Zealand Government's mandatory climate related reporting requirements.

**In FY23, we improved our safety metrics with a 5% reduction in recordable injuries in New Zealand and Australia, underlining our dedication to the continued safety and wellbeing for all our employees.**



EBOS has again built strong connections with communities in New Zealand and Australia through partnerships with organisations aligned with our purpose 'Advance opportunities to enrich lives'.

Our company and employees supported organisations including Ovarian Cancer Australia, BackTrack, LandSAR, FightMND, Cerebral Palsy Alliance, STREAT as well as donating sanitary, personal care and first-aid products to victims of the Turkey/Syria earthquake.

Following the weather events in New Zealand in early 2023 our teams ensured that supply channels remained open to continue to serve local communities. Our Onelink, Healthcare Logistics and ProPharma businesses joined forces with Te Whatu Ora – Health New Zealand and the New Zealand Defence Force, overcoming roadblocks and other obstacles, to supply emergency oncology and pharmaceutical inventory to Te Tai Tokerau Northland and Te-Mataua-ā Māui Hawke's Bay. This is another example of the critical importance our Healthcare businesses are to the supply of medicines and related products across New Zealand and Australia and underlines the commitment of our people in times of crisis.

Further detail on our ESG Program is contained in our 2023 Sustainability Report.

### Our Board

Consistent with EBOS' Board renewal process, independent directors Sarah Ottrey and Stuart McGregor will retire as directors effective from the 2023 Annual Meeting. The retirements are part of a carefully considered succession process that has included the appointment of two new independent directors in the last 12 months.

In September 2022 Mark Bloom was appointed to our Board bringing 35 years of commercial and financial experience with listed companies in Australia and globally to EBOS. In May 2023 Julie Tay joined EBOS' Board with over 30 years' experience in international executive and non-executive roles across consumer healthcare, medical devices and digital healthcare.

Sarah Ottrey and Stuart McGregor have been directors since 2006 and 2013 respectively and have made valuable contributions to EBOS during their tenure as directors, a period in which EBOS has generated significant growth and shareholder value. We thank each of them and wish them well in their future endeavours.

We also acknowledge the guidance, support and wisdom of the Board.

### Final Dividend

The Directors declared a final dividend of NZ 57.0 cents per share. In combination with the interim dividend, this brings total dividends declared for FY23 to NZ 110.0 cents per share (up 14.6%), representing a 68.5% underlying pay-out ratio.

Reflecting the Group's strong operating performance, cash flow and balance sheet, the DRP will not be available for the final dividend.

The record date for the dividend is 8 September 2023 and the dividend will be paid on 29 September 2023. The final dividend will be imputed to 25% for New Zealand tax resident shareholders and fully franked for Australian tax resident shareholders.

### Outlook

EBOS is pleased with the strong earnings growth in FY23 driven by organic growth and acquisitions.

July 2023 trading conditions were positive with continued organic growth compared to the prior corresponding period and we expect another year of profitable growth in FY24.

The macroeconomic outlook continues to be uncertain however our earnings have shown resilience in this environment, reflecting the defensive and diverse nature of our Group.

We will continue to service the Chemist Warehouse Australia contract until the expiry date of 30 June 2024. Thereafter, we do not expect to generate revenue from this contract.

The Group expects to have capital expenditure in FY24 at levels similar to FY23 as we continue to invest for growth and modernise our facilities, particularly in our New Zealand healthcare operations. We expect capital expenditure to reduce from FY25 onwards.

We again acknowledge the efforts and contribution of our more than 5,000 employees across the regions where we operate and thank our shareholders for their ongoing support.



**Elizabeth Coutts**  
Chair



**John Cullity**  
CEO



# Our DNA

**At EBOS, our purpose is clear: we advance opportunities to enrich lives.**

Across our Company, our businesses are guided by a set of values and a united vision to help those who rely on our vast experience, breadth of services and broad expertise.

Whether administering vaccines, comforting a sick child, ensuring critical medical supplies arrive on time, or providing the best nutrition to a precious pet – our commitment to our customers and communities is at the core of everything we do.

Our people play a vital role on the frontline of the healthcare industry, distributing medicines, vaccines and protective equipment to doctors, nurses and patients.

This commitment to help others was underlined across New Zealand and Australia when our people supported cyclone and flood affected communities to help them through the impact of these natural events.

Inspired by those who have come before us, right from our beginnings as Early Brothers Trading Company in New Zealand and Faulding in Australia, our work matters.

Through a culture of innovation, collaboration, and continued investment in our facilities and people, we continue to strive forward and remain agile to meet evolving local and global healthcare and pet care needs.

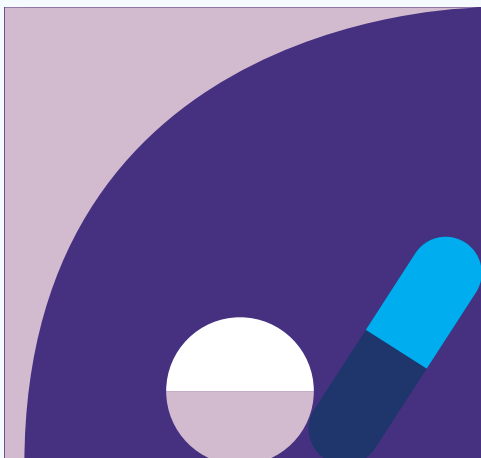
It is our focus on excellence and going above and beyond that enables us to positively impact the lives of thousands of people each day. This dedication to excellence is woven into our DNA through the combined history of our industry leading business.

**Inspired by those who have come before us, right from our beginnings as Early Brothers Trading Company in New Zealand and Faulding in Australia, our work matters.**





Our business is integral to communities receiving the right care, where and when they need it.



# Built by Our Businesses

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



### Institutional Healthcare

### Animal care



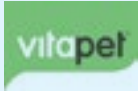





### Contract Logistics

	
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### Animal Care

# From Paddock to Bowl

**The demand for pet food and pet care products and services has continued to grow following the surge in pet ownership during the COVID pandemic.**

In 2022, Australians spent more than \$4.4 billion\* on food and treats to satisfy the appetites of their favourite pets, and that is expected to increase amid the trend towards the premiumisation of pet food.

Our Animal Care segment is well prepared to meet the growing demand from pet parents for high-quality food, with the official opening last year of our Pet Care Kitchen in Parkes, NSW.

The 12,000m<sup>2</sup> facility, which commenced operations in the second half of FY22 and employs more than 60 staff, is running 24 hours, 5 days a week, and can produce more than 3.3 million bags of Black Hawk kibble each year. How much is that? Well, enough to feed more than 800,000 dogs and cats.

The facility has been strategically positioned in Australia's food bowl to ensure we can access quality produce from local farmers as part of a local-first sourcing policy; supporting jobs and providing the premium ingredients for pets.

By engaging with farmers to grow ingredients to satisfy our forward orders, PCK in turn provides them with the confidence they need for their production. These relationships also ensure we have clear oversight of the supply chain to support responsible and fair procurement.

Each year, the facility will process over 5,000 tonnes of Australian chicken, over 2,000 tonnes of Australian lamb, and over 3,500 tonnes of field peas from Australian farmers.

Over 2,000 quality checks are carried out across the facility daily. Also, by having greater control over the manufacturing of our products, we can continue to deliver ongoing value to shareholders while ensuring we get the best produce from paddock to bowl for pets.



**5,000+**  
tonnes of  
Australian  
chicken

**2,000+**  
quality checks  
carried  
out daily

**3,500+**  
tonnes of  
Australian  
field peas

**2,000+**  
tonnes of  
Australian  
lamb

\* Source: IRI Big Picture, MAT January 2023. Masterpet retailer data. Industry reports.





**In 2022, Australians spent more than \$4.4 billion\* on food and treats to satisfy the appetites of their favourite pets and that is expected to increase amid the trend towards the premiumisation of pet food.**



# A Growing Player in Medical Technology

**The medical technology sector includes a diverse array of technologies, devices, equipment, and software solutions that aim to improve patient care, enhance the efficiency of healthcare delivery, and advance medical research.**

The sector has experienced significant advancements and innovations in recent years. Technological advancements have revolutionised various aspects of healthcare, leading to improved outcomes, enhanced patient experience, and increased cost effectiveness.

EBOS recognised the opportunity to impact patients' lives in Australia, New Zealand and Asia-Pacific regions, and sought to expand our footprint in the medical technology sector through a combination of acquisition, organic growth, and new market expansion. Following the acquisition of the LifeHealthcare Group in 2022, the newly formed EBOS Medical Technology business now comprises the ANZ distribution business – LifeHealthcare, the Southeast Asia distribution business – Transmedic, and the Allograft manufacturing business – Australian Biotechnologies.

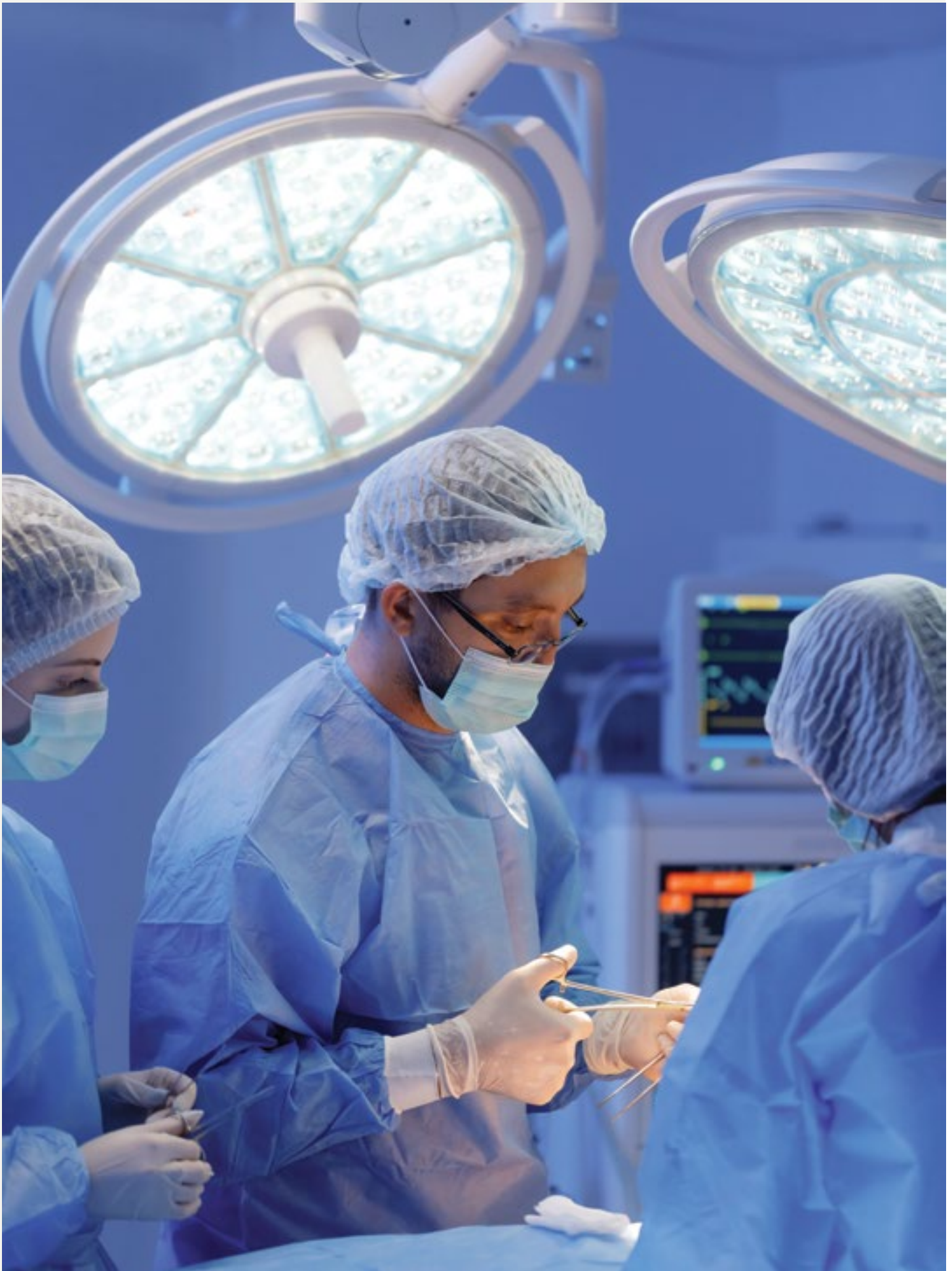
LifeHealthcare is a truly scaled distribution business in Australia and New Zealand with focused channels in spine, orthopaedics, surgical implants and capital equipment. LifeHealthcare is driven by a passion for health and a purpose of helping to make life better for others by enabling access to leading medical technology sourced from a network of global suppliers.

Transmedic represents an exciting opportunity for the business to service patients in the Southeast Asia region through partnerships with leading multinational manufacturers and innovative medical technology suppliers. There are synergies between the Southeast Asian markets and Australia-New Zealand through combined relationships with leading suppliers, professional education opportunities for surgeons in both markets, and an opportunity for collaboration between the employees of LifeHealthcare and Transmedic, allowing us to retain and develop key talent to grow the businesses.

Overall, medical technology is a dynamic sector, driven by innovation, research, and the continuous search for better healthcare outcomes. It holds significant potential to transform the way healthcare is delivered, leading to improved patient care and enhanced quality of life. Through enabling access to best-in-class medical solutions, EBOS Medical Technology is well positioned to serve this growing sector, while striving to improve the lives of patients.

**The medical technology market is a rapidly growing sector that has experienced significant advancements and innovations in recent years.**





# Environmental, Social and Governance Program

**Together with our commitment to provide the best healthcare and pet care to our customers, we place a high value on operating in a way that meets expectations of our stakeholders and a modern society.**

Three years ago, EBOS commenced the implementation of a formal Environmental, Social and Governance (ESG) program to provide a framework around topics of significance to the sustainability of our operations.

Progress has been made in delivering the first phase of our 18.8MW solar array, which aims to meet our forecast Australian electricity needs by FY27 and drive our carbon neutrality ambitions.

The first stage – a 500kW rooftop array – has now been installed at our Pet Care Kitchen at Parkes, NSW. We are on track to begin construction of a ground-mounted solar array in 2024.

In FY23, we achieved net zero Scope 1 emissions in New Zealand and Australia by investing in operational improvements and procuring offsets. The next milestone in our journey to carbon neutrality is to become carbon neutral for our buildings in New Zealand and Australia.

EBOS also commenced implementation of an Ethical Sourcing Strategy. The strategy is supported by a Supplier Code of Conduct outlining our expectations from suppliers in complying with laws and ethical behaviour.

The framing of a Sustainable Packaging Strategy is an integral part of a commitment to reduce plastic waste, and commencing in 2025 or sooner, we plan to convert all packaging for our grocery brands into reusable, recyclable or compostable materials.

We extended our proud track record for supporting healthcare and animal care charities and aided relief efforts in the aftermath of the Turkey/Syria earthquake.

In a company first, Symbion has partnered with the Pharmacy Guild of Australia to deliver a scholarship initiative for Aboriginal and Torres Strait Islander pharmacy students providing annual entitlements of up to \$10,000 per student.

More details of our ESG initiatives and community activity are detailed in our 2023 Sustainability Report.

**We extended our proud track record for supporting healthcare and animal care charities and aided relief efforts in the aftermath of the Turkey/Syria earthquake.**

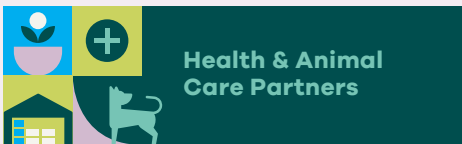
**\$150,000**  
of personal care  
and first-aid  
products donated  
to Turkey and Syria

**19,584**  
**tonnes**  
of CO<sub>2</sub> offset  
in FY23

**Carbon neutral**  
for Scope 1  
emissions



Roof-mounted solar array at Parkes, NSW



**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



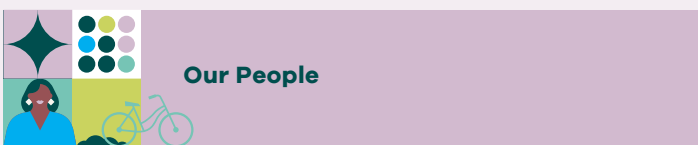
**Community & Environment**

**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

# Business Highlights

## Healthcare

**EBOS' Healthcare business delivered another year of strong growth while responding to a period of immense challenges for many in the communities it served.**

### Healthcare segment supports communities in New Zealand

In February this year, New Zealand's North Island was caught in the grip of a flood and cyclone emergency.

Communities were isolated and roads and homes destroyed as torrential rain generated by Cyclone Gabrielle caused landslides in what is predicted to be the costliest natural disaster in New Zealand's history.

After supporting those impacted by the Australian floods in October 2022, our people again assisted in the unfolding New Zealand emergency.

Our distribution efforts in the North Island were severely challenged in February 2023 as the cumulative impact of the storms made some areas impassable.

Despite the roadblocks and obstacles, our wider business, including Onelink, Healthcare Logistics and ProPharma, worked with Te Whatu Ora – Health New Zealand and the New Zealand Defence Force to deliver emergency oncology and pharmaceutical inventory to Te Tai Tokerau Northland and Te Matau ā Māui Hawke's Bay.

Our teams persevered to support the critical needs of the health service and their fellow New Zealanders. In some areas couriers were unable to deliver, so our operations managers stepped into the breach to make time-critical deliveries of medical supplies and products.

### Symbion donates to Turkey and Syria relief efforts

The Australian Healthcare team partnered with Sydney-based charity Amal Al Salihah (AAS) to provide medical aid to victims of the devastating earthquake in Turkey and Syria.

Symbion donated \$150,000 worth of sanitary, personal care and first-aid products, which were assembled into hygiene packs for thousands of people forced to live in tent and container cities.

Twelve pallets of goods were supplied to AAS, who coordinated shipment from Australia to Turkey.

AAS had crews on the ground in Adiyaman, Turkey providing hot meals and food packs to quake-affected families.

### Increasing our network infrastructure

Our increasing network of distribution centres offer unrivalled coverage and distribution capability for health and medical products, and support requirements of our customers.

In January 2023, we opened a new 13,400m<sup>2</sup> Healthcare Logistics (HCL) distribution centre in Auckland with pallet capacity of 13,350. Strategically located with proximity to Auckland Airport and other HCL facilities, this 4-star Green Star rated facility includes a range of sustainable features including electric vehicle charging points, rainwater tanks, and motion sensing LED lighting.

### Symbion launches Elite Rewards program

Symbion has demonstrated its commitment to its customers through the new Symbion Elite Rewards program, which was launched to the industry at the Australian Professional Pharmacy Conference in Australia at the beginning of 2023.

Customers who use Symbion as their primary wholesaler, and pay their statements on the rewards platform, can earn points redeemable on items such as flights, groceries, fuel, clothes, or to pay other bills.

The initiative is another way that Symbion is working to support pharmacy customers and thank them for their loyalty during a very challenging few years in the healthcare industry.

**After supporting those impacted by the Australian floods in October 2022, our people again assisted in the unfolding New Zealand emergency.**





**symbion**  
Elite Rewards

Pay bills. Earn points. Access rewards.

[symbionelite.com.au](http://symbionelite.com.au)

**4-star**  
Green Star  
rated new  
facility

**12**  
pallets of goods  
to help  
earthquake  
victims

Our new 13,400m<sup>2</sup>  
Healthcare  
Logistics (HCL)  
distribution centre  
in Auckland



### **TerryWhite Chemmart**

For more than 60 years, one of Australia's largest community pharmacy networks, TerryWhite Chemmart (TWC), has been supporting the health needs of millions of Australians.

The ongoing expansion of the TWC network saw 40 pharmacies added in FY23, taking the total across Australia to more than 550 pharmacies.

#### **Digital innovation**

With a continued investment in marketing and technology, TWC launched its new myTWC health app, an industry leading innovation for customers and network partners providing users with a one-stop shop to manage their healthcare needs. Customers can order prescriptions, book health services and vaccinations, earn rewards, shop online, and organise delivery or click & collect.

The app is aimed at making it easier for customers to access TWC's expertise and suite of offerings and improving operational efficiency for pharmacies.

### **Health support**

TWC continued to lead Australia's pharmacy immunisation efforts and in FY23 delivered almost 1 million vaccinations, representing 20% of all pharmacy market vaccinations.

TWC also launched several national Care Clinic programs to enable pharmacists to expand their scope of practice in local communities.

The programs are designed to provide patients with integrated quality healthcare, from advice and support through to management of low care to high care needs. Services include palliative care support, medications by injection, asthma screening support, hearing checks, sleep apnoea services, natural health advice, diabetes health checks, mental health first aid, integrative health consultations, pain management services, vaccinations, UTI prescriptions in some Australian states, osteoarthritis screening, and men's health services.

**For more than 60 years, one of Australia's largest community pharmacy networks, TerryWhite Chemmart (TWC), has been supporting the health needs of millions of Australians.**



### Dedicated to Care

This customer dedication has been reflected in a new brand promise – ‘Dedicated to Care’ – unveiled this year, signifying the importance TWC pharmacists and their teams place on developing relationships with their patients.

To further support the network, TWC provides industry-leading educational programs throughout the year for pharmacists and pharmacist assistants, to advance clinical and professional development. Education is key as our pharmacy teams are working across six generations of customers with ever expanding health needs.

### Charity partnerships

TWC continued its longstanding alliance with charity partner Ovarian Cancer Australia (OCA) helping to raise crucial funds for ovarian cancer awareness and research.

The TWC pharmacy network has raised over \$2 million since the partnership with OCA started nearly 20 years ago. Initiatives this year included an alliance with 16 industry partners to donate part of the proceeds from product sales to OCA and in FY23 raised \$322,000. TWC is now the Principal Partner of OCA.

TWC also supports the Jodi Lee Foundation (JLF), helping to raise crucial awareness for bowel cancer research. JLF and TWC collaborated on a ‘View Your Poo’ public health campaign to encourage Australians to check for changes in bowel movements that could be a sign of bowel cancer.

The TWC network also donated \$800,000 worth of much-needed baby products to seven charities across Australia who are supporting families in need.

Further strengthening TWC’s dedication to supporting the Aboriginal and Torres Strait Islander peoples workforce, participants in the Pharmacy Guild of Australia and Symbion’s new student scholarship initiative will be given opportunities for placement at TWC pharmacies during their intern years.

TWC have also partnered with Sanofi on an initiative to return unwanted medicines. Customers can return their expired or unused medications to a local TWC pharmacy for safe disposal. This environmental initiative is free-of-charge to customers.

### Red Seal celebrates 100-year anniversary with launch of new fluoride toothpaste

One of New Zealand’s most beloved and iconic consumer health and wellness brands, Red Seal, celebrated 100 years in business in 2023.

To mark the milestone, Red Seal made a significant addition to its line-up of products with the much anticipated and requested addition of fluoride to the brand’s oral care range.

Red Seal pioneered herbal toothpaste in the 1980s with naturally derived ingredients that provide gentle cleansing and freshening. Now, Red Seal is innovating once again with the option of fluoride, giving more consumers the choice of incredible products that suit their needs and their families.



**Over \$2 million**  
raised during partnership for ovarian cancer research

**40**  
TerryWhite Chemmart pharmacies added in FY23

**950,000+**  
vaccinations against influenza and COVID-19

**\$800,000**  
of baby products donated to seven charities





Above: Australian Biotechnologies



Left: Professional education for spine surgeons, facilitated by LifeHealthcare and Transmedic at the fourth edition of DDU (Deformity Down Under) ASEAN in Singapore.



# Business Highlights

## Healthcare Continued

### EBOS Medical Technology highlights

EBOS' Medical Technology business has operations in New Zealand, Australia and Southeast Asia, and is guided by a purpose to enable access to best-in-class medical solutions to improve life.

Since the acquisition of LifeHealthcare Group in FY22, we have made good progress aligning business units within our expanded Medical Technology business and building upon our industry-leading reputation.

We brought our Melbourne team together in an integrated facility, formed a spine leadership team across the Asia-Pacific region and combined our orthopaedic units in New Zealand and Australia.

### LifeHealthcare and LMT Spine and Neuro integration and launch at NSA

The Annual Scientific Meeting of the Neurosurgical Society of Australia (NSA), is a prominent event in the field of neuro and spinal surgery in Australia. The NSA annual meeting brings together neurosurgeons, neurologists, researchers, residents, and other healthcare professionals and serves as a platform to share knowledge, discuss advancements, and promote collaboration in the field.

The LifeHealthcare and LMT Spine & Neuro teams were proud to present as a combined business at the meeting held in Sydney in September 2022 under the 'Shared purpose for life' theme. This conference was well attended by many customers of our previously separate businesses who were excited to see the strength of our combined portfolio on the conference stand. Technology innovations such as Synaptive Modus X robotic exoscope and 7D spinal navigation were exhibited alongside a comprehensive implant portfolio.

The LifeHealthcare and LMT Spine & Neuro teams are well positioned to meet the needs of Australian and New Zealand surgeons and their patients.

### Boston Scientific cardiac rhythm business

Transmedic has increased its cardiology offering by taking over the cardiac rhythm business of Boston Scientific in Singapore, Malaysia, Thailand, Vietnam, the Philippines, Indonesia and Brunei. Twenty-five Boston scientific employees have joined the Transmedic team under the strategic partnership.

### Upgraded manufacturing facility at Australian Biotechnologies

In FY23, Australian Biotechnologies began operations of its upgraded allograft manufacturing facility, which received Therapeutic Goods Administration approval earlier in 2023. The expanded building in Sydney increases manufacturing capacity by 25% and allows the company to provide more innovative and life-changing allografts for patients in Australia and New Zealand.

### Professional education

Training remained an important remit of our medical technology team, with the LifeHealthcare and Transmedic teams facilitating valuable professional education for spine surgeons with the fourth edition of DDU (Deformity Down Under) held in Singapore, which attracted more than 60 attendees across Southeast Asia.

**Since the acquisition of LifeHealthcare Group in FY22, we have made good progress aligning business units within our expanded Medical Technology division and building upon our industry-leading reputation.**



# Business Highlights

## Animal Care

**EBOS' Animal Care segment continues to expand its market-leading offering in the premium pet food category with new product innovations and the ongoing benefits of our new pet food manufacturing facility at Parkes, NSW.**

As pet parents continue to seek out the very best care for their furry family members, our Animal Care team remains at the forefront of providing leading products across a variety of categories.

### **Pet Care Kitchen**

The in-house manufacturing capability of the \$82 million Pet Care Kitchen facility, officially opened in October 2022, has improved the supply of our premium Black Hawk kibble to retailers enhancing our ability to meet the needs of customers to provide balanced, locally sourced nutrition for their pets.

Operating 24 hours a day, 5 days a week, the facility is delivering commercial production rates that meet Black Hawk demand, supporting our strategy for new product development and helping to manage the impact of rising input costs.

Onsite storage capacity has been increased substantially to safeguard against material ingredient and supply constraints and to allow for specialty blending of new products.

### **Innovation**

As an industry leading supplier of premium pet food, treats, and specialty products, the Animal Care team is always investigating new and innovative ways to help pets live longer, happier and healthier lives. New products to market included VitaPet's oven-baked Bakery Bites, Nothin' to Hide dog chews and Trouble & Trix Cherry Blossom scented cat litter. The team also relaunched the popular Black Hawk Original Puppy range.



The 'Ready. Pet. Go.' campaign encapsulates the way that pets make us better people and keep us on our toes.

### VitaPet campaign

VitaPet's brand team recently developed a new advertising campaign with the tagline 'Ready. Pet. Go', encapsulating the way pets keep us on our toes. By incorporating VitaPet products into enhancing relationships with pets, viewers were reminded of the vital role the VitaPet brand plays in keeping pets healthy and happy. The campaign, which ran until June 2023, was welcomed by viewers with 82% of New Zealand pet parents saying they saw the ad in the campaign period.

### Award winner

Black Hawk's standing as a quality pet food leader was reinforced with the brand awarded Canstar Blue's 'Most Satisfied Customers Award for Dog Food' for the second consecutive year. This is a great endorsement of our brand and follows a survey of more than 67,000 Australian consumers.



As pet parents continue to seek out the very best care for their furry family members, our Animal Care team remains at the forefront of providing leading products across a variety of categories.

### On the road

Animal Care's event calendar was full of highlights, with our brands at the forefront of industry leading events. Our VitaPet team provided product education and knowledge at the Dog Lovers Show in Melbourne, which attracted nearly 32,000 visitors across three days. Masterpet were also proud sponsors of the Melbourne Cat Lovers Show.







# Our Board

**The EBOS Group Limited Board is structured to bring to its deliberations a range of experience and skills relevant to the Company's operations. The Board comprises eight independent non-executive Directors.**

## **1. Elizabeth Coutts – Independent Chair ONZM, BMS, FCA, CF Instit. D**

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 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 Skellerup Holdings Limited, 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.

## **2. Dr Tracey Batten – Independent Director MBBS, MHA, FRACMA, MBA (Harvard), 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.

### 3. Mark Bloom – Independent Director BCom, BAcc, CA

Mark Bloom was appointed to the Board in September 2022.

Mark is currently a non-executive director of ASX listed Abacus Storage King, AGL Energy Limited and Pacific Smiles Group Limited. He is a former director of Abacus Property Group. Mark has over 35 years' experience as a finance executive, including as Chief Financial Officer at ASX listed Scentre Group Limited from its formation in July 2014 through to his retirement in April 2019. Prior to this, he was the Deputy Group CFO of Westfield Group for 11 years. Mark has also held a number of senior finance roles, including being CFO and executive director for insurance and financial services companies Liberty Life, South Africa and Manulife Financial, Canada.

### 4. 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 Masters 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.

### 5. Stuart McLauchlan – Independent Director BCOM, FCA, CF. Inst.D

Stuart McLauchlan 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 GS 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 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.

### 6. 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. Sarah has held senior marketing management positions with Unilever and Heineken.

### 7. Julie Tay – Independent Director BA, MBA (Curtin)

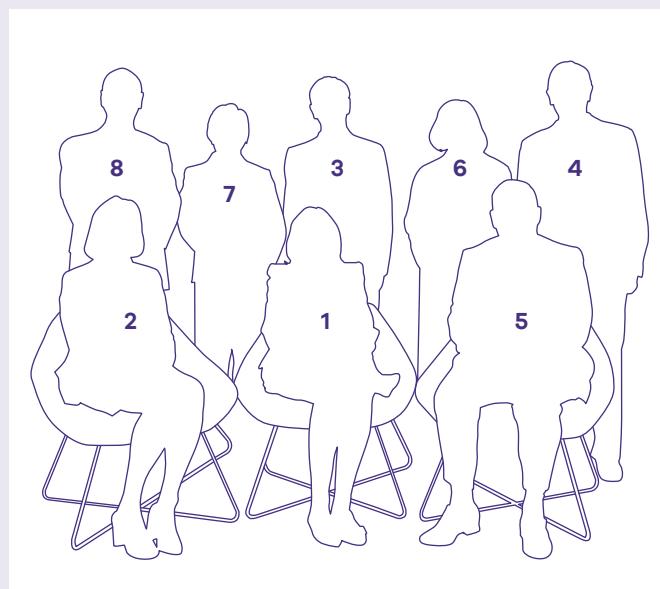
Julie Tay was appointed to the EBOS Group Limited Board in May 2023.

Residing in Singapore, Julie is currently a director of Sonova, a global hearing care solutions company, headquartered in Switzerland and listed on the Swiss stock exchange. She has over 30 years' experience in international executive and non-executive roles across consumer healthcare, medical devices and digital healthcare.

Julie was most recently Senior Vice President and Managing Director, Asia Pacific and member of the global Executive Management Committee for Align Technology. Prior to this time, she was regional head of Bayer Healthcare (Diabetes Care) in Asia Pacific and also previously held senior executive roles in Asia at Johnson Diversey and Johnson & Johnson.

### 8. 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 the Zuellig Group.



# Financial Summary

**EBOS has achieved another record result driven by organic growth and prior year acquisitions, reflecting the defensive and diversified nature of our Group earnings.**

Group revenue exceeded \$12 billion for the first time, up 14.0% 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 divisions.

EBOS recorded Underlying EBITDA of \$582.0 million, representing 33.2% growth and Underlying NPAT of \$281.8 million, representing 23.0% growth.

## Healthcare

The Healthcare segment reported revenue of \$11.7 billion and Underlying EBITDA of \$517.0 million, representing 14.6% and 32.7% growth respectively. In Australia, Healthcare revenue increased to \$9.4 billion and Underlying EBITDA increased to \$416.0 million, representing 15.3% and 27.5% growth respectively. In New Zealand and Southeast Asia, Healthcare revenue increased to \$2.3 billion and Underlying EBITDA increased to \$101.0 million, representing 11.6% and 59.7% growth respectively.

This growth was driven by our leading market positions and strong contributions from our Community Pharmacy, TWC, Institutional Healthcare and Contract Logistics divisions and businesses. Each of our divisions in the Healthcare segment recorded double digit GOR growth, with Institutional Healthcare recording particularly strong growth due to contribution from acquisitions completed in FY22.

## Animal Care

The Animal Care segment had a strong performance with revenue of \$560.8 million and Underlying EBITDA of \$99.1 million, representing 3.6% and 24.0% growth respectively.

This growth was driven by strong performances from our leading brands and businesses (Black Hawk, Vitapet and Lyppard), the benefits of our new pet food manufacturing facility and growth in Animates, our New Zealand pet retail joint venture.

## Cash flow and balance sheet

EBOS has generated underlying operating cash flow of \$404.7 million. This cash performance reflects strong earnings growth and disciplined net working capital management, partially offset by higher finance costs and tax payments. Net capital expenditure for the year was \$97.8 million.

Return on Capital Employed for June 2023 of 15.1% was below FY22 by 350bp and is in-line with target. The reduction in ROCE was due to the long-term investment in building our position in the medical technology distribution sector through the acquisition of LifeHealthcare.

Net Debt: EBITDA ratio at 30 June 2023 was 1.52x, reflecting strong cash flow and earnings growth<sup>1</sup>.

## Acquisitions

Consistent with our strategy of investing for growth, on 31 July 2023 we completed the acquisition of Superior Pet Food Co., which is a leading manufacturer and supplier of premium dog rolls based in New Zealand and is also a supplier of dog treats. This acquisition expands our portfolio of branded products in attractive categories, increases our in-house manufacturing capabilities and accelerates our new product development initiatives.

## Dividends

The Directors are pleased to declare a final FY23 dividend of NZ 57.0 cents per share, which equates to a full-year dividend of NZ 110.0 cents per share. For the full year, this represents an increase of 14.6% on the prior year and a dividend payout ratio of 68.5%.

The record date for the final dividend is 8 September 2023 and the dividend will be paid on 29 September 2023. The final dividend will be imputed to 25% for New Zealand tax resident shareholders and will be fully franked for Australian tax resident shareholders. Reflecting the Group's strong operating performance, cash flow and balance sheet, the DRP will not be available for the final dividend.

<sup>1</sup> Net debt excludes a put option liability of \$165 million, representing the estimated consideration to acquire the remaining 49% equity ownership of the Transmedic business not currently owned by the Group. Net debt : EBITDA also excludes IFRS 16 lease impacts.



Our new 13,400m<sup>2</sup> Healthcare Logistics (HCL) distribution centre in Auckland with pallet capacity of 13,350.



**EBOS has achieved another record result driven by organic growth and prior year acquisitions, reflecting the defensive and diversified nature of our Group earnings.**

# Financial Report

## Contents

<b>Directors' Responsibility Statement</b>	<b>33</b>
<b>Independent Auditor's Report</b>	<b>34</b>
<b>Financial Statements</b>	<b>38</b>
Consolidated Income Statement	38
Consolidated Statement of Comprehensive Income	39
Consolidated Balance Sheet	40
Consolidated Statement of Changes in Equity	42
Consolidated Cash Flow Statement	43
<b>Notes to the consolidated Financial Statements</b>	<b>44</b>
<b>Introducing this report</b>	<b>44</b>
<b>Section A: EBOS performance</b>	
A1. Revenue and expenses	46
A2. Segment information	49
A3. Taxation	52
A4. Earnings per share	54
<b>Section B: Key judgements made</b>	
B1. Goodwill and intangibles	55
B2. Acquisition information	60
<b>Section C: Operating assets and liabilities used by EBOS</b>	
C1. Trade and other receivables	65
C2. Inventories	66
C3. Trade and other payables	67
<b>Section D: Capital assets used by EBOS to operate our business</b>	
D1. Property, plant and equipment	68
D2. Capital work in progress	69
<b>Section E: How we fund the business</b>	
E1. Share capital	70
E2. Dividends	71
E3. Borrowings	72
E4. Borrowing facilities maturity profile	73
E5. Operating cash flows	74
<b>Section F: EBOS Group structure</b>	
F1. Subsidiaries	76
F2. Investment in associates	79
F3. Non-controlling interests	81
<b>Section G: How we manage risk</b>	
G1. Financial risk management	82
G2. Financial instruments	84
<b>Section H: Other disclosures</b>	
H1. Contingent liabilities	87
H2. Commitments for expenditure	87
H3. Subsequent events	87
H4. Related party disclosures	87
H5. Remuneration of auditors	88
H6. Leases	89
H7. New accounting standards	91
<b>Additional stock exchange information</b>	<b>92</b>

## Key



Key judgements and other judgements made



Subsequent event



Risks



Accounting policy



Explanatory note



## 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 2023.

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 2023 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**

22 August 2023

# 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 2023, 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 38 to 95, present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2023, 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 \$19m.

### 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**

The Group has \$1,976m of goodwill and \$171m of indefinite life intangible assets, including brands of \$144m, on the balance sheet at 30 June 2023 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); 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 – LifeHealthcare 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 LifeHealthcare Group (LHC) for \$1.193b at 31 May 2022. Due to the timing of the acquisition the acquisition balance sheet was determined on a provisional basis as at 30 June 2022.

During the current year, the Group finalised the acquisition accounting of LHC. The process involved complex and subjective estimation and judgement by Management including the following:

- Identification and valuation of the assets acquired, including finite life and indefinite life intangible assets, and the liabilities assumed as at acquisition date;
- Assessment of the useful lives of assets acquired including the acquired finite life intangible assets which is a key input in determining the fair values.

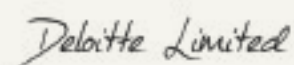
We have included the determination of the fair value attributable to the assets and liabilities acquired as part of the of LHC acquisition as a key audit matter due its the significance to the financial statements, and the subjectivity and complexity inherent in determining fair value.

Management engaged an external expert to assist them in the identification of acquired assets and the determination of their fair values at acquisition date.

Our procedures included:

- Considering the completeness of the identified assets and liabilities acquired including the identification and classification of acquired finite life and indefinite life intangible assets;
- Reviewing the valuation methodologies in determining the fair values of the identified assets and liabilities at acquisition date;
- Assessing the cash flow forecasts used in the measurement of the identifiable intangible assets, which included assessing the appropriateness of the future cash flow forecasts and discount rates applied;
- Reviewing management's assessment of the attributed useful life of the identified finite life assets when recalculating fair value; and
- Assessing the competence, capabilities, objectivity and expertise of Management's external valuation expert and the appropriateness of their work as audit evidence for the relevant assertions.
- Recomputing the resulting goodwill to be recognised on acquisition;
- Engaging our own internal valuation expert to assist in understanding and evaluating the work and findings of Management's expert; and
- Evaluating the related disclosures about the acquisition.

<p><b>Other information</b></p>	<p>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.</p> <p>Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>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.</p>
<p><b>Directors' responsibilities for the consolidated financial statements</b></p>	<p>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.</p> <p>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.</p>
<p><b>Auditor's responsibilities for the audit of the consolidated financial statements</b></p>	<p>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.</p> <p>A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at:</p> <p><a href="https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1">https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1</a></p> <p>This description forms part of our auditor's report.</p>
<p><b>Restriction on use</b></p>	<p>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.</p>



**Mike Hawken,**  
**Partner for Deloitte Limited**  
 Christchurch, New Zealand

22 August 2023

# 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 2023	Notes	2023 A\$'000	2022 A\$'000
<b>Revenue</b>	A1(a)	12,237,401	10,734,119
Income from associates	F2	12,369	9,749
<b>Profit before depreciation, amortisation, net finance costs and tax expense (EBITDA)</b>		568,776	405,810
Depreciation	A1(b)	(86,246)	(67,534)
Amortisation	A1(b)	(38,538)	(14,338)
<b>Profit before net finance costs and tax expense (EBIT)</b>		443,992	323,938
Finance income		8,542	2,762
Finance costs – borrowings		(67,808)	(22,943)
Finance costs – leases	H6	(11,295)	(8,504)
<b>Profit before tax expense</b>		373,431	295,253
Tax expense	A3	(109,986)	(93,215)
<b>Profit for the year</b>		263,445	202,038
Profit for the year attributable to:			
Owners of the Company		253,373	202,605
Non-controlling interests		10,072	(567)
		263,445	202,038
<b>Earnings per share:</b>			
Basic (cents per share)	A4	132.9	114.5
Diluted (cents per share)	A4	132.9	114.5

## 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 2023	2023 A\$'000	2022 A\$'000
<b>Profit for the year</b>	263,445	202,038
<b>Other comprehensive income</b>		
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedge gains	1,114	10,341
Related income tax	(384)	(3,212)
Movement in foreign currency translation reserve	5,941	(15,937)
	6,671	(8,808)
Items that will not be reclassified subsequently to profit or loss:		
Movement on equity instruments fair valued through other comprehensive income	1,016	(3,441)
<b>Total comprehensive income net of tax</b>	271,132	189,789
Total comprehensive income for the year is attributable to:		
Owners of the Company	260,908	190,356
Non-controlling interests	10,224	(567)
	271,132	189,789

## 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 2023	Notes	2023 A\$'000	2022 A\$'000
<b>Current assets</b>			
Cash and cash equivalents		211,886	517,316
Trade and other receivables	C1	1,497,526	1,374,095
Prepayments		40,474	31,968
Inventories	C2	1,234,237	1,103,975
Current tax refundable		5,918	127
Other financial assets – derivatives	G2	16,836	19,722
<b>Total current assets</b>		<b>3,006,877</b>	<b>3,047,203</b>
<b>Non-current assets</b>			
Property, plant and equipment	D1	329,777	298,355
Capital work in progress	D2	49,110	24,992
Prepayments		2,011	1,360
Deferred tax assets	A3(b)	206,586	192,727
Goodwill	B1(a)	1,976,368	1,946,521
Indefinite life intangibles	B1(b)	171,108	170,405
Finite life intangibles	B1(d)	344,156	372,793
Right of use assets	H6	281,788	249,596
Investment in associates	F2	53,650	45,912
Other financial assets		15,602	12,979
<b>Total non-current assets</b>		<b>3,430,156</b>	<b>3,315,640</b>
<b>Total assets</b>		<b>6,437,033</b>	<b>6,362,843</b>
<b>Current liabilities</b>			
Trade and other payables	C3	2,314,371	2,024,853
Bank loans	E3	42,124	331,517
Lease liabilities	H6	50,142	42,627
Current tax payable		6,370	40,532
Employee benefits		80,046	76,169
Other financial liabilities – derivatives	G2	165,000	-
<b>Total current liabilities</b>		<b>2,658,053</b>	<b>2,515,698</b>



## Consolidated Balance Sheet continued

As at 30 June 2023	Notes	2023 A\$'000	2022 A\$'000
<b>Non-current liabilities</b>			
Bank loans	E3	936,351	1,046,259
Lease liabilities	H6	254,326	227,203
Trade and other payables	C3	15,383	34,173
Deferred tax liabilities	A3(b)	259,245	241,414
Employee benefits		10,315	9,540
Other financial liabilities – derivatives	G2	-	137,000
<b>Total non-current liabilities</b>		1,475,620	1,695,589
<b>Total liabilities</b>		4,133,673	4,211,287
<b>Net assets</b>		2,303,360	2,151,556
<b>Equity</b>			
Share capital	E1	1,889,863	1,810,562
Share-based payments reserve		16,210	11,228
Foreign currency translation reserve		(31,311)	(37,100)
Retained earnings		559,428	481,666
Fair value through other comprehensive income reserve		(4,986)	(6,002)
Cash flow hedge reserve		5,188	4,458
<b>Equity attributable to owners of the Company</b>		2,434,392	2,264,812
Non-controlling interests	F3	(131,032)	(113,256)
<b>Total equity</b>		2,303,360	2,151,556

## 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 2023	Notes	Share capital A\$'000	Share- based payments reserve A\$'000	Foreign currency translation reserve A\$'000	Retained earnings A\$'000	Fair value 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 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)
<b>Balance at 30 June 2022</b>		<b>1,810,562</b>	<b>11,228</b>	<b>(37,100)</b>	<b>481,666</b>	<b>(6,002)</b>	<b>4,458</b>	<b>(113,256)</b>	<b>2,151,556</b>
Balance at 1 July 2022		1,810,562	11,228	(37,100)	481,666	(6,002)	4,458	(113,256)	2,151,556
Profit for the year		-	-	-	253,373	-	-	10,072	263,445
Other comprehensive income for the year, net of tax		-	-	5,789	-	1,016	730	152	7,687
Payment of dividends	E2	-	-	-	(175,611)	-	-	-	(175,611)
Option over non-controlling interests	F3	-	-	-	-	-	-	(28,000)	(28,000)
Share-based payments		-	4,982	-	-	-	-	-	4,982
Dividends reinvested	E1	77,981	-	-	-	-	-	-	77,981
Share placement costs	E1	(285)	-	-	-	-	-	-	(285)
Tax on deductible issue costs	E1	85	-	-	-	-	-	-	85
Employee share plan shares issued	E1	1,681	-	-	-	-	-	-	1,681
Employee share issue costs	E1	(161)	-	-	-	-	-	-	(161)
<b>Balance at 30 June 2023</b>		<b>1,889,863</b>	<b>16,210</b>	<b>(31,311)</b>	<b>559,428</b>	<b>(4,986)</b>	<b>5,188</b>	<b>(131,032)</b>	<b>2,303,360</b>

## 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 2023	Notes	2023 A\$'000	2022 A\$'000
<b>Cash flows from operating activities</b>			
Receipts from sale of goods and services		12,124,627	10,599,165
Interest received		8,542	2,762
Dividends received from associates	F2	11,579	10,607
Payments for purchase of goods and services		(11,529,888)	(10,217,016)
Taxes paid		(144,381)	(115,335)
Interest paid		(79,103)	(31,447)
<b>Net cash inflow from operating activities</b>	<b>E5</b>	<b>391,376</b>	<b>248,736</b>
<b>Cash flows from investing activities</b>			
Sale of property, plant and equipment		533	453
Purchase of property, plant and equipment		(54,497)	(27,567)
Payments for capital work in progress		(39,552)	(54,205)
Payments for intangible assets		(4,303)	(7,862)
Investment in associates	F2	(6,214)	-
Acquisition of subsidiaries	B2	(49,658)	(1,299,120)
Investment in other financial assets		(574)	(7,896)
<b>Net cash (outflow) from investing activities</b>		<b>(154,265)</b>	<b>(1,396,197)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	E1	79,216	791,211
Proceeds from borrowings	E5	23,941	1,160,888
Repayment of borrowings	E5	(425,575)	(255,427)
Repayment of lease liabilities	H6	(48,983)	(40,941)
Dividends paid to equity holders of parent		(175,730)	(154,110)
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(547,131)</b>	<b>1,501,621</b>
Net (decrease)/increase in cash held		(310,020)	354,160
Effect of exchange rate fluctuations on cash held		4,590	(5,797)
Net cash and cash equivalents at the beginning of the year		517,316	168,953
<b>Net cash and cash equivalents at the end of the year</b>		<b>211,886</b>	<b>517,316</b>

Notes to the financial statements are included on pages 44 to 95.

## Notes to the consolidated financial statements

For the financial year ended 30 June 2023.

### 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 Consolidated Balance Sheet as at 30 June 2022 presented within this report has been updated to reflect the final fair value adjustments attributable to the acquisition of LifeHealthcare Group. There is no impact to the 30 June 2022 Statement of Comprehensive Income. Details of the accounting for the acquisition of LifeHealthcare Group are presented in note B2.

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 2023.

### 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:

	2023 A\$'000	2022 A\$'000
Community Pharmacy	7,312,355	6,441,693
Institutional Healthcare	3,590,454	3,069,546
Contract Logistics Services	144,086	123,240
Contract Logistics Sales	820,549	762,222
Interdivisional eliminations	(190,887)	(203,923)
Healthcare	11,676,557	10,192,778
Animal Care	560,844	541,341
	12,237,401	10,734,119



### 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, EBOS' own branded human healthcare products and distributed by the Group's branded distribution businesses. 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, hospitals 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, 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 and vet clinics across Australia and New Zealand. This includes EBOS' own manufactured and contract manufactured animal care products. 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:

	2023 A\$'000	2022 A\$'000
One-off items <sup>(1)</sup>	(13,234)	(31,038)
Cost of sales	(10,676,268)	(9,488,854)
Writedown of inventory	(13,671)	(11,438)
Impairment loss on trade and other receivables	(1,096)	(1,683)
Depreciation of property, plant and equipment	(32,454)	(22,557)
Depreciation on right of use assets	(53,792)	(44,977)
Amortisation of finite life intangibles attributable to fair value adjustments for the LifeHealthcare Group acquisition	(26,938)	(1,451)
Amortisation of other finite life intangibles	(11,600)	(12,887)
Short-term and low value asset leases	(10,358)	(7,423)
Donations	(443)	(514)
Employee benefit expense	(491,699)	(392,479)
Defined contribution plan expense	(29,321)	(21,335)
Other expenses	(444,904)	(383,294)
<b>Total expenses</b>	<b>(11,805,778)</b>	<b>(10,419,930)</b>

(1) One-off items comprise Institutional Healthcare integration costs of \$12.5m (2022: nil) and merger and acquisition costs of \$0.7m (2022: \$31.0m).



### 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



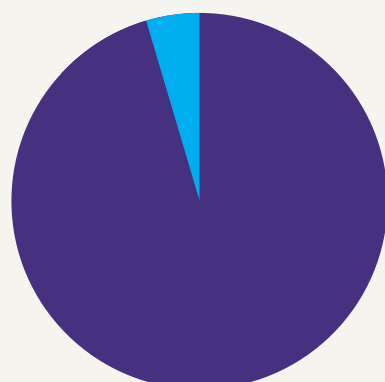
EBOS' major products and services are allocated consistently with the reportable segments, i.e. Healthcare and Animal Care, with no major products and services allocated to Corporate.

### (b) Segment revenues and results

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

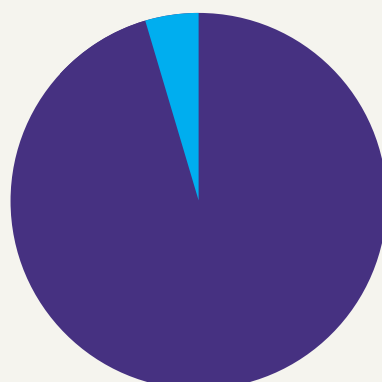
#### Revenue from external customers (A\$'000)

2023



**Healthcare 95%** \$11,676,557  
**Animal Care 5%** \$560,844

2022

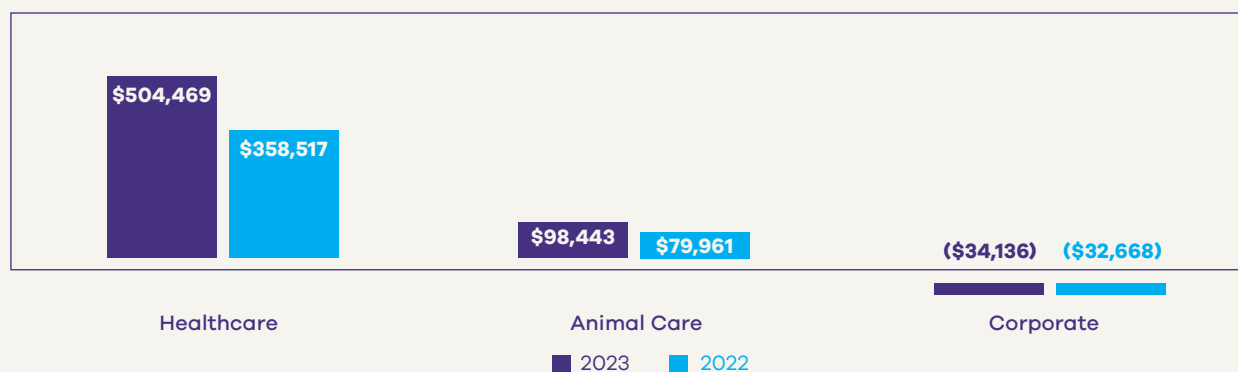


**Healthcare 95%** \$10,192,778  
**Animal Care 5%** \$541,341

## A2. Segment information continued

### (b) Segment revenues and results continued

#### EBITDA (A\$'000)



#### Net profit/(loss) after tax for the year attributable to owners of the Company (A\$'000)



#### Associate information:

	2023 A\$'000	2022 A\$'000
Included in the segment results above is income from associates:		
Animal Care	10,127	7,442
Healthcare	2,242	2,307
Total income from associates	12,369	9,749

**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	
	2023 A\$'000	2022 A\$'000	2023 A\$'000	2022 A\$'000	2023 A\$'000	2022 A\$'000
<b>Revenue from external customers</b>	11,676,557	10,192,778	560,844	541,341	-	-
<b>EBITDA</b>	504,469	358,517	98,443	79,961	(34,136)	(32,668)
Depreciation of property, plant and equipment	(28,684)	(21,029)	(3,770)	(1,528)	-	-
Depreciation on right of use assets	(46,826)	(38,275)	(5,867)	(5,602)	(1,099)	(1,100)
Amortisation of finite life intangibles attributable to fair value adjustments for the LifeHealthcare Group acquisition	(26,938)	(1,451)	-	-	-	-
Amortisation of finite life intangibles	(10,919)	(12,638)	(681)	(249)	-	-
<b>EBIT</b>	391,102	285,124	88,125	72,582	(35,235)	(33,768)
Net finance costs	-	-	-	-	(70,561)	(28,685)
Tax (expense)/credit	(113,028)	(89,323)	(23,487)	(19,392)	26,529	15,500
<b>Profit for the year</b>	278,074	195,801	64,638	53,190	(79,267)	(46,953)
Non-controlling interests	(10,072)	567	-	-	-	-
Profit for the year attributable to owners of the Company	268,002	196,368	64,638	53,190	(79,267)	(46,953)

**(c) Geographical information**

EBOS operates in two principal geographical areas: (i) Australia and (ii) New Zealand (country of domicile) and Southeast Asia.

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 Southeast Asia		Group	
	2023 A\$'000	2022 A\$'000	2023 A\$'000	2022 A\$'000	2023 A\$'000	2022 A\$'000
<b>Continuing operations</b>						
Revenue from external customers	9,901,504	8,636,607	2,335,897	2,097,512	12,237,401	10,734,119
<b>Non-current assets</b>	2,693,830	2,634,358	476,090	442,643	3,169,920	3,077,001

**(d) Information about major customers**

No revenues from transactions that are with a single customer amount to 10% or more of EBOS' revenues (2022: 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 depreciation, amortisation, net finance costs and tax expense (EBITDA) 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**

	2023 A\$'000	2022 A\$'000
<b>Tax expense comprises:</b>		
Current tax expense:		
Current year	105,042	111,481
Adjustments for prior years	(2,646)	(1,840)
	102,396	109,641
Deferred tax expense/(credit):		
Origination and reversal of temporary differences	6,351	(17,892)
Adjustments for prior years	1,239	1,466
	7,590	(16,426)
<b>Total tax expense</b>	<b>109,986</b>	<b>93,215</b>

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	373,431	295,253
Tax expense calculated at 28% (2022: 28%)	104,561	82,671
Non-deductible expenses	8,015	8,277
Effect of different tax rates of subsidiaries operating in overseas jurisdictions	4,084	5,005
Over provision of tax expense in prior years	(1,407)	(374)
Other adjustments	(5,267)	(2,364)
<b>Total tax expense</b>	<b>109,986</b>	<b>93,215</b>

The tax rates used are principally the corporate tax rates of 28% (2022: 28%) payable by New Zealand and 30% (2022: 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:

	2023 A\$'000	2022 A\$'000
<b>Gross deferred tax liabilities:</b>		
Property, plant and equipment	4,945	6,962
Other payables	5,130	4,018
Other financial assets – derivatives	1,597	1,223
Right of use assets	85,891	72,107
Intangible assets	161,682	157,104
<b>Total gross deferred tax liabilities</b>	<b>259,245</b>	<b>241,414</b>
<b>Gross deferred tax assets:</b>		
Property, plant and equipment	8,833	13,480
Other payables	82,607	82,723
Lease liabilities	90,934	76,092
Intangible assets	24,031	17,441
Tax losses carried forward	181	2,991
<b>Total gross deferred tax assets</b>	<b>206,586</b>	<b>192,727</b>

**(c) Imputation credit account balances**

	2023 A\$'000	2022 A\$'000
<b>Imputation credit account balances</b>		
Imputation credits available directly and indirectly to shareholders of the parent company:	11,572	13,354

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.

### A3. Taxation continued



#### 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.

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	
		2023	2022	2023	2022
Earnings used in the calculation of total earnings per share	A\$'000	253,373	202,605	253,373	202,605
Weighted average number of ordinary shares for the purposes of calculating earnings per share	No. (000's)	190,602	176,916	190,602	176,916
Earnings per share	Cents	132.9	114.5	132.9	114.5



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	2023 A\$'000	2022 A\$'000
<b>Gross carrying amount</b>			
Balance at beginning of financial year		1,946,521	999,339
Recognised from business acquisition during the year	B2	22,296	955,744
Effects of foreign currency exchange and other differences		7,551	(8,562)
<b>Net book value</b>		<b>1,976,368</b>	<b>1,946,521</b>



### 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
<b>Gross carrying amount</b>						
Balance at 1 July 2021	36,538	33,761	10,954	25,051	16,050	122,354
Acquisitions through business combinations	-	52,973	-	-	-	52,973
Reclassification to finite life intangibles	-	(3,624)	-	-	-	(3,624)
Effects of foreign currency exchange and other differences	-	(635)	-	(182)	(481)	(1,298)
<b>Balance at 30 June 2022</b>	<b>36,538</b>	<b>82,475</b>	<b>10,954</b>	<b>24,869</b>	<b>15,569</b>	<b>170,405</b>
Effects of foreign currency exchange and other differences	-	343	-	99	261	703
<b>Balance at 30 June 2023</b>	<b>36,538</b>	<b>82,818</b>	<b>10,954</b>	<b>24,968</b>	<b>15,830</b>	<b>171,108</b>



#### 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 have 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	
	2023 A\$'000	2022 A\$'000	2023 A\$'000	2022 A\$'000
Healthcare Australia <sup>1</sup>	712,631	709,369	9,059	9,059
Healthcare New Zealand <sup>2</sup>	67,141	66,034	20,787	20,444
Healthcare: Pharmacy/Logistics NZ <sup>3</sup>	87,263	85,823	15,829	15,568
Healthcare: TerryWhite Group <sup>4</sup>	53,249	39,726	47,492	47,492
Healthcare: Medical Technology <sup>5</sup>	902,276	892,733	52,973	52,973
Animal Care <sup>6</sup>	153,808	152,836	24,968	24,869
	1,976,368	1,946,521	171,108	170,405

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 Australia, New Zealand and Southeast Asia Medical Technology.

6 Australia and New Zealand Animal Care.

For the year ended 30 June 2023, the Directors have determined that there is no impairment of any of the CGUs containing goodwill, brands, trademarks or the franchise network asset (2022: 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:

<b>Revenue</b>	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.
<b>Operating costs</b>	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.
<b>Discount rates</b>	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, excluding the impact of known business losses, were used in the value in use calculation:

	2023	2022
<b>Goodwill</b>		
Annual revenue growth rates	3.0% - 7.0%	3.5% - 6.2%
Allowance for increases in expenses	3.0% - 6.0%	3.0% - 6.0%
Pre-tax discount rates	10.0% - 13.9%	10.4% - 12.2%
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:

	2023	2022
<b>Indefinite life intangibles</b>		
Annual revenue growth rates	3.0% - 8.0%	5.0% - 8.5%
Allowance for increases in expenses	3.0% - 5.0%	3.0% - 6.0%
Royalty rate	3.0% - 11.8%	3.0% - 11.8%
Pre-tax discount rates	11.7% - 18.0%	12.1% - 18.0%
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**

	Supply contracts A\$'000	Other A\$'000	Total A\$'000
Gross carrying amount	341,722	144,855	486,577
Accumulated amortisation and impairment	(2,796)	(110,988)	(113,784)
<b>Balance at 30 June 2022</b>	<b>338,926</b>	<b>33,867</b>	<b>372,793</b>
Gross carrying amount	341,717	150,196	491,913
Accumulated amortisation and impairment	(29,730)	(118,027)	(147,757)
<b>Balance at 30 June 2023</b>	<b>311,987</b>	<b>32,169</b>	<b>344,156</b>

Aggregate amortisation recognised as an expense during the year:

	2023 A\$'000	2022 A\$'000
Supply contracts <sup>1</sup>	26,938	1,451
Other	11,600	12,887
	<b>38,538</b>	<b>14,338</b>

<sup>1</sup> Non-cash intangibles 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: Useful lives of finite life intangible assets**

In determining the estimated useful life of finite life intangible assets (of a period of between one to 13 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

### LifeHealthcare Group acquisition

On 31 May 2022, the Group, through its subsidiary EBOS Medical Devices Australia Pty Ltd, acquired a 100% of equity interest in Pacific Health Supplies TopCo1 Pty Ltd and Pacific Health Supplies TopCo2 Pty Ltd (LifeHealthcare Group). Due to the close proximity of the acquisition date to the 30 June 2022 balance date and the material nature of the entities being acquired, the business combination accounting was considered provisional, and presented as such, in the Group's 30 June 2022 financial statements.

Finalisation of the purchase price accounting was completed within the 12-month measurement period, resulting in retrospective changes to the provisional fair values presented in the Balance Sheet as at 30 June 2022 previously reported. There is no impact to the 30 June 2022 Statement of Comprehensive Income. The acquisition accounting adjustments include independent valuations performed on the inventories and intangible assets recognised as part of the acquisition.

Details of the final fair values of the identifiable assets and liabilities acquired are as follows:

**B2. Acquisition information – LifeHealthcare continued**

	Carrying value A\$'000	Fair value adjustment A\$'000	Fair value on acquisition (i) A\$'000
<b>Current assets</b>			
Cash and cash equivalents	19,042	-	19,042
Trade and other receivables	81,210	(13,784) <sup>1</sup>	67,426
Prepayments	6,086	(738) <sup>2</sup>	5,348
Inventories	131,038	(16,078) <sup>3</sup>	114,960
Other financial assets – derivatives	968	-	968
<b>Non-current assets</b>			
Property, plant and equipment	33,776	(4,034) <sup>4</sup>	29,742
Right of use assets	16,072	-	16,072
Indefinite life intangibles	-	52,973 <sup>5</sup>	52,973
Finite life intangibles	91,466	248,910 <sup>6</sup>	340,376
Deferred tax assets	-	14,383 <sup>7</sup>	14,383
Other financial assets	506	(506) <sup>8</sup>	-
<b>Current liabilities</b>			
Trade and other payables	(58,288)	(3,642) <sup>9</sup>	(61,930)
Bank loans	(5,768)	-	(5,768)
Lease liabilities	(2,721)	-	(2,721)
Current tax payables	(1,482)	(137)	(1,619)
Employee benefits	(11,445)	(289) <sup>10</sup>	(11,734)
<b>Non-current liabilities</b>			
Trade and other payables	(11,006)	(2,560) <sup>9</sup>	(13,566)
Bank loans	(26,417)	-	(26,417)
Lease liabilities	(13,351)	-	(13,351)
Deferred tax liabilities	(16,285)	(80,829) <sup>7</sup>	(97,114)
Employee benefits	(401)	(511) <sup>10</sup>	(912)
<b>Net assets acquired</b>	<b>233,000</b>	<b>193,158</b>	<b>426,158</b>



## B2. Acquisition information – LifeHealthcare continued

	Carrying value A\$'000	Fair value adjustment A\$'000	Fair value on acquisition A\$'000
Goodwill on acquisition			796,595
Non-controlling interest arising on acquisition			(29,632)
<b>Total consideration</b>			<b>1,193,121</b>

(i) In the Group's 30 June 2022 financial statements, there were no fair value adjustments to the initial carrying value of the acquisition except a provisional provision for doubtful debts of \$13.1m and associated deferred tax assets of \$2.5m. The provision for doubtful debts has been finalised to be \$13.8m and updated in the comparative 30 June 2022 Balance Sheet in this report together with other fair value adjustments presented.



### 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 the fair value of the LifeHealthcare and Transmedic brands on acquisition.
- 6 To recognise the fair value of exclusive supply contracts and other intangibles on acquisition.
- 7 To recognise deferred tax assets and liabilities on acquisition.
- 8 To recognise the fair value of other financial assets on acquisition.
- 9 To recognise the fair value of trade and other payables on acquisition.
- 10 To recognise the fair value of employee benefits on acquisition.

### Put option over non-controlling interests

The Group also entered into arrangements providing a pathway to 100% ownership of Transmedic (a subsidiary of LifeHealthcare Group), resulting in a financial liability of \$137.0m being recognised on the balance sheet as at 30 June 2022 and a corresponding adjustment to non-controlling interests.

During the current year the amount expected to be paid at the time of exercise of the option was reassessed, resulting in a \$28.0m increase. The updated amount expected to be paid at the time of exercising the option reflects actual trading performance and a portion of the discount on the put option liability was unwound, directly through equity within non-controlling interests. As at 30 June 2023, the carrying value of the put option liability was \$165.0m.

**B2. Acquisition information continued****Other acquisitions**

There were no material acquisitions of subsidiaries and businesses during the year. Combined details of acquisitions undertaken during the current year are as follows:

	2023 A\$'000	2022 A\$'000
<b>Subsidiaries acquired</b>		
<b>Consideration</b>		
Cash and cash equivalents	23,874	1,329,982
Script consideration	-	22,638
Deferred purchase consideration	1,200	41,222
Total consideration	25,074	1,393,842
<b>Represented by</b>		
Net assets acquired (i)	2,778	467,730
Non-controlling interest	-	(29,632)
Goodwill on acquisition (i)	22,296	955,744
Total consideration	25,074	1,393,842
<b>Net cash outflow on acquisitions</b>		
Cash and cash equivalents consideration	23,874	1,329,982
Deferred purchase consideration paid in relation to prior year acquisition	26,088	7,884
Less cash and cash equivalents acquired	(304)	(38,746)
Net cash consideration paid	49,658	1,299,120

(i) The comparative 30 June 2022 numbers have been updated for the finalisation of the LifeHealthcare Group purchase price accounting.



### 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 during the year. 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.

### Impact of the acquisitions on the results of the Group for the year ended 30 June 2023

The impact of the other acquisitions on the results of the Group for the period ended 30 June 2023 are not considered material and are therefore not disclosed in the financial statements.

## 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

	2023 A\$'000	2022 A\$'000
Trade receivables (i)	1,414,658	1,310,185
Other receivables	114,278	96,636
Provision for expected credit losses (ii)	(31,410)	(32,726)
	1,497,526	1,374,095



### 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 2023 A\$'000
Trade receivables – total	1,312,810	69,902	14,523	17,423	1,414,658
Provision for expected credit losses – total	(1,764)	(5,461)	(6,772)	(17,413)	(31,410)

	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)	(23,361)	(32,726)

## 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

	2023 A\$'000	2022 A\$'000
Raw materials – at cost	34,278	22,267
Finished goods	1,199,959	1,081,708
	1,234,237	1,103,975



### 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**

	2023 A\$'000	2022 A\$'000
<b>Current</b>		
Trade payables	2,086,293	1,767,572
Other payables	207,142	221,966
Deferred purchase consideration	20,936	35,315
	2,314,371	2,024,853
<b>Non-current</b>		
Other payables	14,183	13,596
Deferred purchase consideration	1,200	20,577
	15,383	34,173

**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



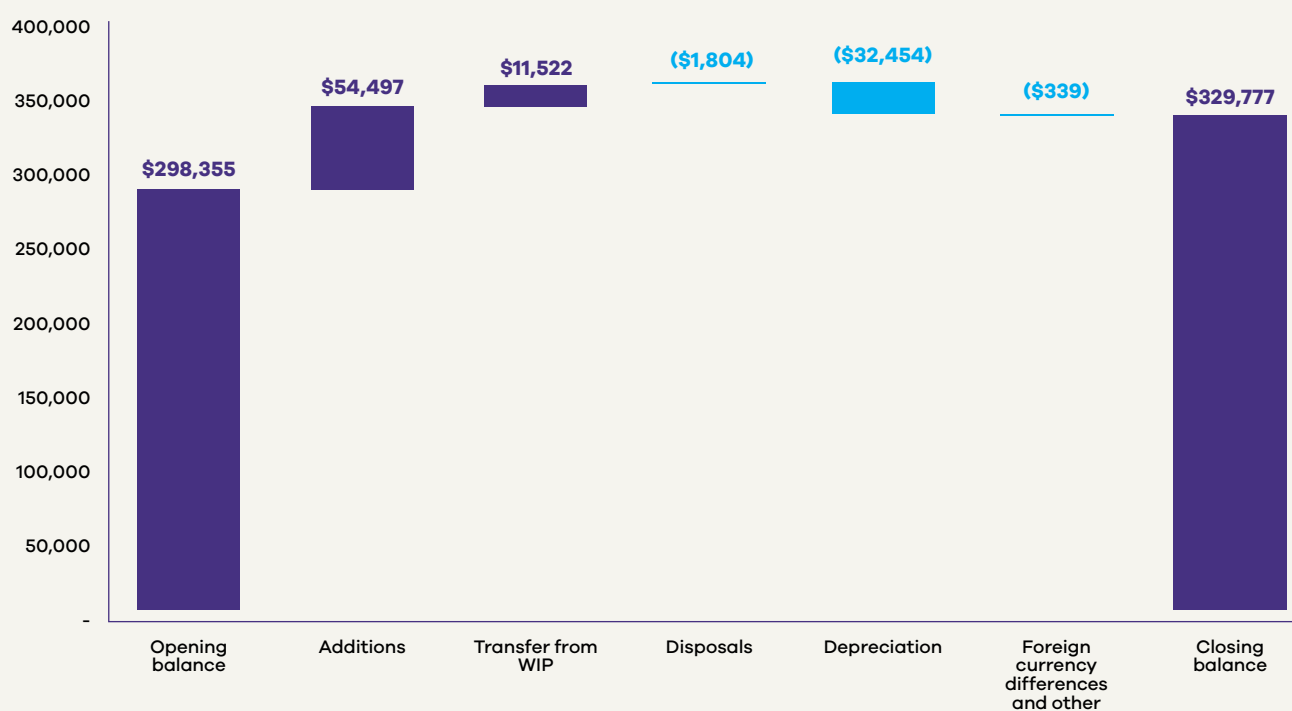
### Section Overview

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	28,590	76,015	47,311	215,696	38,090	405,702
Accumulated depreciation	-	(10,567)	(18,432)	(54,620)	(23,728)	(107,347)
<b>Balance at 30 June 2022</b>	28,590	65,448	28,879	161,076	14,362	298,355
Cost	28,619	75,941	56,581	260,111	36,901	458,153
Accumulated depreciation	-	(12,598)	(21,230)	(72,887)	(21,661)	(128,376)
<b>Balance at 30 June 2023</b>	28,619	63,343	35,351	187,224	15,240	329,777

### 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 20 years
- Plant and equipment: two to 20 years
- Office equipment, furniture and fittings: two to 20 years

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

**D2. Capital work in progress**

	2023 A\$'000	2022 A\$'000
Capital work in progress	49,110	24,992
	49,110	24,992

## 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

	2023		2022	
	No. 000's	Total A\$'000	No. 000's	Total A\$'000
<b>Fully paid ordinary shares</b>				
Balance at beginning of financial year	189,383	1,810,562	164,164	993,616
Dividend reinvested	2,130	77,981	-	-
Performance rights	46	-	-	-
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	-	(285)	-	(10,769)
Tax on deductible issue costs	-	85	-	3,097
Issue of shares to staff under employee share plan	45	1,681	47	1,617
Employee share issue costs	-	(161)	-	(116)
Shares vested under the long term executive incentive scheme	-	-	-	2,343
	191,604	1,889,863	189,383	1,810,562

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.



### 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.

	2023		2022	
	A\$ Cents per share	Total A\$'000	A\$ Cents per share	Total A\$'000
<b>Recognised amounts</b>				
Fully paid ordinary shares:				
Final – prior year	43.9	83,001	44.1	72,228
Interim – current year	48.2	92,610	43.7	82,164
Dividends per share	92.1	175,611	87.8	154,392
<b>Unrecognised amounts</b>				
Final dividend	52.4	100,477	44.3	83,806



### Subsequent event

A dividend of NZ 57.0 cents per share was declared on 22 August 2023 with the dividend being payable on 29 September 2023. The anticipated cash impact of the dividend is approximately \$100.5m.

The following table shows dividends approved in New Zealand dollars:

	2023 NZ\$ Cents per share	2022 NZ\$ Cents per share
<b>Recognised amounts</b>		
Fully paid ordinary shares:		
Final – prior year	49.0	46.0
Interim – current year	53.0	47.0
Dividends per share	102.0	93.0
<b>Unrecognised amounts</b>		
Final dividend	57.0	49.0

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

	2023 A\$'000	2022 A\$'000
<b>Current</b>		
Bank loans – securitisation facility (i)	42,124	221,517
Bank loans (ii)	-	110,000
	42,124	331,517
<b>Non-current</b>		
Bank loans (ii)	936,351	1,046,259
	936,351	1,046,259

(i) EBOS, through a subsidiary company, has a trade debtor securitisation facility of \$400.0m (2022: \$400.0m) of which \$357.9m was unutilised at 30 June 2023 (2022: \$178.5m). 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.

At 30 June 2023, the value of trade receivables provided as security under this securitisation facility was \$111.4m (2022: \$271.6m). 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 \$1,534.6m (2022: \$1,380.3m), of which \$598.2m was unutilised at 30 June 2023 (2022: \$224.0m).

EBOS fully complies with and operates within the debt facility financial covenants under the arrangements with its bankers.



#### 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 2023, EBOS had unrestricted access to the following lines of available credit:

Facility	A\$millions	Maturity
Term debt facilities (\$AUD)	125.0	< 1 year
Term debt facilities (\$NZD)	45.9	< 1 year
Term debt facilities (\$SGD)	55.7	1-2 years
Term debt facilities (\$AUD)	563.0	1-2 years
Term debt facilities (\$AUD)	345.0	2-3 years
Term debt facilities (\$AUD)	400.0	3-4 years
Securitisation facility (\$AUD)	400.0	1-2 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 \$978.5m (2022: \$1,377.8m):

	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
<b>Bank loans</b>							
2023	60,137	689,472	364,749	-	-	-	1,114,358
2022	151,297	188,324	802,383	354,736	-	-	1,496,740

**Financing activities**

	2023 A\$'000	2022 A\$'000
Bank overdraft facility, reviewed annually and payable at call:		
Amount unused	7,531	7,329
	7,531	7,329
Bank loan facilities with various maturity dates through to November 2026 (2022: June 2026)		
Amount used	978,475	1,377,776
Amount unused	956,106	402,496
	1,934,581	1,780,272

## E5. Operating cash flows

### Reconciliation of profit for the year with cash from operating activities:

	2023 A\$'000	2022 A\$'000
<b>Profit for the year</b>	263,445	202,038
Add/(less) non-cash items:		
Depreciation of property, plant and equipment	32,454	22,557
Depreciation on right of use assets	53,792	44,977
Amortisation of finite life intangible assets	38,538	14,338
Loss on sale of property, plant and equipment	1,272	434
Share of profit from associates	(12,369)	(9,749)
Expense recognised in respect of share-based payments	9,014	6,266
Deferred tax	7,590	(16,426)
	130,291	62,397
Movement in working capital:		
Trade and other receivables	(123,431)	(217,596)
Prepayments	(9,157)	(19,187)
Inventories	(130,262)	(319,214)
Current tax refundable/payable	(39,953)	5,083
Trade and other payables	270,728	431,505
Employee benefits	4,652	19,158
Foreign currency translation of working capital balances	3,258	15
	(24,165)	(100,236)
Balances classified as investing activities	25,831	(41,350)
Working capital items acquired (including fair value adjustments)	(4,026)	125,887
<b>Net cash inflow from operating activities</b>	<b>391,376</b>	<b>248,736</b>

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

	1 July 2022 A\$'000	Net repayments A\$'000	Borrowings acquired A\$'000	Foreign currency movement A\$'000	30 June 2023 A\$'000
Bank loans	1,377,776	(401,634)	-	2,333	978,475

	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

**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	
		2023	2022
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	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%
Intellipharm Pty Ltd	Australia	100%	100%
Lyppard Australia Pty Ltd	Australia	100%	100%
DoseAid Pty Ltd	Australia	100%	100%
Symbion Trade Receivables Trust <sup>1</sup>	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	
		2023	2022
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	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	New Zealand	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	
		2023	2022
Pioneer Medical Ltd	New Zealand	100%	100%
Sentry Medical Pty Ltd	Australia	100%	100%
MD Solutions Australasia Pty Ltd	Australia	100%	100%
MD Scopes Pty Ltd	Australia	100%	100%
Fibertech Medical Australia Pty Ltd	Australia	100%	100%
Klinik Solutions Australasia Pty Ltd	Australia	100%	100%
Surgical and Medical Supplies Pty Ltd	Australia	100%	100%
MD Solutions NZ Ltd	New Zealand	100%	100%
Pacific Health Supplies TopCo1 Pty Ltd	Australia	100%	100%
Pacific Health Supplies TopCo2 Pty Ltd	USA	100%	100%
Pacific Health Supplies TopCo Pty Ltd	Australia	100%	100%
Pacific Health Supplies Mezzco Pty Ltd	Australia	100%	100%
Pacific Health Supplies Holdco Pty Ltd	Australia	100%	100%
Pacific Health Supplies Bidco Pty Ltd	Australia	100%	100%
LifeHealthcare Group Pty Ltd	Australia	100%	100%
LifeHealthcare Finance Pty Ltd	Australia	100%	100%
LifeHealthcare Pty Ltd	Australia	100%	100%
LifeHealthcare Distribution Pty Ltd	Australia	100%	100%
LifeHealthcare Services Pty Ltd	Australia	100%	100%
LifeHealthcare Ltd	New Zealand	100%	100%
LifeHealthcare Distribution (NZ) Ltd	New Zealand	100%	100%
Culpan Distributors Ltd	New Zealand	100%	100%
Culpan Medical Pty Ltd	Australia	100%	100%
Spiran Pty Ltd	Australia	100%	100%
Australian BioTechnologies Pty Ltd	Australia	100%	100%
ABT Medical Pty Ltd	Australia	100%	100%
Tissuelife Pty Ltd	Australia	100%	100%
Tissue Technologies Pty Ltd	Australia	50.01%	50.01%
Transmedic Pte Ltd	Singapore	51%	51%
PT. Transmedic Indonesia	Indonesia	51%	51%
Transmedic Healthcare Sdn Bhd	Malaysia	51%	51%
Transmedic Company Ltd	Vietnam	51%	51%
Transmedic Healthcare Co Ltd	Vietnam	51%	51%
Transmedic Philippines, Inc	Philippines	51%	51%

Subsidiaries (all balance dates 30 June unless otherwise noted)	Country of Incorporation	Ownership Interests and Voting Rights	
		2023	2022
Transmedic Holdings Philippines Inc	Philippines	51%	51%
T-Medic Co Ltd	Thailand	51%	51%
Transmedic (Thailand) Co Ltd	Thailand	51%	51%
Transmedic China Ltd	Hong Kong	51%	51%
Swissmed Pte Ltd	Singapore	51%	51%
Ophthaswissmed Philippines Inc	Philippines	50.49%	50.49%
Swissmed Sdn Bhd	Malaysia	51%	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 2023. 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

The following table presents the material associates of the Group as at 30 June 2023:

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.

## F2. Investment in associates continued

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

	2023 A\$'000	2022 A\$'000
<b>Statement of Financial Position</b>		
Total assets	125,247	120,439
Total liabilities	(82,978)	(80,429)
Net assets	42,269	40,010
Group's share of net assets	20,835	19,706
<b>Income Statement</b>		
Total revenue	214,412	184,035
Total profit for the year	25,379	20,050
Group's share of profits of associates	12,369	9,749
Movement in the carrying amount of the Group's investment in associates:		
Balance at the beginning of the financial year	45,912	47,896
New Investments	6,214	-
Share of profits of associates	12,369	9,749
Share of dividends	(11,579)	(10,607)
Net foreign currency exchange differences	734	(1,126)
Balance at the end of the financial year	53,650	45,912
Goodwill included in the carrying amount of the Group's investment in associates	23,519	23,277
The Group's share of the contingent liabilities of associates	-	-
The Group's share of capital commitments of associates	241	-



### 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 subsidiary of the Group has material non-controlling interests. The other non-controlling interests are not considered material and are therefore not disclosed in the notes to 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		Non-controlling interests <sup>1</sup>	
			2023 A\$'000	2022 A\$'000	2023 A\$'000	2022 A\$'000
Transmedic Pte Limited (Transmedic)	Southeast Asia	49%	10,773	613	(123,830)	(106,755)

<sup>1</sup> The Group entered into arrangements providing a pathway to 100% ownership of Transmedic, resulting in a financial liability of \$165.0m (2022: \$137.0m) has been recognised on the balance sheet (refer to Note G2). The non-controlling interests consists of both the share of net assets and the carrying value of the financial liability.

The summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests as at 30 June 2023, reflecting 100% of the underlying subsidiary's relevant figures, is set out below:

	2023 A\$'000	2022 A\$'000
<b>Statement of Financial Position</b>		
Total assets	173,052	121,284
Total liabilities	(89,031)	(59,560)
Net assets	84,021	61,724
Equity attributable to owners of the company	42,851	31,479
Non-controlling interests	41,170	30,245
Non-controlling interests in %	49%	49%
<b>Income Statement</b>		
Total revenue	169,379	9,807
Total profit for the year	21,845	1,254
Profit attributable to owners of the Company	11,072	641
Profit attributable to non-controlling interests	10,773	613
<b>Cash Flow Statement</b>		
Net cash (outflow)/inflow from operating activities	(841)	1,938
Net cash (outflow) from investing activities	(13,531)	(2,416)
Net cash inflow/(outflow) from financing activities	11,850	(232)
Total net cash (outflow)	(2,522)	(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 retained earnings.

## 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 for 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 New Zealand dollars, Singapore 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 partially 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 into 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 2023 had been one per cent higher/lower with all other variables held constant, the Group's:

- Profit before tax would decrease by \$3.2m or increase by \$11.2m. This is attributable to the Group's unhedged exposure to interest rates on its variable rate borrowing.
- Other comprehensive income would increase by \$17.2m or decrease by \$8.3m respectively 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. Ongoing 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 2022.

## G2. Financial instruments

### Derivatives

	2023 A\$'000	2022 A\$'000
<b>Other financial assets – derivatives (at fair value)</b>		
Forward foreign exchange contracts (i)	3,258	4,330
Interest rate swaps (i)	230	392
Interest rate collars (i)	13,348	15,000
	16,836	19,722
<b>Other financial liabilities – derivatives (at fair value)</b>		
Other financial liabilities – consideration for remaining non-controlling interest (ii)	165,000	137,000
	165,000	137,000

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

(ii) Represents the carrying value of the financial obligation (put option) if the option for the Group to acquire the remaining 49% of Transmedic, a subsidiary of the LifeHealthcare Group, were exercised (refer to Note B2).



### 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 (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, 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, including the accretion of interest, are recognised directly in equity within non-controlling interests.



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

Valuation of the financial liability 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 is derecognised with no impact to Profit or Loss.

## G2. Financial instruments continued

### Outstanding forward foreign currency contracts: nominal value

	2023 A\$'000	2022 A\$'000
Buy Australian dollars	9,750	6,111
Buy Euro	10,795	6,374
Buy British pounds	3,976	4,289
Buy Thai baht	18,086	10,624
Buy US dollars	91,114	46,736
Buy CH francs	-	926
	133,721	75,060

### Outstanding interest rate swap contracts: nominal value

	2023 A\$'000	2022 A\$'000
Less than 1 year	25,000	170,000
1 to 3 years	-	25,000
	25,000	195,000

### Outstanding interest rate collar contracts: nominal value

	2023 A\$'000	2022 A\$'000
Less than 1 year	-	-
1 to 3 years	600,000	180,000
3 to 5 years	200,000	420,000
Greater than 5 years	-	200,000
	800,000	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

	2023 A\$'000	2022 A\$'000
<b>Contingent liabilities</b>		
Guarantees given to third parties	5,639	2,988
	5,639	2,988

### H2. Commitments for expenditure

	2023 A\$'000	2022 A\$'000
<b>Capital expenditure commitments:</b>		
Plant	43,997	10,872
	43,997	10,872

### H3. Subsequent events



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

On 31 July 2023, the Group completed the acquisition of Superior Pet Food Co., a leading manufacturer and supplier of dog treats and premium dog rolls based in New Zealand, for a consideration of NZ \$83.8m. This acquisition expands the Group's portfolio of branded products in attractive categories, increases our in-house manufacturing capabilities and accelerates our new product development initiatives.

### H4. Related party disclosures

#### Key management personnel compensation

	2023 A\$'000	2022 A\$'000
Employee benefits	25,660	23,993
	25,660	23,993

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 345,496 performance rights were issued with a 3 year performance period of 1 July 2022 to 30 June 2025 (2022: 320,068 with a 3 year performance period of 1 July 2021 to 30 June 2024).

**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.

	2023 A\$'000	2022 A\$'000
<b>Auditor of the Group (Deloitte)</b>		
Audit and audit related services (including interim review)	1,262	1,366
Taxation compliance	6	4
	1,268	1,370
<b>Other Auditors</b>		
Audit of subsidiary financial statements	171	-
Taxation compliance	20	-
Other services	61	-
	252	-



## 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 available 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 likely 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
<b>Cost</b>				
Balance as at 1 July 2022	341,471	11,165	4,782	357,418
Additions	87,375	3,077	1,646	92,098
Disposals (including lease modifications)	(17,282)	(2,143)	(1,664)	(21,089)
Foreign currency differences	1,694	221	132	2,047
<b>Balance as at 30 June 2023</b>	<b>413,258</b>	<b>12,320</b>	<b>4,896</b>	<b>430,474</b>

### Accumulated depreciation

Balance as at 1 July 2022	(99,378)	(5,677)	(2,767)	(107,822)
Disposals (including lease modifications)	9,808	2,092	1,630	13,530
Depreciation expense	(49,805)	(2,510)	(1,477)	(53,792)
Foreign currency differences	(471)	(69)	(62)	(602)
<b>Balance as at 30 June 2023</b>	<b>(139,846)</b>	<b>(6,164)</b>	<b>(2,676)</b>	<b>(148,686)</b>

### Net book value

<b>As at 30 June 2022</b>	<b>242,093</b>	<b>5,488</b>	<b>2,015</b>	<b>249,596</b>
<b>As at 30 June 2023</b>	<b>273,412</b>	<b>6,156</b>	<b>2,220</b>	<b>281,788</b>

**H6. Leases continued**

	2023 A\$'000	2022 A\$'000
<b>Amounts recognised in profit and loss</b>		
Depreciation on right of use assets	53,792	44,977
Finance costs – leases	11,295	8,504
Expense relating to short term leases and low value assets	10,358	7,423
<b>Lease liabilities</b>		
Current	50,142	42,627
Non-current	254,326	227,203
<b>Maturity analysis (undiscounted future cash flows)</b>		
Year 1	61,150	52,145
Year 2	58,699	48,869
Year 3	49,082	45,430
Year 4	41,071	38,233
Year 5	33,194	30,596
Onwards	132,273	103,545
	375,469	318,818
<b>Cash outflows for leases</b>		
Interest on lease liabilities	(11,295)	(8,504)
Repayments of lease liabilities	(48,983)	(40,941)
Short term leases and low value asset leases	(10,358)	(7,423)
	(70,636)	(56,868)

**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 2023.

## Additional stock exchange information

As at 25 July 2023

<b>Twenty largest shareholders</b>	Fully paid shares	Percentage of paid capital
Sybos Holdings Pte Limited	36,141,809	18.86
Custodial Services Limited	13,708,181	7.15
HSBC Nominees (New Zealand) Limited – A/C State Street – NZCSD	13,219,467	6.90
HSBC Nominees (New Zealand) Limited – NZCSD	12,859,943	6.71
JP Morgan Chase Bank NA NZ Branch-Segregated Clients Acct – NZCSD	11,658,985	6.08
BNP Paribas Nominees (NZ) Limited – NZCSD	7,676,011	4.01
JP Morgan Nominees Australia Limited	6,135,954	3.20
Citibank Nominees (New Zealand) Limited – NZCSD	5,999,698	3.13
Forsyth Barr Custodians Limited	5,357,616	2.79
Tea Custodians Limited Client Property Trust Account – NZCSD	4,774,319	2.49
FNZ Custodians Limited	4,743,651	2.48
Accident Compensation Corporation – NZCSD	3,999,731	2.09
HSBC Custody Nominees (Australia) Limited	3,663,465	1.91
HSBC Nominees A/C NZ Superannuation Fund Nominees Limited – NZCSD	3,144,333	1.64
JBWere (NZ) Nominees Limited	2,622,711	1.37
New Zealand Depository Nominee Limited	2,256,703	1.19
ANZ Wholesale Australasian Share Fund – NZCSD	2,205,798	1.15
Whyte Adder No 3 Limited	1,797,874	0.94
CitiCorp Nominees Pty Limited	1,415,054	0.74
Simplicity Nominees Limited – NZCSD	1,404,040	0.73
	144,785,343	75.56

### 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.

<b>Number of ordinary shares</b>	<b>As at balance date</b>	<b>As at 25 July 2023</b>
	191,603,879	191,608,422

<b>Number of unquoted performance rights</b>	<b>As at balance date</b>	<b>As at 25 July 2023</b>
	916,702	916,702

<b>Substantial holder name*</b>	<b>Ordinary shares as at balance date</b>	<b>Percentage of share capital as at balance date</b>	<b>Ordinary shares as at 25 July 2023</b>	<b>Percentage of share capital as at 25 July 2023</b>
Sybos Holdings Pte Limited	36,141,809	18.86%	36,141,809	18.86%
Black Rock Inc. and related bodies corporate	9,588,373	5.00%	9,586,988	5.00%

\* based on substantial holding notices received by the Company.

### Additional stock exchange information continued

<b>Distribution of shareholders and shareholdings</b>	Holders	Fully paid ordinary shares	Percentage of paid capital
Size of Holding			
1 to 1,000	7,683	2,675,249	1.40
1,001 to 5,000	3,777	8,613,503	4.50
5,001 to 10,000	722	5,085,168	2.65
10,001 to 100,000	568	12,217,472	6.38
100,001 and over	63	163,017,030	85.07
Total	12,813	191,608,422	100.00

<b>Distribution of performance rights (not quoted on NZX and ASX)</b>	Number of performance rights participants	Number of performance rights	Percentage of performance rights
Size of Holding			
1 to 1,000	23	17,038	1.9
1,001 to 5,000	34	87,411	9.5
5,001 to 10,000	12	86,429	9.4
10,001 to 100,000	11	357,168	39.0
100,001 and over	2	368,656	40.2
Total	82	916,702	100.0

## Additional stock exchange information continued

### Unmarketable parcels

As at 25 July 2023, there were 357 shareholders (with a total of 2,370 shares) holding less than a marketable parcel of shares based on the closing price of the Company's shares on the ASX of A\$34.80. 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, 195,601 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 of 12 months after completion of the LifeHealthcare acquisition (with completion occurring on 31 May 2022): and
- (b) The trading day following on which EBOS' results for the financial year ending 30 June 2023 are released to the ASX and NZX.

Of the escrowed shares, 495,414 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 the 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 2023 Corporate Governance Statement relating to the Company and its subsidiaries (the Group) can be found at: <https://www.ebosgroup.com/who-we-are/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://www.ebosgroup.com/who-we-are/corporate-governance>.

## Risk management

Risk management is an integral part of the Group's business. The Group has an enterprise risk management framework, designed to promote a culture which ensures a proactive and consistent approach to identifying and mitigating risk on a Group-wide basis.

Our approach to risk management provides clarity on roles and responsibilities to minimise the impact of financial, operational and sustainability risks on our business. Under this approach, the Board approves the strategic risk profile and risk appetite statements (which describe the level of risk the Group is willing to take in relation to specific risk categories) for the Group. The Board reviews the strategic risk profile at least annually. The Audit & Risk Committee assists the Board by monitoring the strategic risk profile and implementation of the risk appetite levels that were set by the Board. The monitoring of the strategic risk profile is part of a standing agenda item for each regular Audit & Risk Committee meeting. Management reports to the Board and the Audit & Risk Committee on whether the Group's material business risks are being managed effectively and updates the risk rating of strategic risks on an ongoing basis, presenting proposed changes to the Board or the Audit & Risk Committee as required. As such, this process is continuous and is designed to provide advanced warning of material risks before they eventuate and includes:

- significant risk identification;
- risk impact quantification;
- risk mitigation strategy development;
- reporting; and
- monitoring and evaluation to ensure the ongoing integrity of the risk management process.

A description of the Group's key financial risks (foreign currency risk, interest rate risk, liquidity risk and credit risk) and how these are managed, is set out on pages 82 and 83. A description of the Group's key non-financial risks and how these are managed is set out in the Group's Corporate Governance Statement which is available on the Company's website: <https://www.ebosgroup.com/who-we-are/corporate-governance>. These risks include: competition risk, reliance on key suppliers, supply chain disruption and macroeconomic conditions, significant changes to price, industry or pharmacy regulation, product liability and litigation risk, cyber risk, health and safety risk, loss of critical operations (including due to a climate-related event) and new acquisition risk.

## Access to advice and auditors

As set out in the Group's Corporate Governance Code, a director may obtain independent advice at the expense of the Company on issues related to the fulfillment of their duties as a director, subject to obtaining the approval of the Audit & Risk Committee prior to incurring any advisory fees.

In addition, it is open to the Audit & Risk Committee to meet external auditors and internal auditors without management present.

## Corporate Governance Disclosures

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 objectives for the 2022/23 year in February 2021. Set out below is the Board's assessment of those objectives for the 2022/23 year:<sup>1</sup>

<sup>1</sup> In June 2023, the Board approved revised diversity objectives in respect of the year ending 30 June 2024.

Objective	Progress during 2022/2023
<p>Aim to maintain the proportion of women on the Board as vacancies arise, having regard to the circumstances (including skill requirements) relating to the vacancies.</p>	<p>As at 30 June 2023, there were four female directors on the Board being 50% representation.</p> <p>Succession planning for directors has been a focus of the Board given there are directors with long tenures. Two directors have joined the Board during the year, one female Singapore-based and one male Australian-based, and two long-serving directors will retire at the 2023 Annual Meeting. Following these retirements, the proportion of female directors will remain 50%.</p>
<p>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.</p>	<p>There has been an increase in the number of women on the Executive Leadership Team from three to four. As at 30 June 2023, 36% of Executive Leadership Team (being the CEO and his direct reports) were female.</p> <p>EBOS continues to run its core sponsorship and development program called 'Catalyst' and is committed to 40:40:20 representation on that program. Under the current intake of the program, 60% of participants are female.</p> <p>The Executive Leadership Team formed a Talent Council during the year and met to discuss talent and succession plans for key teams in the Group and to identify opportunities to develop our people's careers across the Group.</p>
<p>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.</p>	<p>A robust externally benchmarked remuneration framework is now embedded at EBOS and enables objectivity in relation to assessing pay outcomes. This also formed the basis of a pay equity report which was reviewed by the Board.</p>
<p>Continue to promote family friendly and flexible workplace 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.</p>	<p>There has been ongoing support for flexible working during 2022/23, as many of our knowledge workers engage in hybrid work arrangements where this suits the individual and the organisation.</p> <p>In 2022/23 parental leave returns were monitored and tracked. 75% of those who took parental leave returned to the Group following their leave.</p>
<p>Continue to commit to the EBOS Reconciliation Action Plan in Australia and improving cultural awareness across both Australia and NZ.</p>	<p>EBOS continued the development of a First Peoples Engagement Strategy and formed the First Nations Advisory Group, comprising senior representatives from across the Group together with an external First Nations advisor. The Strategy is a part of delivering on our Reconciliation Action Plan.</p> <p>In New Zealand, Māori inclusion training (Improving Cultural Intelligence and Foundations of Bicultural Organisations) was delivered by a third party.</p>
<p>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.</p>	<p>In 2022/23, we enhanced our online Integrity Training.</p> <p>In addition to topics such as our Code of Ethics, anti-bullying and harassment and workplace health and safety, modules covering unconscious bias and diversity and inclusion were launched in conjunction with our celebration of International Women's Day. This training deepens leaders understanding of the Diversity and Inclusion Policy.</p>

## Gender representation

The Group's gender representation as at 30 June 2023 was as follows:

Board	Female %	Female (no.)	Male %	Male (no.)	Gender Diverse %	Gender Diverse (no.)
2021/22	50%	3	50%	3	0%	0
2022/23	50%	4	50%	4	0%	0

Officer	Female %	Female (no.)	Male %	Male (no.)	Gender Diverse %	Gender Diverse (no.)
2021/22	40%	4	60%	6	0%	0
2022/23	36%	4	64%	7	0%	0

Officer has the meaning given in the NZX Listing Rules.

Group	Female %	Male %
2021/22	57	43
2022/23	56	44

## Director independence

The Board's assessment of the independence of each person that was a director as at 30 June 2023 is set out below.

Name	Status	Appointment date
Elizabeth Coutts	Independent <sup>2</sup>	July 2003
Tracey Batten	Independent	July 2021
Mark Bloom	Independent	September 2022
Stuart McGregor	Independent	July 2013
Stuart McLauchlan	Independent	July 2019
Sarah Ottrey	Independent	September 2006
Julie Tay	Independent	May 2023
Peter Williams	Independent	July 2013

The Board has determined that all directors are Independent. Mark Bloom was appointed to the Board on 16 September 2022 and Julie Tay was appointed on 15 May 2023. Tracey Batten

and Stuart McLauchlan were appointed in recent years. It was previously announced that the Board has determined that Peter Williams and Stuart McGregor were Independent Directors (as defined in the NZX Listing Rules) as their historical associations with the Zuellig Group had 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.

Sarah Ottrey and Stuart McGregor, having served 17 years and 10 years respectively, will retire as directors at the 2023 Annual Meeting.

## 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 2023.

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.

<sup>2</sup>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.

# Remuneration

## Remuneration Overview

EBOS Group Limited presents this remuneration overview for the Company and its controlled entities (the Group) for the year ended 30 June 2023. 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

EBOS has a Remuneration Policy which relates to the remuneration of the directors and executives of EBOS. A copy of the policy is available on EBOS' website: <https://www.ebosgroup.com/who-we-are/corporate-governance>.

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 is available on EBOS' website: <https://www.ebosgroup.com/who-we-are/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 and Tracey Batten.

## 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.

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

Further details regarding the STI for the CEO are set out in section 5d.

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 2023 (2023 STI) will be paid in FY2024.

**Table 1: FY2023 STI plan**

<b>Feature</b>	<b>Approach</b>
<b>Purpose</b>	Align individual performance with Group objectives.  Provide individuals with a competitive market position for total reward (i.e. variable and fixed pay components).
<b>Eligibility</b>	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.
<b>Instrument</b>	Cash.
<b>Performance Criteria</b>	The following criteria must be met before any payments are made: <ul style="list-style-type: none"> <li>• Group Profit Before Tax (PBT) target for the financial year; and</li> <li>• for those with business unit responsibilities business EBITDA targets for the financial year.</li> </ul> <p>The Board has discretion in determining the satisfaction of the target.</p> <p>The 2023 STI for executives, including the CEO, and other managers on short term incentives included a stretch incentive to explicitly incentivise and reward outperformance by EBOS. The maximum STI entitlement for achieving this outperformance was 150% of the applicable executive's target STI entitlement. The details of Mr Cullity's 2023 STI opportunity are set out in section 5d below.</p>

### **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 FY2023 (2023 LTI).

**Table 2: FY2023 LTI plan**

<b>Feature</b>	<b>Approach</b>
<b>Purpose</b>	Align a portion of executives' total remuneration with the medium to long term performance of the Group.
<b>Eligibility</b>	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.
<b>Instrument</b>	Performance rights which are rights to acquire ordinary shares in EBOS for nil consideration.
<b>Performance period</b>	Three years from 1 July 2022 to 30 June 2025.



Table 2: FY2023 LTI plan continued

Feature	Approach
<b>Performance Criteria</b>	<p>The performance criteria (vesting conditions) for executives are:</p> <ul style="list-style-type: none"> <li>• continuous employment with the Group; and</li> <li>• growth in EBOS' earnings per share over the performance period must equal or exceed a specific compound annual growth percentage target.</li> </ul> <p>The vesting conditions for the 2023 LTI includes 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 2023 LTI are set out in section 5d and includes this stretch target.</p> <p>The performance criteria is assessed at the end of the 3 year performance period.</p>
<b>Settlement</b>	<p>If the Board determines that performance rights have vested it may determine with respect to each vested right whether to:</p> <ul style="list-style-type: none"> <li>• allot and issue, or transfer, shares to a participant (equity settle); and/or</li> <li>• 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.</li> </ul>
<b>Dividends and voting rights</b>	Performance rights do not have voting rights or accrue dividends.
<b>Clawback</b>	<p>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:</p> <ul style="list-style-type: none"> <li>• acted fraudulently, dishonestly or engaged in gross misconduct or is in breach of their obligations to EBOS;</li> <li>• acted in a way that has contributed to material reputational damage to EBOS; or</li> <li>• 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.</li> </ul>
<b>Restriction on hedging</b>	Hedging of performance rights by executives is prohibited under the plan rules and EBOS' Securities Trading Policy.
<b>Change of control</b>	Vesting of performance rights is subject to Board discretion.
<b>Cessation of employment</b>	<p><b>Resignation:</b> subject to the Board determining otherwise, unvested performance rights are forfeited.</p> <p><b>Termination for cause:</b> if an executive's employment is terminated for cause, subject to the Board determining otherwise, unvested and vested performance rights are forfeited.</p> <p><b>Termination without cause (including circumstances such as redundancy and retirement):</b> the Board shall determine the treatment of unvested performance rights. All vested performance rights remain on foot unless otherwise determined by the Board.</p>

#### 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 FY2023 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**

	2023	2022	2021	2020	2019
<b>NPAT<sup>1</sup></b>	A\$253.4m	A\$202.6m	A\$185.3m	A\$162.5m	A\$137.7m
<b>Basic EPS (Annual)</b>	A\$132.9cps	A\$114.5cps	A\$113.2cps	A\$100.6cps	A\$89.8cps
<b>Compound growth in Basic EPS (3 year)</b>	9.7% per annum (2021-2023)	8.4% per annum (2020-2022)	7.8% per annum (2019-2021)	6.6% per annum (2018-2020)	
<b>Share price at end of financial year</b>	NZ\$36.75	NZ\$39.01	NZ\$32.30	NZ\$21.61	NZ\$23.15
<b>Market capitalisation at end of financial year</b>	NZ\$7,041m	NZ\$7,388m	NZ\$5,302m	NZ\$3,519m	NZ\$3,743m
<b>Total dividends in period (NZ\$ cps)</b>	110.0	96.0	88.5	77.5	71.5
<b>Total shareholder return (annual)<sup>2</sup></b>	(3.2)%	23.7%	53.6%	(3.30%)	32.9%
<b>Total shareholder return (3 year)</b>	82.9% (2021-2023)	79.8% (2020-2022)	93.2% (2019-2021)	35.9% (2018-2020)	53.9% (2017-2019)
<b>Total shareholder return (4 year)</b>	74.0% (2021-2023)	135.9% (2019-2022)			

<sup>1</sup> Net profit after tax attributable to owners of the company.

<sup>2</sup> 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**

<b>Contract duration</b>	<b>Notice period – company</b>	<b>Notice period – CEO</b>	<b>Termination provision (where notice provided)</b>	<b>Post-employment restraint</b>
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	28% fixed remuneration
	45% short term incentive <sup>(1)</sup>
	27% long term incentive

(1) Excludes the special short term incentive in respect of the LifeHealthcare acquisition. Further details of this incentive are set out in section 5d.

### d. CEO Remuneration Outcomes for FY2023

The table below sets out the realised remuneration outcomes for Mr. Cullity for FY2023 and FY2022.

**Table 5: Summary of total realised remuneration**

Financial year	Fixed remuneration (including compulsory superannuation)	STI	Special short term incentive – LifeHealthcare Acquisition	LTI	Total
2023	A\$1,600,000	A\$2,550,000	A\$2,040,000	A\$1,566,764 <sup>(2)</sup>	A\$7,756,764
2022	A\$1,417,500	A\$1,820,000	-	A\$2,614,036	A\$5,851,536

(2) This relates to the vesting of performance rights during FY23. Further details are set out below.

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 FY2023 results (2023 STI).

**Table 6: Expected STI**

Financial year	Expected STI
2024	\$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 106 and 107 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 FY2023, Mr Cullity received fixed remuneration of \$1,600,000. This included compulsory superannuation contributions.

#### Short Term Incentive (STI) payments – Realised 2022 STI, special short term incentive and Expected 2023 STI

In FY2023, Mr Cullity received STI payments totalling \$4,590,000, being the Realised 2022 STI and the special short term incentive related to the successful execution of the LifeHealthcare acquisition, as described below.

#### Realised 2022 STI

In FY2023, Mr Cullity received an STI payment of \$2,550,000. This was based on the financial performance of EBOS for the prior year (that is, the year ended 30 June 2022) (2022 STI) and was paid following the finalisation of EBOS' audited accounts for that financial year.

With regard to the 2022 STI, the structure included a stretch target to explicitly reward outperformance. For FY2022, if EBOS' underlying PBT results (2022 Target) were equal to:

- the 2022 Target, 75% of the STI was payable;
- 102% of the 2022 Target, 90% of the STI was payable;
- 103.5% of the 2022 Target, 100% of the STI was payable ('target STI entitlement'); and
- from 104.4% to 108% of the 2022 Target, between 110% to 150% ('maximum STI entitlement') of the target STI entitlement was payable on a straight line basis.

Mr Cullity's target STI entitlement under the 2022 STI was \$1,700,000 and his maximum STI entitlement was \$2,550,000 (150% of his target STI entitlement). As the stretch target for FY2022 was met, Mr Cullity received \$2,550,000.

### Special short term incentive – LifeHealthcare Acquisition

As foreshadowed in the 2022 Annual Report, Mr Cullity received a special short term incentive of \$2,040,000 for the additional effort and successful execution of the LifeHealthcare acquisition.

The short term incentive was considered appropriate having regard to the size of the transaction, the transaction being transformative for the Group by diversifying the Group's earnings and significantly accelerating the Group's medical devices strategy and the strong support for the transaction by investors through participation in the related equity raising.

### Expected 2023 STI

In relation to the STI target for senior executives for FY2023, the Board retained the 'target' and 'stretch' elements of the STI. Accordingly, for FY2023, if EBOS' underlying PBT results were equal to:

- 90% of the 2023 Target, 65% of the STI is payable;
- 94% of the 2023 Target, 75% of the STI is payable;
- 98% of the 2023 Target, 90% of the STI is payable;
- 100% of the 2023 Target, 100% of the STI is payable ('target STI entitlement'); and
- from 101% to 103% of the 2023 Target, between 110% to 150% ('maximum STI entitlement') of the target STI entitlement is payable on a straight line basis.

For the FY2023 period the Target amount was set by reference to the budgeted PBT for the Group for the period, including LifeHealthcare.

The Board elected not to increase the target STI entitlement and maximum STI entitlement for Mr Cullity in respect of the FY2023 period. Therefore, Mr Cullity's target STI entitlement under the 2023 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 2023 STI, with this amount to be paid in FY2024.

### Long Term Incentives

During FY2023, Mr Cullity received long term incentives with a value at the time of vesting of \$1,566,764<sup>1</sup>. This comprised the full vesting of 45,455 performance rights issued to Mr Cullity in respect of the performance period from 1 July 2019 to

30 June 2022. The Board elected to satisfy the vesting of the performance rights by settling the performance rights with cash and equity on an approximately 50/50 basis. Accordingly, Mr Cullity received:

- a cash payment of \$783,365; and
- 22,728 shares for nil consideration.

The full vesting of the performance rights is as a result of the achievement of the EPS performance hurdles for the three year performance period from 1 July 2019 to 30 June 2022, reinforcing alignment with shareholder value creation over this period.

### Expected LTI Vesting

In relation to the 75,000 performance rights issued in respect of the performance period 1 July 2020 to 30 June 2023, it is expected that all of these performance rights will vest shortly after the release of the annual report.

### Granted 2023 LTI

The performance conditions for the performance rights granted during FY2023 (2023 LTI) are described in section 4.c above. The Board elected not to increase the maximum LTI opportunity for Mr. Cullity in granting the 2023 LTI. Accordingly, 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 2023 was \$2,850,000. These rights will be tested after 30 June 2025 following the conclusion of the relevant performance period with any vesting occurring during FY2026.

### 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 aggregate loan balance in respect of those vested shares as at 30 June 2023 was NZ\$2,829,911.

### 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:

**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	Vested (cash and equity settled)
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

<sup>1</sup> The value of the shares issued was calculated by reference to a price of A\$34.47, being the volume weighted average price of EBOS shares on NZX for the 5 trading days immediately prior to the date that the Board determined that the rights have vested and converted to Australian dollars.

### 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). The Board has regard to this as part of its succession planning and the attraction and retention

of directors from, or with experience in, key geographic markets in which the Group operates, including Australia and Southeast Asia.

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

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 2023 were as follows:

**Table 9: Non-executive director fees paid during the year ended 30 June 2023**

Director	Base Fee NZ\$	Audit and Risk Committee NZ\$	Remuneration Committee NZ\$	Special Exertion Fee NZ\$	Total NZ\$
E Coutts	\$336,000	\$20,000	\$33,000	\$20,000	\$409,000
T Batten	\$168,000	-	\$16,500	\$10,000	\$194,500
M Bloom <sup>(1)</sup>	\$132,848	-	-	-	\$132,848
S McGregor	\$168,000	-	-	\$10,000	\$178,000
S McLauchlan	\$168,000	\$40,000	\$16,500	\$15,000	\$239,500
S Ottrey	\$168,000	\$20,000	-	\$10,000	\$198,000
J Tay <sup>(2)</sup>	\$21,692	-	-	-	\$21,692
P Williams	\$168,000	-	-	\$10,000	\$178,000

(1) Mr Bloom was appointed as a director with effect from 16 September 2022

(2) Ms Tay was appointed as a director with effect from 15 May 2023

In respect of the special exertion fees paid during FY2023, these were paid to directors on the Board at the time of the LifeHealthcare acquisition. The fees were considered reasonable having regard to the significant additional workload and effort for the directors in relation to the execution and integration of the LifeHealthcare acquisition. The transaction was transformative for the Group by diversifying the Group's earnings and significantly accelerated the Group's medical devices strategy.

### 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 2023 Number of Employees
\$100,000 to \$110,000	255
\$110,000 to \$120,000	207
\$120,000 to \$130,000	147
\$130,000 to \$140,000	110
\$140,000 to \$150,000	105
\$150,000 to \$160,000	91
\$160,000 to \$170,000	58
\$170,000 to \$180,000	70
\$180,000 to \$190,000	50
\$190,000 to \$200,000	49
\$200,000 to \$210,000	34
\$210,000 to \$220,000	33
\$220,000 to \$230,000	39
\$230,000 to \$240,000	22
\$240,000 to \$250,000	20
\$250,000 to \$260,000	16
\$260,000 to \$270,000	19
\$270,000 to \$280,000	15
\$280,000 to \$290,000	15
\$290,000 to \$300,000	14
\$300,000 to \$310,000	9
\$310,000 to \$320,000	13
\$320,000 to \$330,000	6
\$330,000 to \$340,000	4
\$340,000 to \$350,000	2
\$350,000 to \$360,000	5
\$360,000 to \$370,000	3
\$370,000 to \$380,000	3
\$380,000 to \$390,000	4
\$390,000 to \$400,000	3
\$400,000 to \$410,000	3
\$410,000 to \$420,000	1
\$420,000 to \$430,000	3
\$430,000 to \$440,000	2
\$440,000 to \$450,000	4



<b>Employee remuneration (NZ\$)</b>	<b>30 June 2023 Number of Employees</b>
\$450,000 to \$460,000	1
\$470,000 to \$480,000	1
\$480,000 to \$490,000	1
\$510,000 to \$520,000	2
\$520,000 to \$530,000	1
\$540,000 to \$550,000	1
\$550,000 to \$560,000	1
\$560,000 to \$570,000	1
\$570,000 to \$580,000	1
\$580,000 to \$590,000	1
\$590,000 to \$600,000	1
\$670,000 to \$680,000	1
\$690,000 to \$700,000	2
\$710,000 to \$720,000	1
\$740,000 to \$750,000	1
\$840,000 to \$850,000	1
\$860,000 to \$870,000	1
\$930,000 to \$940,000	1
\$940,000 to \$950,000	1
\$1,020,000 to \$1,030,000	1
\$1,150,000 to \$1,160,000	1
\$1,370,000 to \$1,380,000	1
\$1,390,000 to \$1,400,000	1
\$1,410,000 to \$1,420,000	1
\$1,610,000 to \$1,620,000	1
\$1,630,000 to \$1,640,000	1
\$1,930,000 to \$1,940,000	1
\$1,950,000 to \$1,960,000	1
\$2,000,000 to \$2,010,000	2
\$2,290,000 to \$2,300,000	1
\$3,870,000 to \$3,880,000	1
\$7,160,000 to \$7,170,000	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 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 2023, as follows:

**Elizabeth Coutts:** Chair of Oceania Healthcare Limited and Voyage Digital (NZ) Limited, Director of EBOS Group subsidiaries in New Zealand and Member, Marsh New Zealand Advisory Board. Former Chair of Skellerup Holdings Limited.

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

**Mark Bloom:** Director of Abacus Property Group (Abacus Funds Management Limited, Abacus Group Holdings Limited, Abacus Group Projects Limited, Abacus Storage Funds Management Limited and Abacus Storage Operations Limited), AGL Energy Limited, Pacific Smiles Group Limited, Fambloom Beneficiary Pty Ltd, Fambloom Pty Ltd and Fambloom Super Pty Ltd.

**Stuart McGregor:** Director of Symbion Pty Ltd and other EBOS Group subsidiaries and director of Bodd Pty Ltd.

**Stuart 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.

## 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 2023.

Director	Ordinary Shares Purchased/(Sold)	Consideration Paid/(Received)	Date of Transaction
Elizabeth Coutts	425	NZ\$18,700	17 March 2023
Stuart McLauchlan	29	NZ\$1,276	17 March 2023
	30	NZ\$1,128	30 September 2022
Sarah Ottrey	86	NZ\$3,784	17 March 2023
	92	NZ\$3,462	30 September 2022

**Sarah 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.

**Julie Tay:** Director of Sonova Holding A.G.

**Peter Williams:** Former director of Green Cross Health Limited.

## 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.

## Share Dealings By Directors

The directors have disclosed to the Board under section 148(2) of the Companies Act 1993 the following particulars of acquisitions or disposals of a relevant interest in the Company's shares during the year ended 30 June 2023.

## Directors' shareholdings

Director		30 June 2023	30 June 2022
Elizabeth Coutts	– Indirect/beneficial interest	35,748	35,323
	– Direct, non-beneficial interest – trustee of EBOS Staff Share Plan	71,592	71,592
Tracey Batten	– Direct interest	1,500	1,500
Stuart McLauchlan	– Indirect/beneficial interest	2,414	2,355
Sarah Ottrey	– Indirect/beneficial interest	3,469	3,469
	– Held with associated person	9,828	9,650

## 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	13	13	4	4	2	2
Tracey Batten	13	13	-	-	2	2
Mark Bloom	11	9	-	-	-	-
Stuart McGregor	13	10	-	-	-	-
Stuart McLauchlan	13	13	4	4	2	2
Sarah Ottrey	13	11	4	4	-	-
Julie Tay	4	4	-	-	-	-
Peter Williams	13	11	-	-	-	-

**Disclosures relating to subsidiaries**

<b>Subsidiary</b>	<b>Current Directors</b>
ABT Medical Pty Ltd	J Cullity M Muscio
ABT Nevada LLC	J Cullity M Muscio S Berry J Goldberg L Myers L Hansen*
ACN 618 208 969 Pty Ltd	J Cullity S McGregor#
Alchemy Holdings Pty Ltd	J Cullity S McGregor# B Barons
Alchemy Sub-Holdings Pty Ltd	J Cullity S McGregor# B Barons
Australian Biotechnologies Pty. Limited	J Cullity M Muscio
Beaphar Pty Ltd	J Cullity J Dillon
BFCMC Pty Ltd	J Cullity S McGregor# N Munroe
Blackhawk Premium Pet Care Pty Ltd	J Cullity S McGregor# J Dillon
Botany Bay Imports Exports Pty Ltd	J Cullity J Dillon
CC Pharmacy Investments Pty Ltd	J Cullity S McGregor# B Barons
CC Pharmacy Management Pty Ltd	J Cullity S McGregor# B Barons
CC Pharmacy Promotions Pty Ltd	J Cullity S McGregor# B Barons
Chem Plus Pty Ltd	J Cullity S McGregor# N Munroe
Chemmart Holdings Pty Ltd	J Cullity S McGregor# N Munroe
Cincotta Holding Company Pty Ltd	J Cullity S McGregor# B Barons
Clinect Pty Ltd	J Cullity S McGregor B Barons

<b>Subsidiary</b>	<b>Current Directors</b>
Clinect NZ Pty Limited	E Coutts J Cullity L Hansen
Collaboration Medical Clinics Pty Ltd	J Cullity S McGregor# N Munroe
Collaboration Medical Clinics Investments Pty Ltd	J Cullity N Munroe
Culpan Distributors Ltd	J Cullity L Hansen
Culpan Medical Pty Ltd	J Cullity M Muscio
Developing People Pty Ltd	J Cullity S McGregor# N Munroe
DoseAid Pty Ltd	J Cullity S McGregor B Barons
EAHPL Pty Ltd	J Cullity S McGregor#
EBOS Aesthetics Pty Ltd	J Cullity M Muscio
EBOS Group Australia Pty Ltd	J Cullity S McGregor# B Barons
EBOS Health & Science Pty Ltd	J Cullity S McGregor# B Barons
EBOS Medical Devices Australia Pty Ltd	J Cullity S McGregor# M Muscio
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 M Muscio
Healthcare Supply Partners Pty Ltd	J Cullity B Barons
Hospharm Pty Ltd	J Cullity S McGregor# B Barons

<b>Subsidiary</b>	<b>Current Directors</b>	<b>Current Directors</b>	<b>Current Directors</b>
HPS Brands Pty Ltd	J Cullity S McGregor# B Barons	Masterpet Australia Pty Limited	J Cullity J Dillon
HPS Corrections Pty Ltd	J Cullity S McGregor# B Barons	Masterpet Corporation Limited	E Coutts J Cullity L Hansen
HPS Finance Pty Ltd	J Cullity S McGregor# B Barons	Masterpet Logistics Pty Ltd	J Cullity J Dillon
HPS Holdings Group (Aust) Pty Ltd	J Cullity S McGregor# B Barons	MD Scopes Pty Ltd	J Cullity M Muscio
HPS Hospitals Pty Ltd	J Cullity S McGregor# B Barons	MD Solutions Australasia Pty Ltd	J Cullity M Muscio
HPS IVF Pty Ltd	J Cullity S McGregor# B Barons	MD Solutions NZ Limited	J Cullity L Hansen
HPS Services Pty Ltd	J Cullity S McGregor# B Barons	Mega Save Management Pty Ltd	J Cullity S McGregor# B Barons
Intellipharm Pty Ltd	J Cullity S McGregor B Barons	National Surgical Pty Ltd	J Cullity S McGregor# M Muscio
Klinic Solutions Australasia Pty Ltd	J Cullity M Muscio	Nexus Australasia Pty Limited	J Cullity S McGregor# B Barons
LifeHealthcare Limited	J Cullity L Hansen	Pacific Health Supplies Topco1 Pty Limited	J Cullity M Muscio
LifeHealthcare Distribution (NZ) Limited	J Cullity L Hansen	Pacific Health Supplies TopCo2 LLC	J Cullity
LifeHealthcare Pty Limited	J Cullity M Muscio	Pacific Health Supplies BidCo Pty Limited	J Cullity M Muscio
LifeHealthcare Distribution Pty Limited	J Cullity M Muscio	Pacific Health Supplies HoldCo Pty Limited	J Cullity M Muscio
LifeHealthcare Finance Pty Limited	J Cullity M Muscio	Pacific Health Supplies MezzCo Pty Limited	J Cullity M Muscio
LifeHealthcare Group Pty Limited	J Cullity M Muscio	Pacific Health Supplies TopCo Pty Limited	J Cullity M Muscio
LifeHealthcare Services Pty Ltd	J Cullity M Muscio	PBA Finance No. 1 Pty Ltd	J Cullity S McGregor# N Munroe
Lite Living Pty Ltd	J Cullity S McGregor# N Munroe	PBA Finance No. 2 Pty Ltd	J Cullity S McGregor# N Munroe
LMT Surgical Pty Ltd	J Cullity M Muscio	PBA Wholesale Pty Ltd	J Cullity S McGregor# N Munroe
Lyppard Australia Pty Ltd	J Cullity S McGregor J Dillon	Pet Care Distributors Pty Ltd	J Cullity S McGregor# J Dillon
		Pet Care Holdings Australia Pty Ltd	J Cullity S McGregor# J Dillon

Subsidiary	Current Directors
Pet Care Wholesalers Pty Ltd	J Cullity S McGregor#
Pets International Pty Ltd	J Cullity J Dillon
Pharmacy Brands Australia Pty Ltd	J Cullity S McGregor# N Munroe
Pharmacy Retailing (NZ) Limited	E Coutts J Cullity L Hansen
Pioneer Medical Limited	E Coutts J Cullity L Hansen
PRNZ Limited	E Coutts J Cullity L Hansen
QPharma Pty Ltd	J Cullity J Dillon
Richard Thomson Pty Limited	J Cullity S McGregor# B Barons
Sentry Medical Pty Limited	J Cullity B Barons
Shanghai EBOS Trading Co Ltd	J Cullity
Spiran Pty. Ltd.	J Cullity M Muscio
Surgical and Medical Supplies Pty. Ltd.	J Cullity M Muscio
Symbion Pty Ltd	J Cullity S McGregor B Barons
Terry White Group Pty Ltd	J Cullity S McGregor# N Munroe
Tissue Technologies Pty Ltd	J Cullity M Muscio
Tissuelife Pty Limited	J Cullity M Muscio
Tony Ferguson Weight Management Pty Ltd	J Cullity S McGregor# N Munroe
Transmedic Pte Ltd	J Cullity
TW&CM Pty Ltd	J Cullity S McGregor# N Munroe
TWC IP Pty Ltd	J Cullity S McGregor# N Munroe

Subsidiary	Current Directors
Ventura Health Pty Ltd	J Cullity S McGregor# B Barons
VIM Health Pty Ltd	J Cullity S McGregor# N Munroe
VIM Health IP Pty Ltd	J Cullity S McGregor# N Munroe
Vitapet Corporation Pty Limited	J Cullity J Dillon
Warner & Webster Pty Ltd	J Cullity S McGregor# B Barons
W & W Management Services Pty Ltd	J Cullity S McGregor# B Barons
You Save Management Pty Ltd	J Cullity S McGregor# B Barons
ZAP Services Pty Ltd	J Cullity S McGregor
ZHHA Pty Ltd	J Cullity S McGregor

\*Ceased to be a director during the year ended 30 June 2023  
# 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 pages 106 - 107.

#### 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](http://www.ebosgroup.com)

## Directors

Elizabeth Coutts  
*Independent Chair*

Tracey Batten  
*Independent Director*

Mark Bloom  
*Independent Director*  
(appointed September 2022)

Stuart McGregor  
*Independent Director*

Stuart McLauchlan  
*Independent Director*

Sarah Ottrey  
*Independent Director*

Julie Tay  
*Independent Director*  
(appointed May 2023)

Peter Williams  
*Independent Director*

## Senior executives

John Cullity  
*Chief Executive Officer*

Brett Barons  
*CEO Symbion*

Simon Bunde  
*EGM Strategic Operations,  
ESG and Innovation*

Janelle Cain  
*General Counsel*

Julie Dillon  
*CEO Animal Care*

Leonard Hansen  
*Chief Financial Officer*

Martin Krauskopf  
*EGM Strategy and Mergers  
and Acquisitions*

David Lewis  
*EGM*

Jacinta McCarthy  
*Group GM, Human Resources*

Matt Muscio  
*CEO Medical Technology*

Mithran Naiker  
*Chief Information Officer*

## 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](http://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 Tuesday, 24 October 2023 at 2pm, at the Park Hyatt Hotel, 99 Halsey Street, Auckland, New Zealand.



