Annual Report 2021

EBOS GROUP LIMITED

As we have continued to respond to challenges in our society, it is our people who have stood tall in a time of need, going above and beyond to ensure that EBOS fulfils its commitment to providing essential healthcare and animal care services across our key markets.

Contents

Foreword

United by a common purpose of connecting communities to care, EBOS' team of more than 3,700 employees working across New Zealand, Australia and abroad have demonstrated unwavering resilience and dedication in continuing to deliver for our customers and the communities that rely on us every day.

As we have continued to respond to challenges in our society, it is our people who have stood tall in a time of need, going above and beyond to ensure that EBOS fulfils its commitment to providing essential healthcare and animal care services across our key markets.

Our commitment is supported by a proven management strategy, which has seen EBOS focus on long-term investments in our operations and being an employer of choice, ensuring we attract and retain the best talent to support our business objectives.

It is thanks to this approach that EBOS has further reinforced its reputation as the leading healthcare and animal care company in New Zealand and Australia, which is reflected in our continued financial strength as we deliver another year of growth and increased returns for our valued shareholders.

This year's Annual Report is a rightful reflection on our efforts to withstand one of the most challenging periods our society has faced and an acknowledgement of all in our business who have ensured that EBOS continues to fulfil its commitment to all New Zealanders and Australians.

Highlights

$9.2
billion revenue

$188.2
million underlying NPAT

114.9c
underlying earnings per share

Our shareholders

11,650
shareholders

88.5c
total dividends per share (NZ)

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

Our business

3,700
employees

Australia 72% **New Zealand** 28%

63*
locations in New Zealand and Australia

**Includes all offices and warehouses in New Zealand and Australia.*

This year's Annual Report is a rightful reflection on our efforts to withstand one of the most challenging periods our society has faced and an acknowledgement of all in our business who have ensured that EBOS continues to fulfil its commitment to all New Zealanders and Australians.

Summary of Results

Financial Highlights

$9.2

billion revenue
+ 5.0% increase

$188.2

million underlying net profit after tax
+ 15.5% increase

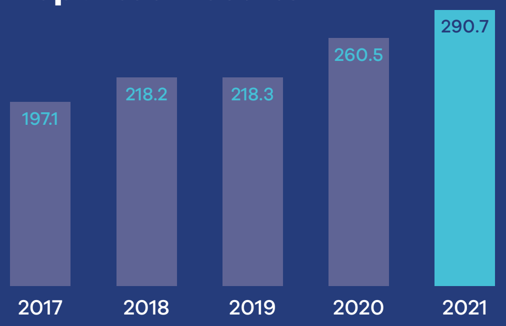
114.9c

underlying earnings per share
+ 14.0% increase

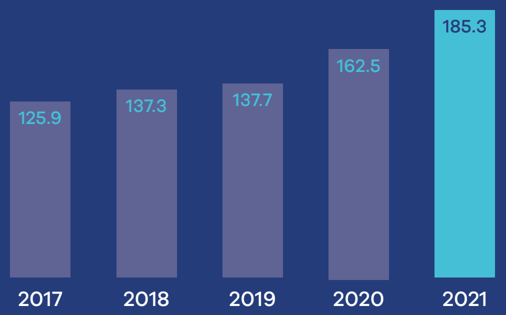
NZ88.5c

dividends per share
+ 14.2% increase

Reported Results

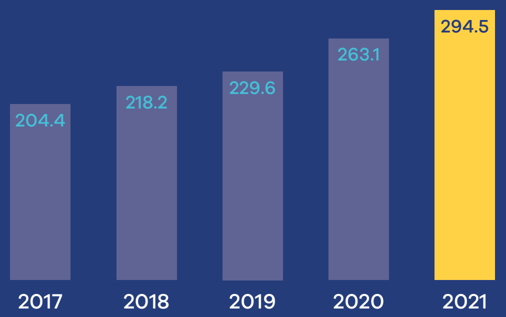


Five year EBIT trend for the year to 30 June ($millions)



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

Underlying Results



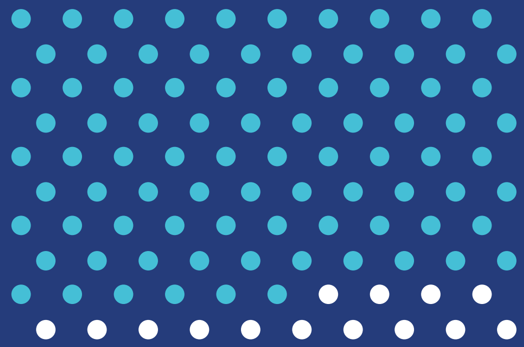
Five year EBIT trend for the year to 30 June ($millions)

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

Underlying Results are adjusted for one-off items.

Segment and Divisional Earnings Overview

Data based on gross operating revenue, which comprises revenue less cost of sales (including any adjustments to inventory).



Healthcare
86%

Animal Care
14%

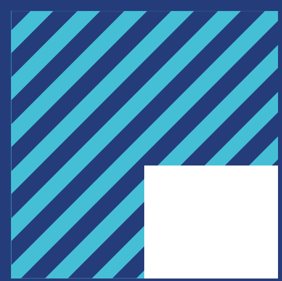
Pharmacy
51%

Contract Logistics
9%

Institutional
26%

Animal Care
14%

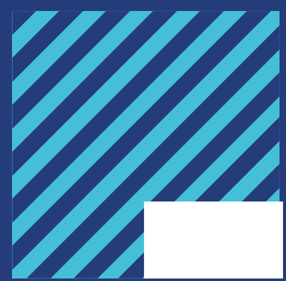
Revenue



Australia
80%

New Zealand
20%

Underlying EBIT



Australia
86%

New Zealand
14%

CEO & Chair Report

> Once again, the success we have achieved as a business in the 2021 financial year is due to the efforts of our more than 3,700 employees across New Zealand and Australia.

As we continue to navigate our way through uncertain times, we are pleased to report on the 2021 financial year and another record financial result for EBOS.

The record result is reflective of the combined strength of EBOS' diverse portfolio of high-performing businesses together with the extraordinary contribution of our people who have continued to serve and provide for our communities across New Zealand and Australia.

Highlights

In this time of ongoing uncertainty, EBOS' adherence to our core business strategy and our unwavering commitment to the communities we serve has ensured we remain a valued partner for our customers, government and other stakeholders, while continuing to deliver strong returns for our shareholders.

Once again, the success we have achieved as a business in the 2021 financial year is due to the efforts of our more than 3,700 employees across New Zealand and Australia.

Throughout this report, we highlight examples of the extraordinary commitment by our employees during the year. From those in our distribution centres responsible for delivering our healthcare and animal care products, to the pharmacists in our HPS network on the front line who provide and administer care and advice to customers, we have witnessed countless examples of our employees going above and beyond to continue to deliver for our customers and our communities.

Throughout 2021, EBOS has been working closely with the New Zealand Ministry of Health (MoH) to facilitate the rollout of the COVID-19 vaccine across the country. It is testament to the professionalism of our Healthcare operations that we were chosen to be a provider to the MoH of logistical services for the COVID-19 vaccine.

The handling of the Pfizer-BioNTech vaccine, which has been the primary focus of vaccination efforts in New Zealand to date, requires special handling and low temperature storage between −60 and −90 degrees Celsius. Faced with this unique challenge, EBOS was the first in market to design and source a solution for the ultra-low temperature storage required. The ingenuity, resourcefulness and dedication of our people involved in this significant logistical operation is to be commended.

In our Australian Community Pharmacy business, it has been very pleasing to see the continued strong growth of TerryWhite Chemmart (TWC) over the last 12 months. TWC welcomed 36 net new pharmacies during the period, which is the largest annual increase on record. Building on store growth in previous periods, these new pharmacies further strengthen TWC's position as Australia's largest health-advice oriented community pharmacy network. The strong performance of TWC was also driven by continued increases in marketing investment, successful implementation of e-script readiness and continued vaccination leadership. During the 2021 flu season, our TWC network administered more than 245,000 flu vaccines via a dedicated patient booking system and it is this proven expertise in administering vaccines, together with on-site clinic rooms and leading training programs, that have TWC well positioned to play a key role administering vaccines as part of Australia's COVID-19 vaccination program.

In line with our strategy of investing for growth through acquisitions, EBOS increased its portfolio of businesses with two acquisitions completed prior to 30 June. The first of these was the acquisition of medical devices and distribution company Cryomed in October 2020. Established in 2013, Cryomed markets and distributes devices and consumables used in aesthetic procedures in Australia and New Zealand. In our Animal Care segment, EBOS acquired the veterinary wholesale business of CH2 in late 2020, which was then successfully integrated with Lyppard, our Australian veterinary wholesaling business.

Subsequent to 30 June, the Group completed the acquisition of Pioneer Medical, which is a New Zealand based importer and distributor of spine and major joint implants and associated surgical technologies for orthopaedic and neurosurgery. This represents our third acquisition since entering the medical device distribution market in 2019, and will result in the combined business generating aggregate annualised revenue of more than $70 million. We will continue to pursue further bolt-on acquisitions focusing on therapeutic areas that offer promising organic growth, with the objective of building a significant business over time.

In addition, EBOS has a high degree of certainty of executing a further acquisition in the near term that will contribute to further growth in our Institutional Healthcare division.

Business Overview
Financials
Corporate Governance
Remuneration
Directors' Interests and Disclosures
Directory

CEO & Chair Report

Our Animal Care segment achieved strong results in the financial year, with increased pet ownership and trends such as the humanisation of pets and premiumisation of pet care products combining to drive market growth. With more people remaining at home due to COVID-19 restrictions, pet ownership in New Zealand and Australia has increased and, with consumers spending more time with their pets, there has been a heightened demand for high quality animal care products.

In an exciting new development, we are pleased to announce a significant capital investment in our Animal Care segment. A new state-of-the-art pet food manufacturing facility located in NSW, Australia, is under construction at a cost of approximately $80 million and will facilitate insource manufacturing of Black Hawk as well as accelerate new product development opportunities. This initiative is expected to generate returns over the medium term in line with the Group's return on capital employed.

COVID-19

The unpredictable nature of COVID-19 has required EBOS to be flexible in managing individual situations across our New Zealand and Australian operations. Our businesses continue to stringently follow COVID-19 protocols and the advice of local authorities as applicable to the circumstances at the time.

> The unpredictable nature of COVID-19 has required EBOS to be flexible in managing individual situations across our New Zealand and Australian operations.

Throughout the pandemic, we have implemented strict controls with the objective of keeping both our people safe and our primary distribution facilities open to ensure the uninterrupted supply of medicines across the community.

The EBOS Pandemic Response Team, consisting of the CEO and direct reports, continues to oversee all COVID-19 related matters impacting our employees and businesses. The impacts of lockdowns and other restrictions has put extra demands on the business and our people. We are very conscious of the wellbeing and safety of our people and have invested in extra resources to assist us through the pandemic.

Community and ESG

During the financial year, EBOS invested significantly in the development of our Environmental, Social and Governance (ESG) Program. As first reported last year, this program is a key initiative for the future of EBOS that will serve as the framework for responsible governance and organisational practices to ensure we continue to meet the expectations of our stakeholders and maintain our social licence to operate. Many of the initiatives that fall within the remit of our ESG Program have been established for some time; however, the intention of the Program is to formalise this activity in a way that is measurable and can be accurately reported on. Importantly, we also seek to highlight areas where we can continue to improve, thereby enabling more structured governance, evaluation and disclosure as part of our comprehensive approach to responsible corporate leadership.

It is therefore pleasing that, in tandem with the release of this year's Annual Report, we are also releasing EBOS' first Sustainability Report, which reports on our ESG activity over the financial year. The highlights of the Sustainability Report are presented on pages 22–23 of this report and it is pleasing to see the progress that we have already made in such an important area.

Our Employees

At the conclusion of 2020, EBOS released an internal publication, *Our Heroes*, which highlighted the extraordinary efforts of our people in a year like no other. The publication focused on the experiences of a selection of EBOS employees who went above and beyond in continuing to service our customers and our communities, despite being faced with significant adversity and ever changing circumstances.

We feature a selection of stories from our 'heroes' throughout this report, which provides a snapshot of these moments of exceptional effort, commitment, ingenuity and collaboration to get the job done under, at times, the most difficult of circumstances. We see here the very best of our people and the Board and Executive Leadership Team once again thank them for their efforts and recognise the enormous contribution all our 3,700 employees have made over the past year and continue to make as we move forward.

Our Board

Over the last two years, three new directors have joined our Board and our Board size has increased by two to seven directors. Most recently, Dr Tracey Batten was appointed to our Board, effective 1 July 2021, and she will stand for election at the next Annual Meeting. Tracey has had an extensive executive career in the healthcare sector in Australia and the United Kingdom and is now a non-executive director and resides in New Zealand.

Our Board has a diverse range of skills and a wealth of industry and governance experience, which has been especially critical over the last 18 months and will continue to be necessary with the ongoing uncertainty. Our Board has been planning for succession as there are directors with long tenures who have an intention to retire over the next few years. Succession takes time as we wish to ensure the stability and culture, which has underpinned EBOS' success, is maintained.

Dividend

The Directors have announced a final dividend of NZ 46 cents per share which takes full year dividends to NZ 88.5 cents per share, an increase of 14.2% on the prior year.

Outlook

EBOS has continued to demonstrate the benefits of our diversified Healthcare and Animal Care strategy, despite the challenges of COVID-19, delivering strong earnings growth in FY21 and we expect to be able to generate further growth in FY22.

The Group's portfolio of businesses has proven to be very resilient throughout the COVID-19 pandemic; however, the situation in Australia with its major states in and out of lockdowns is evidence of the material uncertainties that exist and that may impact upon the Group's future trading performance.

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

John Cullity
CEO

Elizabeth Coutts
Chair

Our heroes

Michael Hallows
Northern Field Sales Manager
Masterpet NZ

As the North Island Field Sales Manager for Masterpet's specialty retail division, a key challenge for Michael and his team in the early days of the pandemic was helping their more than 400 customers navigate the confusion of the initial lockdown and whether they, as speciality pet retailers, could continue to operate. Lockdown also saw the Masterpet sales team quickly adapt to good effect by rolling out business improvement projects, including aligning the company to a local ecommerce platform to add extra value for their customers.

Michael with long standing EBOS customer, Bird Barn. EBOS has been servicing Bird Barn since 1982, making them one of our oldest customers in New Zealand.

EBOS Group Overview

Healthcare

Community Pharmacy

- Symbion
- ProPharma
- PWR Pharmacy Wholesalers Russells
- TerryWhite Chemmart
- Good Price Pharmacy Warehouse
- healthSAVE pharmacy
- Pharmacy Choice
- Discount Cincotta Chemist – Famous for value, famous for care.
- minfos
- DoseAid
- intellipharm
- Endeavour Consumer Health
- red seal
- Faulding
- Gran's Remedy
- Allersearch
- nature's kiss Anti-Flamme
- Floradix
- Quitnits

Institutional Healthcare

- EBOS Healthcare
- Symbion Hospital Services
- HPS
- Zest
- onelink
- Warner & Webster
- Vital Medical Supplies
- lmt
- Cryomed Aesthetics

Contract Logistics

- Healthcare Logistics
- Clinect – Bringing Global Local

Animal Care

Animal Care

- masterpet – never met a pet we didn't get
- BlackHawk
- vitapet
- Lyppard Australia Pty Ltd
- Animates – Everything for Pets
- aristopet Animal Health

Our People

The past year has once again reinforced the dedication and resilience of the more than 3,700 EBOS employees across New Zealand and Australia.

Whether they are in our distribution centres picking and packing essential healthcare and animal care products, standing on the front line as hospital pharmacists, or working hard behind the scenes to support and coordinate our daily efforts as an essential services provider, all of our people have an important role to play in ensuring we deliver for our customers.

Through the unique skills that they each bring, it is our people who are central to ensuring we maintain our position as a market leader across New Zealand and Australia. And it is our commitment, as an organisation, to support our people by ensuring they come to work each day knowing they are safe, respected and appreciated for the contributions they make.

As part of this commitment to being an employer of choice and to ensure we attract and retain the best talent, we strive to provide opportunities for our people to grow – to develop their skills and advance their careers – while also recognising those among us who go above and beyond in their contributions to EBOS.

GEM (Great Efforts Matter) Awards

The past 18 months have brought out the very best in our people and we could not be prouder of the unwavering dedication they have shown in the face of challenging circumstances.

Accordingly, our annual employee awards – the GEM Awards – took on special meaning in 2020 as we recognised those among us who went the extra mile in servicing our customers during times of need.

While we were not able to convene in person to celebrate the GEM Awards, we ran a virtual event to recognise our award recipients, with the following EBOS employees recognised:

GEM Awards recipients:

Scott Bishop – Masterpet
Rachel Blight – Symbion
Simon Boliancu – Symbion
Phillip Carruthers – Lyppard
Navin Chand – Healthcare Logistics
Theo Chronopoulos – Symbion
Brodie Creaser – Intellipharm
Tracy Endacott – Lyppard
Kylie Fenwick – TerryWhite Chemmart
Michael Hallows – Masterpet
Jared Holmes – ProPharma
Emily Kath – Symbion
Lisa Koh – Symbion
Mejaney Kuo – Endeavour Consumer Health
Annisia Lesik – Symbion
Michael Mamo – Masterpet
Stuart McAskill – Masterpet
Tailua Mika – Healthcare Logistics
Gabrielle Palmer – Masterpet
Bem Phan – EBOS Group Finance
Mohamed Ramulan – Onelink
Suresh Reddy Mallepally – Endeavour Consumer Health
Dawei Shi – Healthcare Logistics
Mihir Thakkar – EBOS Healthcare
Shaun Todd – Masterpet
Nona Tuiuli – Onelink
Dianne Tyrell – Symbion
Cathryn Weymouth – Lyppard
Belinda Wiemers – LMT Surgical
Cheumen Yen – EBOS Group IT
Kelly Young – TerryWhite Chemmart

2021 Annual Report

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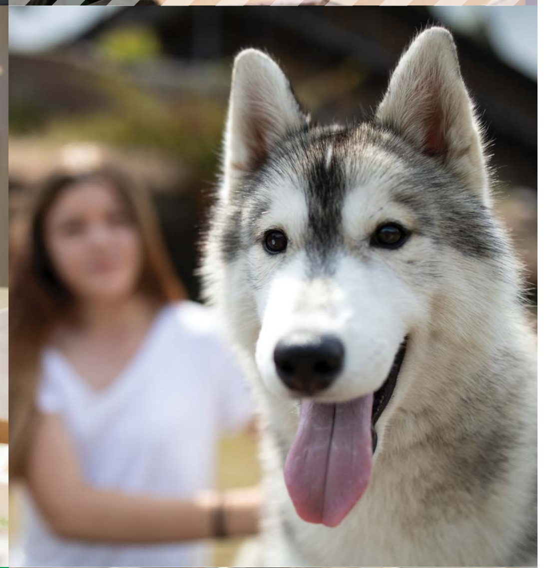
Business Overview
Financials
Corporate Governance
Remuneration
Directors' Interests and Disclosures
Directory



Sharleen Paul
Operations Manager
Onelink Dunedin, NZ (now at Healthcare Logistics)

Working closely with the Southern District Health Board (DHB), Onelink Dunedin had a critical role behind the scenes to help facilitate New Zealand's strong pandemic response across the South Island. Overseeing the site's warehouse operations was Sharleen Paul, who had to coordinate her team's efforts to support the DHB response. This included extending operating hours from five to seven days per week, introducing a night shift and bringing on board new staff to ensure they could meet the increased demand. Sharleen credits Onelink Dunedin's strong relationship with the DHB as the primary reason they were able to overcome the challenges of COVID-19.

Our People

Heroes campaign

Late last year, EBOS launched a campaign called 'Our Heroes', which reflected on the efforts of our people in supporting communities during times of need, such as the 2019–20 Australian bushfires and COVID-19.

We discovered incredible stories of sacrifice from team members who remained distant from family and friends for long periods of time to ensure they could continue to safely perform their duties at work. Others worked extraordinary hours during the height of the pandemic to ensure EBOS was able to continue to deliver for our customers in the face of unexpected demand and we also heard how our teams adapted to working from home and under robust health guidelines.

These stories were many and, while we were not able to capture the efforts of everyone across EBOS, we have included a selection of these stories throughout this year's Annual Report.

Rolling out new workplace policies

In 2021, EBOS was proud to implement a series of new workplace policies, which provide our employees with guidance on acceptable workplace behaviour and outline our efforts to promote an inclusive workforce. The new policies cover diversity and inclusion, recruitment and selection and flexible working and form the foundation of EBOS' overarching Diversity and Inclusion Strategy.

The intent of these policies is to ensure that EBOS continues to build a diverse and inclusive culture and workforce that is reflective of community expectations. With a workforce comprising nearly 60% women, we are already performing strongly in this area; however, we understand that we must continually strive to build a strong and diverse workforce by promoting equal opportunity for people of all cultural, ethnic and religious backgrounds and increasing diversity in our leadership teams.

Coinciding with the launch of these policies and in an effort to be an active participant in initiatives that celebrate diversity in the workplace, we again acknowledged International Women's Day (IWD) across the business in March. As part of IWD, we welcomed former elite Australian rules footballer, television and radio sports commentator Chyloe Kurdas as a keynote speaker.

Healthcare Logistics NZ named Employer of the Year

Healthcare Logistics NZ (HCL NZ) was proud to have been named as Employer of the Year by employment support organisation PolyEmp.

PolyEmp is a charitable trust that supports young people with learning disabilities towards their goal of sustainable employment. For the past 25 years, the organisation has been assisting those at risk of falling through the cracks and believes that all people have a right to contribute to society through equal employment opportunities.

The award recognises HCL NZ's commitment to diversity, inclusion and acceptance in its approach to helping job seekers achieve sustainable employment in the business. Last year, HCL NZ provided two jobseekers from PolyEmp with opportunities in the business and both have gone on to become valued permanent employees.

> The intent of these policies is to ensure that EBOS continues to build a diverse and inclusive culture.

Business Overview
Financials
Corporate Governance
Remuneration
Directors' Interests and Disclosures
Directory

Brett Hamilton
Manager, Onelink NSW

In the first few months of the pandemic, Onelink NSW experienced significantly increased demand from one of their major clients, NSW Health, requiring Brett and his team to step up quickly to support the department's rapid acquisition of vital pandemic stock and personal protection equipment. To meet this challenge, Brett and his team, with the support of EBOS head office staff, quickly brought online a temporary warehouse nearby their main distribution centre to ensure Onelink was able to rapidly respond to this additional demand. More recently, Onelink NSW has also played an important role managing medical consumables at the Sydney Olympic Park mass vaccination hub.

Lydia Leong
Pharmacist, HPS Pharmacies
John Fawkner Oncology

The HPS Approved Pharmacy at John Fawkner Oncology looks after seven hospitals across Victoria, each with their own unique requirements. Lydia Leong supported the pharmacy team to navigate the challenges of the pandemic while also guiding the unit through a period of significant change. The pharmacy's ability to adapt to this change and overhaul the site's workflow and processes during a pandemic was critical to ensuring they could continue to service their customers and emerge as a more efficient and robust unit.

2021 Annual Report

Environment, Social and Governance

For over a decade, EBOS has been supporting communities across New Zealand and Australia through a range of charitable endeavours, and socially and environmentally responsible activities that define our commitment to being a good corporate citizen.

As an organisation, we acknowledge that the way in which we articulate, deliver, and measure this activity drives perceptions, opinions and trust among key stakeholders and the community and ultimately ensures we maintain our social licence to operate.

To ensure we have more structure in how we measure our activity in this space and build upon our Environmental, Social and Governance (ESG) responsibilities, EBOS has developed a formal ESG Program. This Program sets out the actions we will take to ensure we consistently and sustainably deliver on our responsibilities as a provider of critical network infrastructure, products and services.

As part of this program, EBOS has released our inaugural Sustainability Report which focuses on our five key pillars: Health and Animal Care Partners, Consumers and Patients, Community and Environment, Our People, and Responsible Business. Our Sustainability Report references the Global Reporting Initiative (GRI).

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
- Waste and packaging
- Responsible procurement

Upholding our Quality Promise
- Quality Management System
- Compliance

Community & Environment

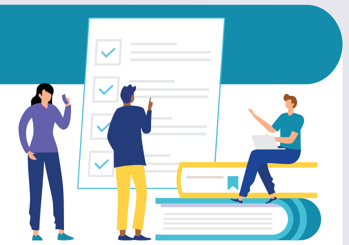
Environmental Resilience
- Carbon offsetting
- Minimising our impact

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 – recognition

Responsible Business



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

Health & Animal Care Partners

Enabling the delivery of world class healthcare and animal care to communities across New Zealand and Australia.

Through investing in our business, we have the critical infrastructure and robust quality management systems that support professionals and government in the delivery of reliable and efficient healthcare and animal care.

Ensuring we continue to support our partners to care for patients, consumers and pets in pharmacy, hospital, primary and aged care, veterinary services, retail and other settings.

Consumers & Patients

Caring for the consumers of our products and services by conducting our business in a socially responsible manner.

In designing and developing our products, we take into account their real impact through the value chain; this means sourcing materials from ethical and responsible suppliers, reducing waste and finding practical packaging solutions that minimise our impact on the environment.

Whether we are providing a product or service, we do so with our consumers top of mind. Trust is built through the decisions and choices we make every day.

Community & Environment

Supporting the communities we serve and facing the challenges of creating a fairer, more equitable and sustainable society.

We empower our people to make a difference and improve the lives of people, animals and the environment.

This means supporting causes close to us and being an active participant in charitable and social endeavours that make our communities stronger.

Our commitment extends to the environment and ensuring we develop and encourage sustainable business practices.

Our People

Building an engaged, diverse and talented workforce with a focus on health, safety and wellbeing is the key to our success.

We foster a culture of safety and wellbeing and support our employees to lead healthy, balanced lives.

We attract and build a diverse and talented workforce, investing in their development to provide them with the skills and capabilities to deliver.

We recognise and reward performance in a fair and equitable way, encouraging our people to strive for excellence in everything they do.

Responsible Business

Ensuring ethical and responsible behaviour and practices throughout our business.

We ensure that responsible business practices are implemented throughout the organisation, and will continue to build trust with our stakeholders by 'doing the right thing'.

We recognise the importance of legal compliance, ethical trading of products and services, and upholding good corporate governance practices, including transparent corporate reporting.

TWC CEO Duncan Phillips with Ovarian Cancer Australia CEO Jane Hill and Victorian State Health Minister Martin Foley at Teal Ribbon Giving Day

Community and Environment

TerryWhite Chemmart helping researchers close in on a cancer breakthrough

For the past 15 years, TerryWhite Chemmart (TWC) has been a proud supporter of Ovarian Cancer Australia and its fight against the deadliest cancer affecting Australian women.

Over the journey, TWC has been proud to raise more than $1.5 million for the charity, which has helped bring Ovarian Cancer Australia closer than ever to improving treatment for the cancer.

'We need more evidence and more resources to improve the lives of the women with this horrific cancer and we've made enormous progress over the last few years with thanks to our generous supporters like TerryWhite Chemmart,' said Ovarian Cancer Australia CEO Jane Hill.

'Our advocacy efforts have resulted in the Australian Federal Government awarding $35 million for critical research projects in the past two years. The fact researchers are confident we're closer to finding a cure for advanced disease than ever before truly fills us and the ovarian cancer community with real hope.'

TWC CEO Duncan Phillips said it gave him immense pride to see the fundraising efforts of the TWC network of pharmacies support Ovarian Cancer Australia every year.

'There are many in our network who mark February's Ovarian Cancer Awareness Month as one of the key events on their calendar,' he said.

'They are truly passionate crusaders for the cause Ovarian Cancer Australia themselves started 20 years ago and we are incredibly pleased to hear that our efforts are contributing to the significant progress being made around research.'

This year, in further acknowledgement of the 15-year partnership, TWC has committed to giving away 15,000 free Symptom Diaries to support women to better understand the signs and symptoms associated with ovarian cancer. In addition, TWC has also committed to raising $150,000 across its network of pharmacies by the end of the year.

Supporting the Beirut port explosion recovery

In early August 2020, a major explosion occurred in the port region of Beirut, claiming more than 200 lives and leaving around 300,000 residents homeless.

Soon after the explosion, our EBOS Healthcare team received a call from a former colleague, who now works for a major logistics company, calling for donations to support those displaced and injured by the disaster.

EBOS Healthcare's Kingsgrove Warehouse team responded rapidly, picking and packing seven pallets of products, which were delivered directly to Beirut via

Solar panels at Symbion Underdale, South Australia

Whitehurst, Victoria

Over the past 18 months, we have installed 1,980sqm of solar panel systems across our sites.

a charter flight. In total, EBOS Healthcare employees donated more than $11,000 worth of goods, with each pallet also including handwritten messages of support from the Kingsgrove Warehouse team.

Investments in rooftop solar systems

EBOS continues to make investments in renewable energy sources as part of our commitment to increasing sustainability across our business.
Over the past 18 months, we have installed 1,980sqm of solar panel systems across our sites. Our most recent installation at Symbion's South Australian distribution centre offsets approximately 70% of the site's daytime energy use.

Offsetting carbon emissions and increasing climate resilience

For more than a decade, EBOS has maintained a close association with leading not-for-profit Greenfleet to offset carbon emissions from our operations. Through Greenfleet's work to advance climate protection through the restoration of native forests, EBOS offsets 100% of greenhouse gas emissions associated with contracted logistics in our Healthcare segment across New Zealand and Australia.

Since 2007, our partnership with Greenfleet has helped increase climate change resilience through the restoration of biodiverse ecosystems and the provision of critical habitat for native wildlife.

Read more about two key Greenfleet projects below.

Ātiu Creek, NZ

First opened in 2008, the Ātiu Creek Regional Park is a publicly accessible space that is managed by the Auckland Regional Council. A mix of countryside pasture, groves of mature exotic trees and native bush, the park is also home to three nationally threatened bird species – the NZ dabchick, brown teal, and the North Island brown kiwi – and has intact areas of coastal forest which are now rare nationally.

The 847-hectare park is the third largest regional park in the Auckland region and is managed and operated by the council on the principles of protection, preservation and enhancement of its natural and cultural values.

As part of an ongoing reforestation project, Greenfleet and NZ supporters CardLink have teamed up and planted more than 1,000 native trees at the park.

Whitehurst, Victoria

Back in 2012, the rolling hills of Whitehurst, which is located about an hour from Wilsons Promontory in Victoria, were barren and severely lacking in vegetation, which increased the risks of flooding and landslides.

Over the past nine years, Greenfleet has led a significant transformation of the property that has seen nearly 21,000 trees planted, including native species such as Blackwood, Silver Wattle and Southern Blue Gum. Over its lifetime, this forest will capture more than 23,000 tonnes of CO_2-e from the atmosphere.

The property is now a tranquil and biodiverse retreat that also includes a wildlife habitat that is home to a range of native animals, including swamp wallabies, echidnas and wombats.

Our Ongoing Commitment to Reconciliation

EBOS recognises that we have a responsibility to assist in Australia's efforts to become a more reconciled nation. Our offices and distribution centres are located in all Australian states and territories and we value the significant contribution that a culturally diverse workforce brings to our business. Our national reach means that we have the ability and responsibility to effect change both locally and nationally.

At the start of this journey, EBOS set our own unique vision and objectives for reconciliation. We are in the second year of our reconciliation journey, and our current Reflect Reconciliation Action Plan (RAP) captures our learnings from the past year. Importantly, we have achieved many of the reconciliation objectives that we set for ourselves in our first year.

Some key highlights include:

- Identifying the need for Cultural Awareness training and extending this to all Executives, Operations Managers and other leaders across the business.
- Raising the internal understanding of Aboriginal and Torres Strait Islander people's cultural protocols and commencing Welcome to Country and Acknowledgement of Country protocols.
- Celebrating National Aborigines and Islanders Day Observance Committee (NAIDOC) Week and holding events at many of our Australian sites, as well as sharing resources internally including an interview with keynote speaker Marlee Silva, author and host of the podcast series *Always was, always will be our stories*.

As we now move on to our second Reflect RAP, our focus areas include:

- Extending Cultural Awareness training sessions.
- Encouraging and supporting our employees to participate in external events to recognise and celebrate National Reconciliation Week (NRW) and NAIDOC Week.
- Communicating quarterly RAP updates to employees across Australia.
- Improving Aboriginal and Torres Strait Islander supplier diversity.
- Investigating Aboriginal and Torres Strait Islander employment opportunities.
- Investigating opportunities to improve health outcomes for Aboriginal and Torres Strait Islander peoples.

These focus areas will provide the solid foundations to ensure our future RAPs are meaningful, mutually beneficial and sustainable. As we continue on this journey, we remain committed to and guided by our vision for reconciliation, which is:

To create a society that is fair, equal and just for all Australians, where relationships are strengthened between Aboriginal and Torres Strait Islanders and non-Indigenous peoples, for the benefit of all Australians.

We seek to understand and embrace reconciliation at EBOS Group and develop a greater understanding of Aboriginal and Torres Strait Islander Peoples and their cultures.

Business Highlights Healthcare

EBOS' Healthcare segment delivered another year of strong growth, underpinned by the ongoing commitment of our employees to delivering for our customers and supporting each other.

As a result of the pandemic, we experienced heightened demand for critical healthcare products. This required our teams to navigate the complexities associated with procuring stock affected by supply chain disruption, while continuing to support government coordinated COVID-19 testing and management strategies across New Zealand and Australia.

While these challenges have been significant at times, it is thanks to the efforts of our employees that we have withstood the test. Supported by the strength of our systems and infrastructure, our businesses successfully continued to prioritise the delivery of world class healthcare products to our customers.

Behind the scenes and on the frontline, we have continued to adapt to the new normal of being prepared to work from home should events dictate and it is our employees who have risen to the task with resilience, flexibility and dedication. Across the Healthcare segment, there have been countless stories of our employees going above and beyond, including:

- teams in our distribution centres working extended hours to meet the demands of the pandemic.
- IT teams working tirelessly to overhaul our systems, in some cases overnight, to ensure that we could adjust to new supply arrangements to support government and community-led health responses.
- our legal team securing rapid lease agreements that enabled us to bring online additional warehouse capacity when it was needed most.
- supply chain and procurement teams working around the clock to ensure we could effectively source the stock required by our customers.
- our finance teams preparing budgets, forecasts, monthly reports and other ad hoc analysis while working remotely.
- administration support, customer service, business development and Key Account Manager teams working at the frontline of managing customer feedback and handling the myriad of enquiries we have received.

While COVID-19 has remained very much at the front of our minds during the 2021 financial year, we have also been called upon to support communities across New Zealand and Australia as they have faced other challenges.

EBOS plays a key role in NZ COVID-19 vaccine rollout

Throughout 2021, EBOS has been working closely with the New Zealand Ministry of Health (MoH) to facilitate the rollout of the COVID-19 vaccine across the country.

While the New Zealand Government has secured agreements with four vaccine manufacturers, efforts have primarily focused on the Pfizer-BioNTech vaccine, which requires special handling and low temperature storage between –60 and –90 degrees Celsius.

The process to ensure the safe handling of the vaccine is complex and requires careful attention. Upon receipt of the Pfizer-BioNTech vaccine, EBOS teams unpack the vaccines, repack them into specially designed racks and transfer them for storage in freezers at –80 degrees. To ensure the integrity of the vaccines, this process can take no longer than five minutes. Upon confirmation from the MoH that vaccines are required for distribution, our teams repack the vaccines into smaller quantity packs ready for transport and dispatch to hospitals, vaccination centres, aged care centres, managed isolation and quarantine facilities and anywhere else they are required across New Zealand.

SES volunteers delivering Symbion medical and healthcare products during the March 2021 floods

Supporting flood affected Australians

In March this year, communities across NSW and Queensland experienced a significant flood emergency, with many people losing their homes, businesses and animals. In some regions, the flooding was so bad that entire communities were cut off by road for days at a time as rain continued to fall for much of the month.

To support those living in flood affected regions, EBOS teams across NSW and Queensland worked tirelessly to ensure people in these communities could continue to access vital medicines essential to their health.

While it was a significant logistical challenge, it is one that our teams are experienced in dealing with and well equipped to handle. Regular communication with our customers remained a priority, as some pharmacies had to close and were unable to receive deliveries.

For those communities that were cut off by road, EBOS worked closely with emergency services to coordinate deliveries by boat to ensure the continued supply of vital medicines and healthcare products.

EBOS is grateful for the support and collaboration shown by the emergency services during this time and would like to recognise the incredible efforts of our teams across NSW and Queensland for their efforts to support communities in need.

Collaboration drives record result for TerryWhite Chemmart

Throughout the year, EBOS has united to provide strengthened investment and support to the TerryWhite Chemmart (TWC) network and its network partners, which has helped EBOS' flagship pharmacy business deliver a year of record growth in 2021.

TWC welcomed 36 net new pharmacies during the period, which is the largest 12 month increase of network stores on record. This builds on store growth in previous periods and further strengthens TWC's position as Australia's largest health-advice oriented community pharmacy network.

TWC network sales grew by 5.3% and, on a like-for-like basis, increased by 3.6%. This performance was driven by new store growth, continued above-market increases in marketing spend and improved promotional and category initiatives.

Central to the success of TWC over the period has been a focus on increased collaboration with other EBOS businesses and entities. TWC forged a range of innovative partnerships over the period, including:

- working with Minfos to provide TWC pharmacists with workflow efficiency support tools for dispensary and updates to software to enhance better buying and margins;
- Intellipharm loyalty system integration to support sophisticated and personalised digital pathways for customers;

- Symbion rolling out improvements for electronic document delivery to reduce the costs of receipting;
- developing a market leading patient program for biologicals in conjunction with our 100% subsidiary Zest;
- Healthcare Logistics expanding facilities to support TWC's Private Label distribution service; and
- rolling out creative customer packaging solutions for vitamins, minerals and supplements in collaboration with DoseAid.

TWC continues to explore further opportunities to enhance its product offering, with sourcing discussions and new product developments underway in collaboration with other EBOS divisions, including Endeavour Consumer Health, EBOS Healthcare and our growing medical devices business.

We were also pleased to see TWC perform strongly in the 2021 supplier survey conducted by Advantage Group, which canvasses the views of suppliers on the top retail brands in Australian pharmacy. Pleasingly, TWC ranked fourth in this survey, after coming eighth in 2020 and twelfth in 2019. This result is a strong endorsement of the investments made to increase supplier engagement across the business through transformational changes to our behaviours and capabilities, which support better collaboration with our suppliers to achieve mutual growth.

TWC's growth trajectory will continue with the additional 36 net new pharmacies further strengthening TWC's position as Australia's largest health services community pharmacy network with over 465 stores.

Symbion and TWC set to join forces for regional drone trial

Symbion and TWC are further demonstrating their commitment to innovation and collaboration by joining forces for regional Australia's first planned trial of medicine deliveries via drone.

Working in partnership with Melbourne-based company Swoop Aero, Symbion and TWC are set to trial flights from the regional Queensland town of Goondiwindi to patients living as far as 130 kilometres away. The trial is designed to demonstrate the ability of drones to provide greater convenience and improved access to medicines for those living in regional communities. Drone deliveries of medicines could also be of critical importance in situations where accessibility is limited in the event of natural disasters.

Operating out of TerryWhite Chemmart Goondiwindi, the trial will see drones fly fully automated flight paths to a customer's assigned destination before dropping off its medicine delivery and returning to base for the next assignment. The project is being funded by EBOS and undertaken with the approval of Australia's aviation regulator, the Civil Aviation Safety Authority.

Cryomed acquisition

During the 2021 financial year, EBOS further expanded its interests in the growing medical devices sector with the acquisition of Cryomed, a leading provider of medical aesthetic devices and technology to New Zealand and Australian markets.

In 2013, Cryomed distributed its first medical device and quickly became a leading medical device company in the region. Since that time, the company has consistently launched innovative aesthetic devices and consumable products in both markets.

Cyromed represents an important acquisition for EBOS' medical devices business and we are committed to further investment in this growing sector. EBOS has confidence that we can develop our medical devices business into market leading positions across multiple therapeutic areas over the medium to long term. We are confident that, in time, medical device distribution will represent another significant pillar of our organisation.

> We are confident that in time, medical device distribution will represent another significant pillar of our organisation.

Red Seal drives further innovation in natural health

Red Seal cemented its reputation as a leading natural consumer brand in 2021, headlined by the launch of a new range of natural mouthwashes.

Red Seal's natural mouthwash was developed in-house, highlighting EBOS' capabilities in delivering innovative new consumer offerings.

Owing to continued consumer demand for natural oral care alternatives and Red Seal's established relationships with leading retailers, the new mouthwash range is currently stocked in Countdown, Foodstuffs and Woolworths stores across New Zealand and Australia. Having achieved strong uptake domestically, Red Seal will continue its expansion in international markets in the first quarter of the 2022 financial year.

In addition to the launch of its mouthwash range, Red Seal was also pleased to roll out a new supplement range designed to provide holistic natural skin health and beauty support. The range includes Collagen Builder, Deep Hydration, Beauty Food+ and Overnight Renewal products and was launched into Countdown stores across New Zealand in May 2021.

Red Seal further expanded its market presence with entry into New Zealand Chemist Warehouse stores and increased the number of Red Seal products being distributed through Australian Woolworths stores.

Red Seal cemented its reputation as a leading natural consumer brand in 2021, headlined by the launch of a new range of natural mouthwashes.

Business Highlights Animal Care

Animal Care steps up efforts to support pet owners

Our Animal Care segment demonstrated strong growth as our leading brands and market positions benefited from the impact of COVID-19 on the pet sector.

With New Zealanders and Australians spending more time at home due to COVID-19, there was a significant increase in pet ownership during the 2021 financial year that saw many people becoming pet owners for the first time. This increased ownership and people spending more time at home with their pets resulted in surging demand for high quality animal care products and the need for educational resources to assist all pet owners through the challenging times.

Our Animal Care team realised that the circumstances being experienced throughout 2020 by many new and existing pet owners presented an opportunity to share their significant expertise and build brand loyalty by developing a suite of online tools and educational resources.

Leveraging in-house expertise and partnering with external experts, including vets and animal behaviourists, Black Hawk launched an online campaign across web and social media featuring educational content designed to help people to do the best by their pets while navigating the challenges of the pandemic. With many people having limited access to their vets due to COVID-19 restrictions, Black Hawk also hosted a series of live vet Q&A events on social media that offered people the chance to ask the company's in-house vet important pet care questions.

Our VitaPet team also stepped up to support pet owners by launching a new engagement platform in October 2020 called VitaPet Central. With more than 90,000 unique visitors in the first three months after launch, VitaPet Central became an important resource hub for pet owners, providing a wide variety of information about raising and caring for animals.

There were a number of other key business highlights across the segment, headlined by the launch of Aristopet's new range of flea and worm treatments for dogs and cats. With only around half of Australian pet owners regularly treating their animals for fleas and worms, largely due to the high cost of other parasiticide products, Aristopet's new range of spot treatments presents a more affordable entry point for pet owners, without sacrificing on quality or efficacy.

EBOS commits $80 million for new Animal Care manufacturing facility

In August 2021, EBOS announced an $80 million capital investment for the development of a new state-of-the-art pet food manufacturing facility in Parkes, NSW.

The new facility will enable EBOS to manufacture Black Hawk's leading range of pet food products in-house for the first time. It will also help to accelerate new product development initiatives through the latest manufacturing technologies, enabling EBOS to capitalise on attractive market opportunities and drive continued growth in our Animal Care segment.

Construction on the 12,000m² facility is well advanced and the site is expected to be operational in FY2022.

2021 Annual Report

Our Board

Elizabeth Coutts, Independent Chair
ONZM, BMS, FCA

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

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

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

Dr Tracey Batten was appointed to the EBOS Group Limited Board in July 2021.

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.

Nick Dowling, Independent Director
BCA (Hons); BA

Nick Dowling was appointed to the EBOS Group Limited Board in February 2020 and is a member of the Audit and Risk Committee. Nick is currently the Head of Balmoral Australia, a family office engaged in the tourism, wine, maritime services and investment sectors. Prior to Balmoral Australia, Nick was Managing Director and CEO, Australia and New Zealand, at New Hope Group Co. Ltd, a private Beijing based corporation engaged in agribusiness and food, real estate and infrastructure, chemicals, finance and investment. He has also held senior roles at UBS, Goldman Sachs, JP Morgan and Morgan Stanley. He currently sits on the Advisory Board of AEH Group and is a director of a number of Balmoral Australia companies.

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 also completed a Master of Business Administration at the University of Melbourne.

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

Over the last 30 years, 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 Donaco International Limited.

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 a director of Argosy Properties Ltd as well as a number of private companies. He is also a governor of the New Zealand Sports Hall of Fame and member, Marsh New Zealand Advisory Board. He was formerly a director of Ngai Tahu Tourism Ltd.

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 Remuneration 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.

Peter Williams, Independent Director

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

Financial Summary

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

Group revenue exceeded $9 billion for the first time, up 5.0% 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 businesses.

EBOS recorded Underlying Earnings Before Net Finance Costs and Tax (EBIT) of $294.5 million, representing 11.9% growth and Underlying Net Profit After Tax (NPAT) attributable to shareholders of $188.2 million, representing 15.5% growth.

Healthcare

The Healthcare segment reported revenue of $8.7 billion and Underlying EBIT of $254.9 million, representing 4.4% and 11.4% growth respectively.

In Australia, Healthcare revenue increased to $6.9 billion and Underlying EBIT increased to $216.0 million, representing 3.7% and 12.4% growth respectively. This was driven by strong performances from our Community Pharmacy, Institutional Healthcare and Contract Logistics businesses.

In New Zealand, Healthcare revenue increased to $1.8 billion and Underlying EBIT increased to $38.9 million, representing 7.3% and 6.0% growth respectively. This was driven by increased revenues in Community Pharmacy and GOR growth in Contract Logistics.

Animal Care

The Animal Care segment had a very strong performance with revenue of $497.5 million and EBIT of $62.9 million, representing 17.0% and 26.4% growth respectively.

Our Animal Care businesses were able to capitalise on strong pet market conditions as a result of their leading market positions. This growth was driven by strong performances across the segment, including from Black Hawk, Vitapet and Lyppard, which all generated robust revenue growth.

Cash flow and balance sheet

EBOS has reported record operating cash flows before capital expenditure of $298.3 million. This cash performance reflects our strong earnings growth and continued disciplined working capital management.

Net capital expenditure for the year included business-as-usual capital expenditure of $31.1 million. In addition, EBOS will commence insource manufacturing of Black Hawk through capital investment in a new pet food manufacturing facility. Total capital expenditure for the project is expected to be $80 million, of which $50.9 million was spent in FY21 and a further $29 million is expected to be spent in FY22. In the medium term, the project is expected to provide returns consistent with EBOS' overall Return on Capital Employed.

Return on Capital Employed for June 2021 was 18.0%, up 0.9% on the prior year attributable to our record earnings for the year while maintaining a disciplined approach to capital management. The net debt to EBITDA ratio was 0.85x, excluding the impact of IFRS 16 Leases.

Acquisitions

Consistent with our strategy of investing for growth, during the last 12 months, EBOS announced three acquisitions to expand and diversify our earnings. These acquisitions included Pioneer Medical, a New Zealand distributor of medical devices to orthopaedic and neurosurgeons; Cryomed, an Australian distributor of medical devices and consumables to aesthetics clinics; and CH2's vet wholesale business.

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

Dividends

The Directors are pleased to declare a final FY21 dividend of NZ 46 cents per share, which equates to a full-year dividend of NZ 88.5 cents per share. For the full year, this represents an increase of 14.2% on the prior year and a dividend payout ratio of 72%.

The record date for the final dividend is 10 September 2021 and the dividend will be paid on 24 September 2021. The final dividend will again be imputed to 25% for New Zealand tax resident shareholders and will be fully franked for Australian tax resident shareholders. The Dividend Reinvestment Plan (DRP) will not be operational for the final dividend. EBOS is pleased to advise shareholders that it has revised its dividend policy to declare dividends representing between 60% to 80% of NPAT (reflecting an improvement compared to the previous policy of declaring dividends not less than 60% of NPAT). The average payout ratio over the last five years has been approximately 72%.

Financial Report

Contents

Key

Key judgements and other judgements made

Accounting policy

Subsequent event

Explanatory note

Risks

Directors' Responsibility Statement

The Directors of EBOS Group Limited are pleased to present to shareholders the financial statements for EBOS Group Limited and its controlled entities (together the "Group") for the year to 30 June 2021.

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 2021 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

17 August 2021

2021 Annual Report

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 2021, and the consolidated income statement, statement of comprehensive income, statement of changes in equity consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 44 to 93, present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2021, 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 $13m.

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 $999m of goodwill and $122m of indefinite life intangible assets, including brands of $95m, on the balance sheet at 30 June 2021 as detailed in note B1 to the financial statements. The carrying values of goodwill and indefinite life intangible assets are dependent on the future cash flows expected to be generated by the underlying businesses, and there is a risk if these cash flows do not meet the Group's expectations that the assets may be impaired. The Group tests goodwill and indefinite life intangible assets at least annually by determining the recoverable amount (the higher of value-in-use or fair value less costs to sell) of the individual assets where possible, or otherwise the cash generating units to which the assets belong and comparing the recoverable amounts of the assets to their carrying values. The impairment assessment models prepared by the Group contain a number of significant assumptions. Changes in these assumptions might lead to a change in the carrying value of indefinite life intangible assets and goodwill. The Group has assessed the recoverable amount of brands based on fair value using the relief from royalty method. The key assumptions applied in the above models are: • Annual revenue and expense growth rates for the 5 year forecast period; • pre-tax discount rates; • royalty rates; and • terminal growth rates. The Group has assessed the recoverable amount of each cash generating unit ("CGU") or group of CGU's to which goodwill has been allocated based on value-in-use models. The key assumptions applied in the value-in-use models are: • Annual revenue and expense growth rates for the 5 year forecast period; • pre-tax discount rates; and • terminal growth rates. We have included the impairment assessments of goodwill and indefinite life intangible assets as a key audit matter due to the significance of the balances to the financial statements and the level of judgement applied by the Group in determining the key assumptions used to determine the recoverable amounts.	We considered whether the Group's methodology for assessing impairment is compliant with NZ IAS 36: *Impairment of Assets.* We focused on testing and challenging the suitability of the models and reasonableness of the assumptions used by the Group in conducting their impairment reviews. Our procedures included: • agreeing a sample of future cash flows to Board approved forecasts; • challenging the reliability of the Group's revenue and expense growth rates by comparing the forecasts underlying the growth rates to historical forecasts and actual results of the underlying businesses (where applicable). This also included consideration of the impact of COVID-19 on both forecast revenue and profitability of the CGU's; and • assessing the reasonableness of key assumptions and changes to them from previous years. We used our internal valuation specialists to assist with evaluating the models and challenging the Group's key assumptions. The procedures of the specialists included: • evaluating the appropriateness of the valuation methodology; • testing the mathematical integrity of the models; • evaluating the Group's determination of the pre-tax discount rates and royalty rates used in the models through consideration of the relevant risk factors for each CGU, the cost of capital for the Group, and market data on comparable businesses; and • comparing the terminal growth rates to market data for the industry sectors. We evaluated the sensitivity analysis performed by management to consider the extent to which a change in one or more of the key assumptions could give rise to impairment in the goodwill and indefinite life intangible assets.

Other information

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

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

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

Directors' responsibilities for the consolidated financial statements

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

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

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

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

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

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

This description forms part of our auditor's report.

Restriction on use

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

Deloitte Limited

Mike Hawken, Partner
For Deloitte Limited
Christchurch, New Zealand

17 August 2021

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2021 Annual Report

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 2021	Notes	2021 A$'000	2020 A$'000
Revenue	A1(a)	9,202,886	8,765,540
Income from associates	F2	7,071	3,355
Profit before depreciation, amortisation, net finance costs and tax expense (EBITDA)		363,297	333,599
Depreciation	A1(b)	(60,544)	(56,870)
Amortisation	A1(b)	(12,101)	(16,276)
Profit before net finance costs and tax expense (EBIT)		290,652	260,453
Finance income		713	1,387
Finance costs – borrowings		(20,641)	(23,657)
Finance costs – leases	H6	(7,705)	(8,126)
Profit before tax expense		263,019	230,057
Tax expense	A3	(78,970)	(68,541)
Profit for the year		184,049	161,516
Profit for the year attributable to:			
Owners of the Company		185,297	162,518
Non-controlling interests		(1,248)	(1,002)
		184,049	161,516
Earnings per share:			
Basic (cents per share)	A4	113.2	100.6
Diluted (cents per share)	A4	113.2	100.6

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 2021	2021 A$'000	2020 A$'000
Profit for the year	184,049	161,516
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedge gains/(losses)	5,933	(2,414)
Related income tax	(1,750)	766
Movement in foreign currency translation reserve	(2,993)	(7,378)
	1,190	(9,026)
Items that will not be reclassified subsequently to profit or loss:		
Movement on equity instruments fair valued through other comprehensive income	(2,433)	926
Total comprehensive income net of tax	182,806	153,416
Total comprehensive income for the year is attributable to:		
Owners of the Company	184,054	154,418
Non-controlling interests	(1,248)	(1,002)
	182,806	153,416

Notes to the financial statements are included on pages 50 to 93.

Notes to the financial statements are included on pages 50 to 93.

2021 Annual Report

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 2021	Notes	2021 A$'000	2020 A$'000
Current assets			
Cash and cash equivalents		168,953	244,778
Trade and other receivables	C1	1,156,499	1,022,587
Prepayments		14,111	12,484
Inventories	C2	784,761	737,699
Current tax refundable		278	2,177
Other financial assets – derivatives	G2	44	109
Total current assets		2,124,646	2,019,834
Non-current assets			
Property, plant and equipment	D1	172,209	173,704
Capital work in progress	D2	70,362	5,783
Prepayments		30	327
Deferred tax assets	A3(b)	141,806	131,039
Goodwill	B1(a)	999,339	969,623
Indefinite life intangibles	B1(b)	122,354	122,500
Finite life intangibles	B1(d)	40,089	43,792
Right of use assets	H6	222,367	222,931
Investment in associates	F2	47,896	46,679
Other financial assets		8,660	10,578
Total non-current assets		1,825,112	1,726,956
Total assets		3,949,758	3,746,790
Current liabilities			
Trade and other payables	C3	1,623,904	1,413,914
Bank loans	E3	116,640	246,921
Lease liabilities	H6	36,498	33,846
Current tax payable		35,600	17,505
Employee benefits		58,706	42,774
Other financial liabilities – derivatives	G2	6,631	12,629
Total current liabilities		1,877,979	1,767,589

Notes to the financial statements are included on pages 50 to 93.

Consolidated Balance Sheet continued

As at 30 June 2021	Notes	2021 A$'000	2020 A$'000
Non-current liabilities			
Bank loans	E3	323,565	324,916
Lease liabilities	H6	203,621	203,300
Trade and other payables	C3	3,617	3,988
Deferred tax liabilities	A3(b)	127,428	128,825
Employee benefits		7,845	7,298
Total non-current liabilities		666,076	668,327
Total liabilities		2,544,055	2,435,916
Net assets		1,405,703	1,310,874
Equity			
Share capital	E1	993,616	961,486
Share-based payments reserve		10,350	6,601
Foreign currency translation reserve		(21,163)	(18,170)
Retained earnings		433,453	372,012
Equity instruments fair valued through other comprehensive income		(2,561)	(128)
Cash flow hedge reserve		(2,671)	(6,854)
Equity attributable to owners of the Company		1,411,024	1,314,947
Non-controlling interests		(5,321)	(4,073)
Total equity		1,405,703	1,310,874

Notes to the financial statements are included on pages 50 to 93.

2021 Annual Report

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 2021	Notes	Share capital A$'000	Share-based payments reserve A$'000	Foreign currency translation reserve A$'000	Retained earnings A$'000	Equity instruments fair valued through other comprehensive income reserve A$'000	Cash flow hedge reserve A$'000	Non-controlling interests A$'000	Total A$'000
Balance at 1 July 2019		931,811	3,937	(10,792)	323,635	(1,054)	(5,206)	(3,071)	1,239,260
Profit for the year		-	-	-	162,518	-	-	(1,002)	161,516
Other comprehensive income for the year, net of tax		-	-	(7,378)	-	926	(1,648)	-	(8,100)
Payment of dividends	E2	-	-	-	(114,141)	-	-	-	(114,141)
Share-based payments		-	2,664	-	-	-	-	-	2,664
Dividends reinvested	E1	23,032	-	-	-	-	-	-	23,032
Employee LTI shares exercised	E1	6,353	-	-	-	-	-	-	6,353
Employee share plan shares issued	E1	358	-	-	-	-	-	-	358
Employee share issue costs	E1	(68)	-	-	-	-	-	-	(68)
Balance at 30 June 2020		961,486	6,601	(18,170)	372,012	(128)	(6,854)	(4,073)	1,310,874
Balance at 1 July 2020		961,486	6,601	(18,170)	372,012	(128)	(6,854)	(4,073)	1,310,874
Profit for the year		-	-	-	185,297	-	-	(1,248)	184,049
Other comprehensive income for the year, net of tax		-	-	(2,993)	-	(2,433)	4,183	-	(1,243)
Payment of dividends	E2	-	-	-	(123,856)	-	-	-	(123,856)
Share-based payments		-	3,749	-	-	-	-	-	3,749
Dividends reinvested	E1	27,553	-	-	-	-	-	-	27,553
Employee LTI shares exercised	E1	3,056	-	-	-	-	-	-	3,056
Employee share plan shares issued	E1	1,665	-	-	-	-	-	-	1,665
Employee share issue costs	E1	(144)	-	-	-	-	-	-	(144)
Balance at 30 June 2021		993,616	10,350	(21,163)	433,453	(2,561)	(2,671)	(5,321)	1,405,703

Notes to the financial statements are included on pages 50 to 93.

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 2021	Notes	2021 A$'000	2020 A$'000
Cash flows from operating activities			
Receipts from sale of goods and services		9,080,007	8,725,652
Interest received		713	1,387
Dividends received from associates	F2	5,761	630
Payments for purchase of goods and services		(8,687,637)	(8,397,655)
Taxes paid		(72,184)	(69,037)
Interest paid		(28,346)	(31,785)
Net cash inflow from operating activities	E5	298,314	229,192
Cash flows from investing activities			
Sale of property, plant and equipment		217	369
Purchase of property, plant and equipment		(20,354)	(18,310)
Payments for capital work in progress		(56,800)	(5,918)
Payments for intangible assets		(5,106)	(5,053)
Investment in associates	F2	-	(3,694)
Acquisition of subsidiaries	B2	(31,223)	(40,868)
Investment in other financial assets		(497)	143
Net cash (outflow) from investing activities		(113,763)	(73,331)
Cash flows from financing activities			
Proceeds from issue of shares	E1	32,130	29,675
Proceeds from borrowings	E5	49,600	40,630
Repayment of borrowings	E5	(181,459)	(1,236)
Repayment of lease liabilities	H6	(35,261)	(31,957)
Dividends paid to equity holders of parent		(124,986)	(111,834)
Net cash (outflow) from financing activities		(259,976)	(74,722)
Net (decrease)/increase in cash held		(75,425)	81,139
Effect of exchange rate fluctuations on cash held		(400)	(2,981)
Net cash and cash equivalents at the beginning of the year		244,778	166,620
Net cash and cash equivalents at the end of the year		168,953	244,778

Notes to the financial statements are included on pages 50 to 93.

2021 Annual Report

Notes to the consolidated financial statements

For the financial year ended 30 June 2021.

Introducing this report

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

Information is considered relevant and material if:

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

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

Basis of preparation

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

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

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

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

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

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

Critical accounting estimates and judgements

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

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

Judgements and estimates that are considered material to understanding the performance of EBOS are found in the relevant notes to the financial statements. Key judgements have been made in regards to assumptions that support the impairment assessment for goodwill and indefinite life intangibles (note B1) and the identification and valuation of intangibles recognised on acquisitions (note B2).

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 2021.

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:

	2021 A$'000	2020 A$'000
Community Pharmacy[(1)]	5,389,989	5,205,591
Institutional Healthcare	2,686,014	2,565,111
Contract Logistics Services	88,615	74,107
Contract Logistics Sales	718,911	638,149
Interdivisional eliminations	(178,167)	(142,530)
Healthcare	8,705,362	8,340,428
Animal Care	497,524	425,112
	9,202,886	8,765,540

(1) Consumer Products has been combined with Community Pharmacy.

Recognition and measurement

Community Pharmacy and Institutional Healthcare

Revenue is derived from the supply of human healthcare products to pharmacies, hospitals, supermarkets and other healthcare providers in Australia and New Zealand and overseas distributors for export markets. This includes the supply of agency products and EBOS' own branded human healthcare products such as Red Seal, Gran's Remedy, Faulding, Nature's Kiss and Quitnits. Following delivery of the goods, the customer obtains control as it has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of loss in relation to the goods.

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

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

A1. Revenue and expenses continued

(a) Revenue continued

Recognition and measurement

Contract Logistics

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

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.

Under our standard terms with customer's 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.

Animal Care

Revenue is derived from the supply of animal care products to pet retail and vet clinics across Australia and New Zealand. Upon delivery of the goods, the customer assumes full control as it has complete discretion over the manner of distribution and pricing of goods, has the primary responsibility when onselling 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 our standard terms with customer's 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:

	2021 A$'000	2020 A$'000
One-off items [1]	(3,813)	(2,600)
Cost of sales	(8,210,446)	(7,843,282)
Writedown of inventory	(8,127)	(4,450)
Impairment loss on trade and other receivables	(988)	(1,095)
Depreciation of property, plant and equipment	(20,813)	(19,523)
Depreciation on right of use assets	(39,731)	(37,347)
Amortisation of finite life intangibles	(12,101)	(16,276)
Short-term and low value asset leases	(5,080)	(5,091)
Donations	(228)	(419)
Employee benefit expense	(332,566)	(302,535)
Defined contribution plan expense	(18,285)	(17,222)
Other expenses	(267,127)	(258,602)
Total expenses	(8,919,305)	(8,508,442)

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

Recognition and measurement

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

Tangible assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of future cash flows expected to be generated by the asset (value in use).

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

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

Short term and low value asset leases
EBOS leases certain land, buildings, plant and equipment.

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

2021 Annual Report

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 GROUP LIMITED

Healthcare Segment
Sales of healthcare products in a range of sectors, own brands, retail healthcare, pharmacy services and wholesale activities.

Animal Care Segment
Sales of animal care products in a range of sectors, own brands, retail and wholesale activities.

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

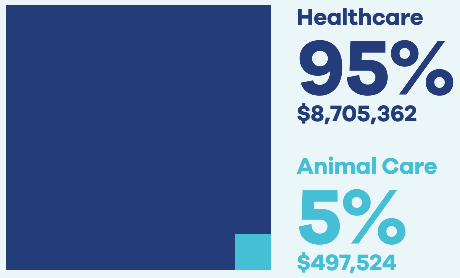
EBOS' major products and services are the same as the reportable segments i.e. Healthcare and Animal Care, with no major products and services allocated to Corporate.

(b) Segment revenues and results

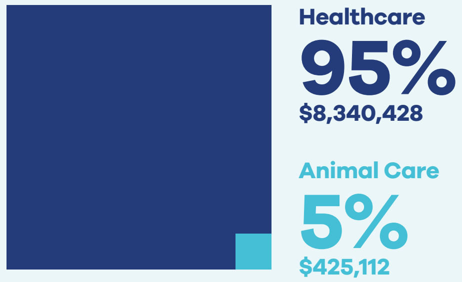
The following is an analysis of EBOS' revenue and results by reportable segment:

Revenue from external customers (A$'000)

2021



2020

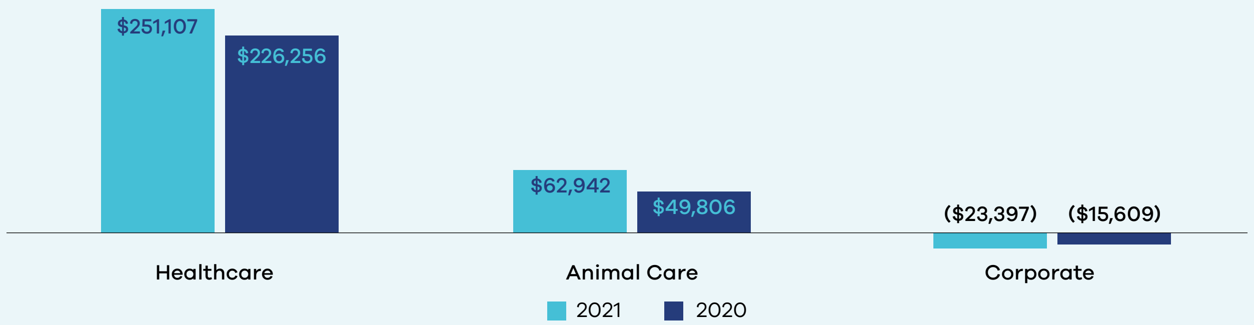


Business Overview
Financials
Corporate Governance
Remuneration
Directors' Interests and Disclosures
Directory

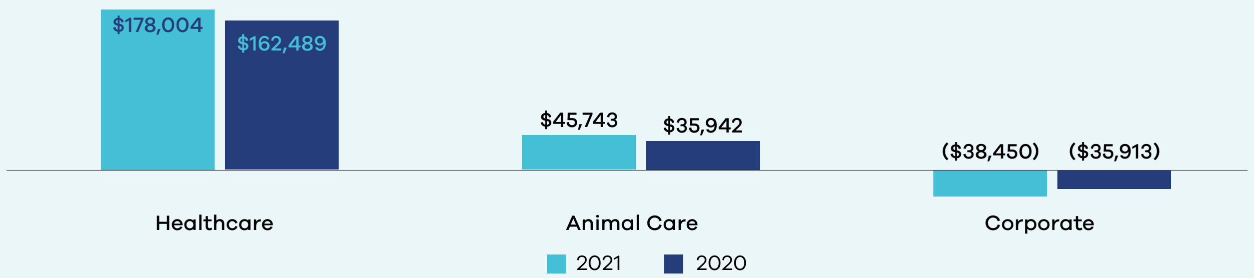
A2. Segment information continued

(b) Segment revenues and results continued

EBIT (A$'000)



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



Associate information:

	2021 A$'000	2020 A$'000
Included in the segment results above is income from associates:		
Animal Care	5,687	2,661
Healthcare	1,384	694
Total income from associates	7,071	3,355

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	
	2021 A$'000	2020 A$'000	2021 A$'000	2020 A$'000	2021 A$'000	2020 A$'000
Revenue from external customers	8,705,362	8,340,428	497,524	425,112	-	-
EBITDA	316,223	290,408	69,350	57,658	(22,276)	(14,467)
Depreciation of property, plant and equipment	(19,933)	(18,724)	(880)	(799)	-	-
Depreciation on right of use assets	(33,281)	(31,012)	(5,329)	(5,193)	(1,121)	(1,142)
Amortisation of finite life intangibles	(11,902)	(14,416)	(199)	(1,860)	-	-
EBIT	251,107	226,256	62,942	49,806	(23,397)	(15,609)
Net finance costs	-	-	-	-	(27,633)	(30,396)
Tax (expense)/benefit	(74,351)	(64,769)	(17,199)	(13,864)	12,580	10,092
Profit for the year	176,756	161,487	45,743	35,942	(38,450)	(35,913)
Non-controlling interests	1,248	1,002	-	-	-	-
Profit for the year attributable to owners of the Company	178,004	162,489	45,743	35,942	(38,450)	(35,913)

(c) Geographical information

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

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		Group	
	2021 A$'000	2020 A$'000	2021 A$'000	2020 A$'000	2021 A$'000	2020 A$'000
Continuing operations						
Revenue from external customers	7,355,220	7,045,396	1,847,666	1,720,144	9,202,886	8,765,540
Non-current assets	1,287,114	1,194,822	348,296	354,416	1,635,410	1,549,238

2021 Annual Report

(d) Information about major customers

No revenues from transactions that are with a single customer amount to 10% or more of EBOS' revenues (2020: Nil).

Recognition and measurement

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

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

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

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

A3. Taxation

(a) Tax expense recognised in Consolidated Income Statement

	2021 A$'000	2020 A$'000
Tax expense comprises:		
Current tax expense:		
Current year	94,335	72,459
Adjustments for prior years	(1,833)	(665)
	92,502	71,794
Deferred tax (credit)/expense:		
Current year	(14,942)	(3,181)
Adjustments for prior years	1,410	(72)
	(13,532)	(3,253)
Total tax expense	78,970	68,541
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	263,019	230,057
Tax expense calculated at 28% (2020: 28%)	73,645	64,416
Non-deductible expenses	4,109	2,635
Effect of different tax rates of subsidiaries operating in overseas jurisdictions	4,363	3,953
(Over) provision of tax expense in prior years	(422)	(737)
Other adjustments	(2,725)	(1,726)
Total tax expense	78,970	68,541

The tax rates used are principally the corporate tax rates of 28% (2020: 28%) payable by New Zealand and 30% (2020: 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:

	2021 A$'000	2020 A$'000
Gross deferred tax liabilities:		
Property, plant and equipment	6,130	6,169
Other payables	631	1,074
Other financial assets – derivatives	161	73
Right of use assets	68,269	66,488
Intangible assets	52,237	55,021
Total gross deferred tax liabilities	127,428	128,825
Gross deferred tax assets:		
Property, plant and equipment	12,928	13,611
Other payables	43,386	34,461
Other financial assets – derivatives	1,938	3,775
Lease liabilities	71,086	68,596
Intangible assets	12,204	9,597
Tax losses carried forward	264	999
Total gross deferred tax assets	141,806	131,039

(c) Imputation credit account balances

	2021 A$'000	2020 A$'000
Imputation credit account balances Imputation credits available directly and indirectly to shareholders of the parent company:	7,481	7,531

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

Recognition and measurement

Income tax expense is the income tax assessed on taxable profit for the year.

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

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

A3. Taxation continued

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

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

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

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

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

A4. Earnings per share

		Basic earnings per share		Diluted earnings per share	
		2021 A$'000	2020 A$'000	2021 A$'000	2020 A$'000
Earnings used in the calculation of total earnings per share	A$'000	185,297	162,518	185,297	162,518
Weighted average number of ordinary shares for the purposes of calculating earnings per share	No. (000's)	163,711	161,557	163,711	161,557
Earnings per share	Cents	113.2	100.6	113.2	100.6

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	2021 A$'000	2020 A$'000
Gross carrying amount			
Balance at beginning of financial year		969,623	947,055
Recognised from business acquisition during the year	B2	30,435	27,706
Effects of foreign currency exchange differences		(719)	(5,138)
Net book value		999,339	969,623

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.

2021 Annual Report

B1. Goodwill and intangibles continued

(b) Indefinite life intangibles

	TerryWhite Chemmart Brands A$'000	Other Healthcare Brands A$'000	Franchise Network A$'000	Animal Care Brands A$'000	Healthcare Trademarks A$'000	Total A$'000
Gross carrying amount						
Balance at 1 July 2019	36,550	34,380	10,954	25,215	16,483	123,582
Effects of foreign currency exchange differences	-	(557)	-	(144)	(381)	(1,082)
Balance at 30 June 2020	36,550	33,823	10,954	25,071	16,102	122,500
Effects of foreign currency exchange and other differences	(12)	(62)	-	(20)	(52)	(146)
Balance at 30 June 2021	36,538	33,761	10,954	25,051	16,050	122,354

Recognition and measurement

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

Judgement: useful lives of indefinite life intangible assets

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

B1. Goodwill and intangibles continued

(c) Cash-generating units

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

	Goodwill		Indefinite life intangibles	
	2021 A$'000	2020 A$'000	2021 A$'000	2020 A$'000
Healthcare Australia [1]	660,918	642,710	12,682	12,689
Healthcare New Zealand [2]	68,081	68,295	21,079	21,146
Healthcare: Pharmacy/Logistics NZ [3]	88,484	88,769	16,050	16,102
Healthcare: TerryWhite Group [4]	27,229	20,306	47,492	47,492
Animal Care [5]	154,627	149,543	25,051	25,071
	999,339	969,623	122,354	122,500

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 – TerryWhite Group.
5 New Zealand and Australia Animal Care.

For the year ended 30 June 2021 the Directors have determined that there is no impairment of any of the CGUs containing goodwill, brands, trademarks or the franchise network asset (2020: Nil).

Key judgement: impairment assessment assumption

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

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

B1. Goodwill and intangibles continued

(c) Cash-generating units continued

Key estimate: value in use calculation

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

	2021	2020
Goodwill		
Annual revenue growth rates	2.5% - 7.0%	2.5% - 6.3%
Allowance for increases in expenses	2.5% - 4.9%	2.2% - 6.0%
Pre-tax discount rates	11.6% - 13.7%	12.5% - 13.8%
Terminal growth rate	2.5%	2.5%

Key estimate: value in use calculation

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

Indefinite life intangibles		
Annual revenue growth rates	3.0% - 7.2%	3.0% - 6.9%
Allowance for increases in expenses	2.5% - 4.9%	2.2% - 6.0%
Royalty rate	3.0% - 11.8%	3.0% - 11.8%
Pre-tax discount rates	12.3% - 20.3%	13.3% - 20.8%
Terminal growth rate	2.5%	2.5%

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

2021 Annual Report

B1. Goodwill and intangibles continued

(d) Finite life intangibles

	Other A$'000	Customer relationships/ contracts A$'000	Total A$'000
Gross carrying amount	31,959	106,874	138,833
Accumulated amortisation and impairment	(16,421)	(78,620)	(95,041)
Balance at 30 June 2020	15,538	28,254	43,792
Gross carrying amount	40,486	106,874	147,360
Accumulated amortisation and impairment	(20,389)	(86,882)	(107,271)
Balance at 30 June 2021	20,097	19,992	40,089

Aggregate amortisation recognised as an expense during the year:

	2021 A$'000	2020 A$'000
Customer relationships and contracts	8,263	13,201
Other	3,838	3,075
	12,101	16,276

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 of software.

Judgement: useful lives of finite life intangible assets

The Group is in the process of assessing the implementation and ongoing costs of SaaS arrangements, in response to recent agenda decisions issued by IFRIC on how accounting standards apply to these types of arrangements. This analysis is expected to be completed in the first half of 2022.

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

Business Overview
Financials
Corporate Governance
Remuneration
Directors' Interests and Disclosures
Directory

2021 Annual Report

B1. Goodwill and intangibles continued

(e) Goodwill and intangibles accounting policies

Accounting policies

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

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

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

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

B2. Acquisition information

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

Name of business acquired	Principal activities	Date of acquisition	Cost of acquisition A$'000
2021:			
100% of the business assets and liabilities of Cryomed Aesthetics (Cryomed)	Healthcare	October 2020	22,231
100% of the assets of CH2's vet wholesale division (CH2 Vet)	Animal Care	November 2020	9,242

B2. Acquisition information continued

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

	Carrying value A$'000	Fair value adjustment A$'000	Fair value on acquisition A$'000
Current assets			
Cash and cash equivalents	11	-	11
Trade and other receivables	2,551	(103) [1]	2,448
Prepayments	18	-	18
Inventories	8,103	(1,499) [2]	6,604
Non-current assets			
Property, plant and equipment	257	-	257
Deferred tax assets	-	579 [3]	579
Current liabilities			
Trade and other payables	(789)	(294) [4]	(1,083)
Employee benefits	(258)	-	(258)
Current liabilities			
Employee benefits	(113)	-	(113)
Net assets acquired	9,780	(1,317)	8,463

Business Overview

Financials

Corporate Governance

Remuneration

Directors' Interests and Disclosures

Directory

2021 Annual Report

B2. Acquisition information continued

	Carrying value A$'000	Fair value adjustment A$'000	Fair value on acquisition A$'000
Goodwill on acquisition			30,435
Total consideration			38,898
Less cash and cash equivalents			(11)
Deferred purchase consideration			(8,500)
Net cash outflow from acquisition			30,387

Judgements made:

[1] To recognise the fair value of trade and other receivables on acquisition.

[2] To recognise the fair value of inventories on acquisition.

[3] To recognise deferred tax assets on acquisition.

[4] To recognise the fair value of trade and other payables on acquisition.

Recognition and measurement

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

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

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

Goodwill arising on acquisition

Goodwill arose on the acquisition of the business operations of Cryomed and CH2 Vet because the cost of acquisition included a control premium paid. In addition, goodwill resulted from the consideration paid for the benefit of future expected cash flows above the current fair value of the assets acquired and the expected synergies and future market benefits expected to be obtained. These benefits are not recognised separately from goodwill as the expected future economic benefits arising cannot be reliably measured and they do not meet the definition of identifiable intangible assets.

Cryomed was acquired as it is a profitable Australasian medical device business which the Group believes fits strategically with its Australasian healthcare business assets.

CH2 Vet was acquired as it is a profitable Australian animal care business which the Group believes fits strategically with its Australian animal care business assets.

Deferred consideration of $8.5m was recognised as future EBITDA earn out targets of the businesses acquired, on which the consideration is payable, have, or are expected to be achieved.

The impact of the acquisitions on the results of the Group for the period ended 30 June 2021 are not considered material and are therefore not disclosed in the financial statements.

B2. Acquisition information continued

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

	2021 A$'000	2020 A$'000
Subsidiaries acquired		
Consideration		
Cash and cash equivalents	30,398	39,516
Deferred purchase consideration	8,500	(2,073)
Total consideration	38,898	37,443
Represented by		
Net assets acquired	8,463	9,737
Goodwill on acquisition	30,435	27,706
Total consideration	38,898	37,443
Net cash outflow on acquisition		
Cash and cash equivalents consideration	30,398	39,516
Deferred purchase consideration	836	-
Less cash and cash equivalents acquired	(11)	-
Plus bank overdraft acquired	-	1,352
Net cash consideration paid	31,223	40,868

2021 Annual Report

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

	2021 A$'000	2020 A$'000
Trade receivables (i)	1,112,747	997,450
Other receivables	57,625	37,940
Provision for expected credit losses (ii)	(13,873)	(12,803)
	1,156,499	1,022,587

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 2021 A$'000
Trade receivables – total	1,084,519	21,842	2,992	3,394	1,112,747
Provision for expected credit losses – total	(1,017)	(8,306)	(1,686)	(2,864)	(13,873)

	Not due A$'000	30–60 days A$'000	60–90 days A$'000	90+ days A$'000	Total 2020 A$'000
Trade receivables – total	953,573	31,541	5,128	7,208	997,450
Provision for expected credit losses – total	(654)	(3,865)	(2,963)	(5,321)	(12,803)

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 ECLs 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 ECLs 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

	2021 A$'000	2020 A$'000
Raw materials – at cost	6,503	2,459
Finished goods – at cost	778,258	735,240
	784,761	737,699

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

	2021 A$'000	2020 A$'000
Current		
Trade payables	1,469,202	1,296,851
Other payables	142,710	112,485
Deferred purchase consideration	11,992	4,578
	1,623,904	1,413,914
Non-current		
Other payables	3,617	3,988
	3,617	3,988

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

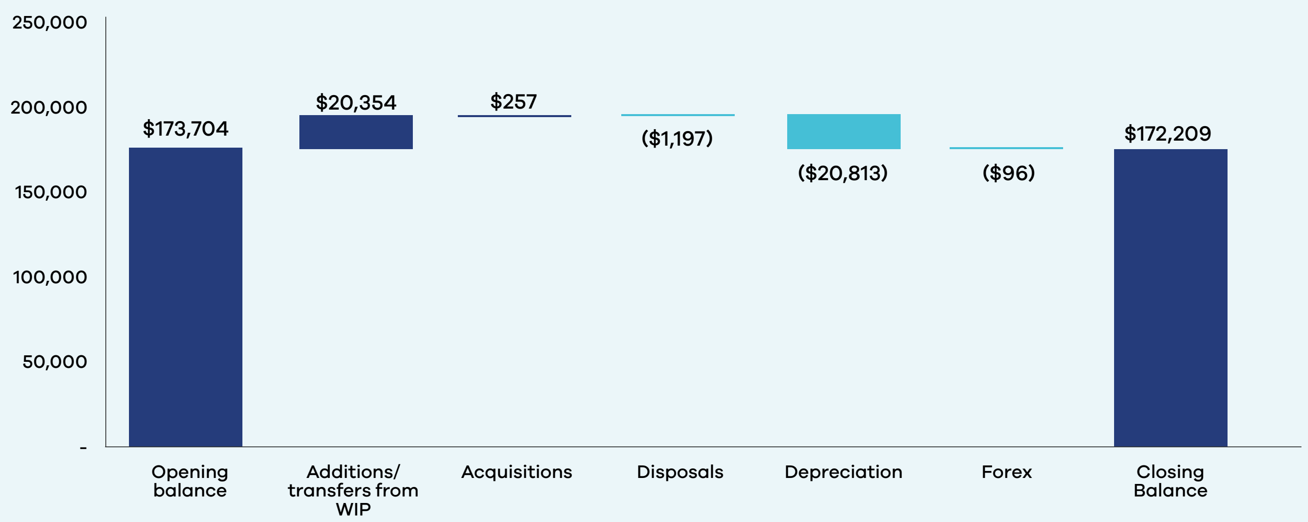
Section Overview

This section explains what capital assets, such as property, plant and equipment, that EBOS uses to operate our 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	28,649	42,437	38,421	104,287	31,985	245,779
Accumulated depreciation	-	(7,882)	(12,204)	(36,360)	(15,629)	(72,075)
Balance at 30 June 2020	28,649	34,555	26,217	67,927	16,356	173,704
Cost	28,643	43,115	38,857	116,448	34,816	261,879
Accumulated depreciation	-	(9,217)	(15,167)	(45,389)	(19,897)	(89,670)
Balance at 30 June 2021	28,643	33,898	23,690	71,059	14,919	172,209

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



Business Overview
Financials
Corporate Governance
Remuneration
Directors' Interests and Disclosures
Directory

2021 Annual Report

D1. Property, plant and equipment continued

Recognition and measurement

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

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

Judgements and estimates – useful lives

EBOS estimates the remaining useful life of assets as follows:

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

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

D2. Capital work in progress

	2021 A$'000	2020 A$'000
Capital work in progress	70,362	5,783
	70,362	5,783

Capital work in progress relates to buildings under construction and software development. The additional cost to complete the projects is estimated at $25,030,000 (2020: $4,492,000).

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

	2021 No. 000's	2021 Total A$'000	2020 No. 000's	2020 Total A$'000
Fully paid ordinary shares				
Balance at beginning of financial year	162,864	961,486	161,708	931,811
Dividend reinvested – October	1,233	27,553	415	9,301
Dividend reinvested – April	-	-	724	13,731
Issue of shares to staff under employee share plan	67	1,665	17	358
Employee share issue costs	-	(144)	-	(68)
Shares vested under the long term executive incentive scheme	-	3,056	-	6,353
	164,164	993,616	162,864	961,486

	2021 No. 000's	2020 No. 000's
Treasury stock		
Opening stock	585	1,225
Share scheme – shares fully vested	(585)	(600)
Share scheme – shares forfeited	-	(40)
	-	585

Recognition and measurement

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

Business Overview
Financials
Corporate Governance
Remuneration
Directors' Interests and Disclosures
Directory

2021 Annual Report

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.

	2021		2020	
	A$ Cents per share	Total A$'000	A$ Cents per share	Total A$'000
Recognised amounts				
Fully paid ordinary shares:				
Final – prior year	36.5	59,225	35.0	56,378
Interim – current year	39.5	64,631	35.9	57,763
Dividends per share	76.0	123,856	70.9	114,141
Unrecognised amounts				
Final dividend	42.8	70,305	37.4	60,846

Subsequent event

A dividend of NZ 46.0 cents per share was declared on 17 August 2021 with the dividend being payable on 24 September 2021. The anticipated cash impact of the dividend is approximately $70.3m.

The following table shows dividends approved in New Zealand dollars:

	2021 NZ$ Cents per share	2020 NZ$ Cents per share
Recognised amounts		
Fully paid ordinary shares:		
Final – prior year	40.0	37.0
Interim – current year	42.5	37.5
Dividends per share	82.5	74.5
Unrecognised amounts		
Final dividend	46.0	40.0

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

	2021 A$'000	2020 A$'000
Current		
Bank loans – securitisation facility (i)	116,640	179,408
Bank loans (ii)	-	67,513
	116,640	246,921
Non-current		
Bank loans (ii)	323,565	324,916
	323,565	324,916

(i) EBOS, through a subsidiary company, has a trade debtor securitisation facility of $400.0m (2020: $400.0m) of which $283.4m was unutilised at 30 June 2021 (2020: $220.6m). 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 2021, the value of trade receivables provided as security under this securitisation facility was $158.5m (2020: $226.9m). 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 $789.5m (2020: $692.7m), of which $465.9m was unutilised at 30 June 2021 (2020: $300.3m).

In February 2021, the Group refinanced $443.0m of bank term loan and working capital facilities. The limit was increased to $464.5m and the maturity dates were extended to February 2024 for $171.5m of debt facilities and May 2025 for $293.0m of debt facilities.

In June 2021, the Group entered into a new $75.0m secured term debt facility for the construction of a new pet food manufacturing facility. The maturity date of the debt facility is June 2026.

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

Recognition and measurement

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

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

E4. Borrowings facilities maturity profile

As at 30 June 2021, EBOS had unrestricted access to the following lines of available credit:

Facility	A$millions	Maturity
Term debt facilities ($AUD)	250.0	1-2 years
Term debt facilities ($NZD)	46.5	2-3 years
Term debt facilities ($AUD)	125.0	2-3 years
Term debt facilities ($AUD)	293.0	3-4 years
Term debt facilities ($AUD)	75.0	4-5 years
Securitisation facility ($AUD)	400.0	2-3 years

The following table shows the remaining contractual maturity for EBOS' borrowings at balance date. The table includes both interest and principal (undiscounted) cash flows, with total bank loans of $440.2m (2020: $571.8m):

	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
Bank loans							
2021	7,178	7,178	170,859	228,738	50,251	-	464,204
2020	255,819	39,622	293,091	-	-	-	588,532

Financing activities

	2021 A$'000	2020 A$'000
Bank overdraft facility, reviewed annually and payable at call:		
Amount unused	1,364	1,368
	1,364	1,368
Bank loan facilities with various maturity dates through to June 2026 (2020: May 2023)		
Amount used	440,205	571,838
Amount unused	749,295	520,909
	1,189,500	1,092,747

E5. Operating cash flows

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

For the financial year ended 30 June 2021	2021 A$'000	2020 A$'000
Profit for the year	184,049	161,516
Add/(less) non-cash items:		
Depreciation of property, plant and equipment	20,813	19,523
Depreciation on right of use assets	39,731	37,347
(Gain)/loss on sale of property, plant and equipment	(103)	88
Amortisation of finite life intangible assets	12,101	16,276
Share of profit from associates, net of dividends received	(7,071)	(3,355)
Expense recognised in respect of share-based payments	3,749	2,664
Deferred tax	(13,532)	(3,253)
	55,688	69,290
Movement in working capital:		
Trade and other receivables	(133,912)	(124,791)
Prepayments	(1,330)	(2,558)
Inventories	(47,062)	(14,182)
Current tax refundable/payable	19,994	2,528
Trade and other payables	209,619	115,642
Employee benefits	16,479	2,655
Foreign currency translation of working capital balances	87	210
	63,875	(20,496)
Balances classified as investing activities	(12,914)	10,092
Working capital items acquired	7,616	8,790
Net cash inflow from operating activities	298,314	229,192

2021 Annual Report

E5. Operating cash flows continued

Reconciliation of debt:

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

	1 July 2019 A$'000	Net borrowings A$'000	Borrowings acquired A$'000	Foreign currency movement A$'000	30 June 2020 A$'000
Bank loans	532,345	39,394	996	(897)	571,838

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 2021	2020
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 Limited	New Zealand	100%	100%
Pharmacy Retailing NZ Limited	New Zealand	100%	100%
Pet Care Distributors Pty Limited	Australia	100%	100%
Masterpet Corporation Limited	New Zealand	100%	100%
Masterpet Australia Pty Ltd	Australia	100%	100%
Botany Bay Imports and Exports Pty Ltd	Australia	100%	100%
QPharma Pty Ltd (formerly Aristopet Pty Ltd)	Australia	100%	100%
EAHPL Pty Limited	Australia	100%	100%
ZHHA Pty Ltd	Australia	100%	100%
ZAP Services Pty Ltd	Australia	100%	100%
Symbion Pty Ltd	Australia	100%	100%
Intellipharm Pty Ltd	Australia	100%	100%
Clinect Pty Ltd	Australia	100%	100%
Lyppard Australia Pty Ltd	Australia	100%	100%
DoseAid Pty Ltd	Australia	100%	100%
Symbion Trade Receivables Trust [1]	Australia	100%	100%
Blackhawk Premium Pet Care Pty Ltd	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%

2021 Annual Report

Subsidiaries (all balance dates 30 June unless otherwise noted)	Country of Incorporation	Ownership Interests and Voting Rights 2021	2020
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%
VIM Health Pty Ltd	Australia	100%	100%
PBA Finance No. 1 Pty Ltd	Australia	100%	100%
PBA Finance No. 2 Pty Ltd	Australia	100%	100%
Chem Plus Pty Ltd	Australia	100%	100%
Pharmacy Brands Australia Pty Ltd	Australia	100%	100%
VIM Health IP Pty Ltd	Australia	100%	100%
Tony Ferguson Weight Management Pty Ltd	Australia	100%	100%
Lite Living Pty Ltd	Australia	100%	100%
Alchemy Holdings Pty Ltd	Australia	100%	100%
Alchemy Sub-Holdings Pty Ltd	Australia	100%	100%
HPS Holdings Group (Aust) Pty Ltd	Australia	100%	100%
HPS Hospitals Pty Ltd	Australia	100%	100%
HPS Corrections Pty Ltd	Australia	100%	100%
HPS Services Pty Ltd	Australia	100%	100%
Hospharm Pty Ltd	Australia	100%	100%
HPS IVF Pty Ltd	Australia	100%	100%
HPS Finance Pty Ltd	Australia	100%	100%
HPS Brands Pty Ltd	Australia	100%	100%
Endeavour CH Pty Ltd	Australia	100%	100%
Ventura Health Pty Ltd	Australia	100%	100%
You Save Management Pty Ltd	Australia	100%	100%
Mega Save Management Pty Ltd	Australia	100%	100%
Cincotta Holding Company Pty Ltd	Australia	100%	100%
CC Pharmacy Investments Pty Ltd	Australia	100%	100%
CC Pharmacy Promotions Pty Ltd	Australia	100%	100%
CC Pharmacy Management Pty Ltd	Australia	100%	100%
Shanghai EBOS Trading Co Ltd (formerly Shanghai EBOS Business Management Co Ltd)	China	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%	-

[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 2021. The Trust is consolidated as EBOS has the exposure, or rights, to variable returns from its involvement with the Trust and the Group considers that it has existing rights that give it the current ability to direct the relevant activities of the Trust.

F2. Investment in associates

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

2021 Annual Report

F2. Investment in associates continued

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

	2021 A$'000	2020 A$'000
Statement of Financial Position		
Total assets	108,875	117,058
Total liabilities	(66,020)	(74,258)
Net assets	42,855	42,800
Group's share of net assets	21,250	21,099
Income Statement		
Total revenue	157,325	131,730
Total profit for the year	14,478	7,719
Group's share of profits of associates	7,071	3,355
Movement in the carrying amount of the Group's investment in associates:		
Balance at the beginning of the financial year	46,679	41,074
New investments	-	3,694
Share of profits of associates	7,071	3,355
Share of dividends	(5,761)	(630)
Net foreign currency exchange differences	(93)	(814)
Balance at the end of the financial year	47,896	46,679
Goodwill included in the carrying amount of the Group's investment in associates	23,724	23,772
The Group's share of the contingent liabilities of associates	-	-
The Group's share of capital commitments of associates	-	-

Recognition and measurement

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

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

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

Section G: How we manage risk

Section Overview

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

G1. Financial risk management

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

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

Foreign currency risk

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

Foreign exchange rate exposures are managed utilising forward foreign exchange contracts.

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.

2021 Annual Report

G1. Financial risk management continued

Interest rate risk

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

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

It is the policy of the Group to enter into interest rate swap 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 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.

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 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.

No sources of ineffectiveness emerged from these hedging relationships.

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

Liquidity risk

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

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

Credit risk

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

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

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

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

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

EBOS has not changed its overall strategy regarding the management of risk from 2020.

G2. Financial instruments

Derivatives	2021 A$'000	2020 A$'000
Other financial assets – derivatives (at fair value)		
Forward foreign exchange contracts (i)	44	109
	44	109
Other financial liabilities – derivatives (at fair value)		
Forward foreign exchange contracts (i)	577	367
Interest rate swaps (i)	6,054	12,262
	6,631	12,629

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

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 are valued using a discounted cash flow valuation. Key inputs for the valuation of interest rate swaps are the estimated future cash flows based on observable yield curves at the end of the reporting period, discounted at a rate that reflects the credit risk of the various 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, and no hedge ineffectiveness has occurred during the period, the movement in these instruments has been recognised in other comprehensive income. 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.

2021 Annual Report

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.

Outstanding forward foreign currency contracts: nominal value

	2021 A$'000	2020 A$'000
Buy Australian dollars	6,853	9,415
Buy Euro	3,735	4,889
Buy British pounds	2,454	4,917
Buy Thai baht	10,941	8,514
Buy US dollars	25,886	32,851
	49,869	60,586

Outstanding interest rate swap contracts: nominal value

	2021 A$'000	2020 A$'000
Less than 1 year	94,655	51,034
1 to 3 years	195,000	264,781
3 to 5 years	-	25,000
Greater than 5 years	-	-
	289,655	340,815

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

	2021 A$'000	2020 A$'000
Contingent liabilities		
Guarantees given to third parties	320	505
	320	505

H2. Commitments for expenditure

	2021 A$'000	2020 A$'000
Capital expenditure commitments:		
Plant	22,232	766
	22,232	766

H3. Subsequent events

Subsequent event

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

Subsequent to balance date, in August 2021, the Group acquired a 100% equity interest in Pioneer Medical Limited ('Pioneer') for consideration of $40.0m, less net debt acquired.

Pioneer is a New Zealand based supplier of orthopaedic supplies. Pioneer was acquired as it is a profitable medical devices business which the Group believes fits strategically within its Healthcare segment operations.

2021 Annual Report

H4. Related party disclosures

Key management personnel compensation

	2021 A$'000	2020 A$'000
Employee benefits	14,106	12,173
	14,106	12,173

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, 313,890 performance rights were issued with a 3 year performance period of 1 July 2020 to 30 June 2023 (2020: 205,263 with a 3 year performance period of 1 July 2019 to 30 June 2022).

EBOS also operates a long term incentive share plan whereby EBOS provides an interest free, non-recourse loan to participating senior executives in order for those executives to purchase shares in the company. While the shares are issued and held in the executive's name, the shares will not vest unless and until performance conditions are met. The executive cannot deal in the shares unless and until those shares vest. All net dividends received in respect of the shares must be applied to the repayment of the interest-free loan. In 2018, 585,000 vested shares were issued with an issue price of NZ$17.35. The performance period in relation to these shares was 1 July 2017 to 30 June 2020. No shares have been issued under this plan since 2018.

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.

	2021 A$'000	2020 A$'000
Auditor of the Group (Deloitte)		
Audit of the financial statements	600	614
Audit related services for review of interim financial statements	202	220
Taxation compliance	4	6
	806	840

H6. Leases

The Group as a lessee

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

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

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

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

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

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

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

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

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

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

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

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

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

The Group applies NZ IAS 36 Impairment of Assets to determine whether an 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.

2021 Annual Report

H6. Leases continued

Right of use assets

	Land and buildings A$'000	Office, plant and equipment A$'000	Motor vehicles A$'000	Total A$'000
Cost				
Balance as at 1 July 2020	245,654	10,536	4,088	260,278
Additions	40,639	1,718	1,585	43,942
Disposals	(8,109)	(321)	(876)	(9,306)
Forex	(442)	(16)	(5)	(463)
Balance as at 30 June 2021	277,742	11,917	4,792	294,451
Accumulated depreciation				
Balance as at 1 July 2020	(33,594)	(2,310)	(1,443)	(37,347)
Disposals	3,711	264	830	4,805
Depreciation expense	(35,269)	(2,803)	(1,659)	(39,731)
Forex	175	12	2	189
Balance as at 30 June 2021	(64,977)	(4,837)	(2,270)	(72,084)
Net book value				
As at 30 June 2020	212,060	8,226	2,645	222,931
As at 30 June 2021	212,765	7,080	2,522	222,367

H6. Leases continued

	2021 A$'000	2020 A$'000
Amounts recognised in profit and loss		
Depreciation on right of use assets	39,731	37,347
Finance costs – leases	7,705	8,126
Expense relating to short term leases and low value assets	5,080	5,091
Lease liabilities		
Current	36,498	33,846
Non-current	203,621	203,300
Maturity analysis (undiscounted future cash flows)		
Year 1	43,388	40,960
Year 2	38,899	38,800
Year 3	36,871	35,436
Year 4	33,660	33,494
Year 5	26,268	30,348
Onwards	92,736	91,672
	271,822	270,710
Cash outflows for leases		
Interest on lease liabilities	(7,705)	(8,126)
Repayments of lease liabilities	(35,261)	(31,957)
Short term leases and low value asset leases	(5,080)	(5,091)
	(48,046)	(45,174)

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 2021.

2021 Annual Report

Additional stock exchange information

As at 16 July 2021

Twenty largest shareholders	Fully paid shares	Percentage of paid capital
Sybos Holdings Pte Limited	31,021,184	18.90
Citibank Nominees (New Zealand) Limited – NZCSD CNOM90	11,207,180	6.83
Forsyth Barr Custodians Limited 1 – CUSTODY	7,210,028	4.39
HSBC Nominees (New Zealand) Limited NZCSD HKBN90	7,009,188	4.27
National Nominees Limited – NZCSD NNLZ90	5,398,662	3.29
FNZ Custodians Limited	5,136,131	3.13
Accident Compensation Corporation – NZCSD ACCI40	4,912,747	2.99
Custodial Services Limited A/C 4	4,906,635	2.99
JP Morgan Nominees Australia Limited	4,589,827	2.80
BNP Paribas Nominees (NZ) Limited – NZCSD BPSS40	4,125,133	2.51
Custodial Services Limited A/C 3	3,189,755	1.94
HSBC Custody Nominees (Australia) Limited	3,119,753	1.90
Tea Custodians Limited Client Property Trust Account – NZCSD TEAC40	2,946,803	1.79
HSBC Nominees A/C NZ Superannuation Fund Nominees Limited – NZCSD SUPR40	2,780,873	1.69
JP Morgan Chase Bank NA NZ Branch-Segregated Clients Acct – NZCSD CHAM24	2,410,779	1.47
Custodial Services Limited A/C 2	2,227,755	1.36
New Zealand Depository Nominee Limited A/C 1 Cash Account	2,203,510	1.34
HSBC Nominees (New Zealand) Limited A/C State Street – NZCSD HKBN45	2,097,330	1.28
JBWere (NZ) Nominees Limited NZ Resident A/C	1,964,115	1.20
Whyte Adder No 3 Limited	1,796,425	1.09
	110,253,813	67.16

Substantial product holders and number of securities

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

Number of ordinary shares	As at balance date	As at 16 July 2021
	164,164,053	164,164,053

Number of unquoted performance rights	As at balance date	As at 16 July 2021
	652,135	956,294

Additional stock exchange information continued

Substantial holder name*	Ordinary shares as at balance date	Percentage of share capital as at balance date	Ordinary shares as at 16 July 2021	Percentage of share capital as at 16 July 2021
Sybos Holdings Pte Limited	31,021,184	18.90%	31,021,184	18.90%
Jardan Securities Limited and Harbour Asset Management Limited	8,236,324	5.02%	8,137,480	4.96%

*based on substantial holding notices received by the Company.

Distribution of shareholders and shareholdings	Holders	Fully paid ordinary shares	Percentage of paid capital
Size of Holding			
1 to 1,000	6,507	2,652,244	1.62
1,001 to 5,000	3,744	8,716,441	5.31
5,001 to 10,000	761	5,429,932	3.31
10,001 to 100,000	571	12,485,322	7.60
100,001 and over	67	134,880,114	82.16
Total	11,650	164,164,053	100.0

Unmarketable parcels

As at 16 July 2021, there were 204 shareholders (with a total of 1,389 shares) holding less than a marketable parcel of shares, based on the closing price of the Company's shares on the ASX of A$29.84. The ASX Listing Rules define a marketable parcel of shares as a parcel of shares of not less than A$500.

Waivers granted from the NZX and ASX Listing Rules

Waivers granted from the application of NZX and ASX Listing Rules are published on the Company's website.

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.

2021 Annual Report

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 2021 Corporate Governance Statement relating to the Company and its subsidiaries (the Group) can be found at: **https://ebosgroup.gcs-web.com/corporate-governance**. The Corporate Governance Statement refers to a number of codes, policies and charters of the Group. These documents (or a summary of them) can be found in the Group's Corporate Governance Code at **https://ebosgroup.gcs-web.com/corporate-governance.**

For the purposes of compliance with the NZ Companies Act, NZX Listing Rules and NZX Corporate Governance Code dated 10 December 2020 (2020 Code), the following disclosures are included in the Annual Report.

Diversity

In February 2021, the Board approved a new Diversity & Inclusion Policy (replacing the previous Diversity Policy). The Board also approved revised objectives in relation to diversity. The revised objectives reflect the principles and areas of focus outlined in the policy. The objectives outlined below build upon those disclosed in previous years with objectives in relation to reconciliation and leadership training also included.

The Diversity & Inclusion Policy 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. Set out below is the Board's assessment of the objectives for the 2020/21 year:

Objective	Progress during 2020/2021
Aim to increase the proportion of women on the Board as vacancies arise, having regard to the circumstances (including skill requirements) relating to the vacancies.	No new directors were appointed during the 2021 financial year. However, on 14 June 2021 EBOS announced the appointment of Dr Tracey Batten to the Board with effect from 1 July 2021. As at the date of this report, 43% of directors are female.
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.	A new Recruitment and Selection Policy was launched during the period to help ensure there is a continued focus on diversity and inclusion in recruitment practices. Succession planning was conducted and gender representation in this process was reported to the Board.
Ensure a remuneration framework is in place that will allow the organisation to complete an objective analysis of EBOS pay equity annually to monitor pay rates and identify if there are any gender based pay issues that need to be addressed.	A new remuneration framework is in development with external remuneration consultants to help ensure pay equity is managed across the Group.
Continue to promote family friendly and flexible work place practices including but not limited to a commitment to supporting those on parental leave, supporting flexible return to work arrangements and on-going flexible work arrangements that suit both the organisation and the individual.	A new Flexible Working Policy was launched during the period which, amongst other things, supports return to the office arrangements following periods of working from home during COVID-19 restrictions.
Continue to commit to the EBOS Reconciliation Action Plan (RAP) in Australia and improving cultural awareness across both Australia and New Zealand.	In 2019/20, EBOS launched its first RAP as part of its commitment to reconciliation between Aboriginal and Torres Strait Islanders and the broader Australian population. As part of this commitment, in 2020/21 212 leaders participated in cultural awareness training in Australia.
Educate our leaders through training to ensure they are equipped and can role model the principles outlined in our Diversity & Inclusion Policy and bring the policy to life in our workplace.	A number of workshops were conducted to roll out the Values and Behaviours of the Divisions of EBOS, which include commitments to diversity and inclusion. Further to this 197 leaders participated in specific training on Behaviours of Inclusion training.

Gender representation

The Group's gender representation as at 30 June 2021 was as follows:

Board	Female %	Female (no.)	Male %	Male (no.)
2019/20	33.3	2	66.6	4
2020/21	33.3	2	66.6	4

Officer	Female %	Female (no.)	Male %	Male (no.)
2019/20	33.3	3	66.6	6
2020/21	33.3	3	66.6	6

Officer has the meaning given in the NZX Listing Rules.

Group	Female %	Male %
2019/20	58	42
2020/21	59	41

Director independence

As at 30 June 2021, the Board's assessment of the independence of each person that was a director is set out below.

Name	Status	Appointment date
Elizabeth Coutts	Independent[1]	July 2003
Nicholas Dowling	Independent	February 2020
Stuart McGregor	Non-independent	July 2013
Stuart McLauchlan	Independent	July 2019
Sarah Ottrey	Independent	September 2006
Peter Williams	Non-independent	July 2013

Elizabeth Coutts, Nicholas Dowling, Stuart McLauchlan and Sarah Ottrey were determined as Independent. Nicholas Dowling and Stuart McLauchlan were appointed to the Board in the 2019/20 financial year and do not have relationships which may impact the Board's assessment of their independence. 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.

Update since balance date

Dr. Tracey Batten joined the Board on 1 July 2021 and is considered to be Independent.

On 6 July 2021, the Company announced that the Board had determined that Peter Williams and Stuart McGregor were Independent Directors (as defined in the NZX Listing Rules).

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

Mr Williams and Mr McGregor were first appointed to the EBOS Board in 2013 in connection with the investment in EBOS by Sybos (an entity that is part of the Zuellig Group). Mr Williams and Mr McGregor's associations with the Zuellig Group have changed since that time and the Board is unanimously of the view that they bring an independent view to decisions regarding EBOS.

Accordingly, as at the date of this Annual Report all directors are Independent Directors.

2020 Code

Under NZX Listing Rule 3.8.1(b), EBOS is required to state in the Annual Report which recommendations in the 2020 Code were not followed in the financial year ended 30 June 2021.

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.

Remuneration

Remuneration Overview

EBOS Group Limited presents this remuneration overview for the Company and its controlled entities for the year ended 30 June 2021. 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 the Group's approach to remuneration in order to encourage confidence in the Group's executive and non-executive director remuneration processes.

This overview provides details of the Group's 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

It is recognised that in order to support the business and its strategy, the Group must attract and retain people of a high calibre. Accordingly, the Board sets the remuneration of directors and executives with regard to this and other business objectives.

Specifically in relation to executives, it is the policy of the Group to align components of executive remuneration with the performance of the Group. 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 policy is to ensure that the interests of the executives, the Group 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.

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 the Group's Remuneration Policy and Group practices, all components of the remuneration of the directors and executives. The charter for the Remuneration Committee can be found at **https://ebosgroup.gcs-web.com/corporate-governance.**

The Remuneration Committee is responsible for:

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

The Board is responsible for:

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

The members of the Remuneration Committee during the year were Elizabeth Coutts (Chair), Stuart McLauchlan and Sarah Ottrey.

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 table 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 by reference to the person's position, performance at EBOS, market data for comparable companies, their qualifications and their experience.

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 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 the Group.

Table 1: FY2021 STI plan

Feature	Approach
Purpose	Align individual performance with Group objectives. Provide individuals with a competitive market position for total reward (i.e. variable and fixed pay components).
Eligibility	Those considered for participation in the program must be able to impact the performance of their own work area, their business or function and also contribute to the Group's overall performance.
Instrument	Cash.
Performance Criteria	The following criteria must be met before any payments are made: • Group Profit Before Tax (PBT) target for the financial year; and • for those with business unit responsibilities, either segment EBIT or EBITDA targets for the financial year (Healthcare or Animal Care).

c. Long-Term Incentive (LTI)

EBOS Group 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 the year ended 30 June 2021.

Table 2: LTI 2020/23 plan

Feature	Approach
Purpose	Align a portion of executives' total remuneration with the medium to long term performance of the Group.
Eligibility	The Remuneration Committee determines whether an LTI plan will operate and the extent (if any) to which each executive is invited to participate in an LTI plan.
Instrument	Performance Rights (PRs) which are rights to acquire ordinary shares in the Company for nil consideration.
Settlement	PRs can be settled either in equity or a cash equivalent at the discretion of the Board.
Performance period	Three years from 1 July 2020 to 30 June 2023.
Vesting conditions	• Continuous employment with the Group; • Growth in the Company's earnings per share in each year of the performance period or cumulatively over the performance period must equal or exceed a specific percentage target. During FY2021, the Board has also introduced a 'stretch' target for certain senior executives to recognise outperformance by the Group. The number of performance rights issued to Mr Cullity under LTI2020/23 is representative of this stretch target.
Dividends and voting rights	PRs do not have voting rights or accrue dividends.

2021 Annual Report

Table 2: LTI 2020/23 plan continued

Feature	Approach
Clawback	The Board has broad discretion to adjust downwards including to zero unvested or vested LTI awards where, in the opinion of the Board, the CEO or an executive has: • acted fraudulently, dishonestly or engaged in gross misconduct or is in breach of their obligations to the Group; • acted in a way that has contributed to material reputational damage to the Group; or • received PRs 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 the Group.
Restriction on hedging	Hedging of PRs by executives is not permitted.
Change of control	Vesting of PRs is subject to Board discretion.
Cessation of employment	Resignation: subject to the Board determining otherwise, unvested PRs are forfeited. Vested PRs remain on foot. Termination for cause: if an executive's employment is terminated for cause, subject to the Board determining otherwise, unvested and vested performance rights are forfeited. Termination without cause (including circumstances such as redundancy and retirement): the Board shall determine the treatment of unvested performance rights. All vested PRs remain on foot unless otherwise determined by the Board.

d. Executive Remuneration Mix

The Group's Remuneration Policy does not include the relative weightings of remuneration and performance criteria.

As required under the Group's Remuneration Policy, the relative weightings of realised executive remuneration components in the financial year ended 30 June 2021 is set out in the Group's Corporate Governance Statement.

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

	2021	2020	2019	2018	2017
NPAT [1]	A$185.3m	A$162.5m	A$137.7m	A$137.3m	A$125.9m
Basic EPS	A$113.2cps	A$100.6cps	A$89.8cps	A$90.4cps	A$83.0cps
Share price at end of financial year	NZ$32.30	NZ$21.61	NZ$23.15	NZ$17.95	NZ$17.50
Total dividends in period (NZ$ cps)	88.5	77.5	71.5	68.5	63.0
Total shareholder return [2]	53.56%	(3.30%)	32.95%	6.49%	10.82%

Note 1: Net profit after tax attributable to owners of the company.
Note 2: Total shareholder return is calculated as the share price at the end of the year plus dividends declared in relation to that year divided by the opening share price for the year.

b. Key terms of CEO employment contract

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

Table 4: CEO Contract

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

c. CEO Remuneration Outcomes for FY21

The table below sets out the realised remuneration outcomes for Mr Cullity during the 2021 and 2020 financial years.

Table 5: Summary of total realised remuneration

Financial year	Fixed remuneration (including superannuation)	STI	LTI
2021	A$1,350,000	A$1,350,000	A$1,000,000
2020	A$1,350,000	A$1,150,000	A$1,000,000

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 104 and 105 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. A summary of total realised remuneration received by Mr Cullity during the year ended 30 June 2021 is set out in Table 5 above.

Fixed remuneration

In the financial year ended 30 June 2021 Mr Cullity received fixed remuneration of $1,350,000. This includes compulsory superannuation contributions. The Board considered that despite the Group's strong financial performance it was appropriate, having regard to the uncertain impact of the COVID-19 pandemic on the Group at the time, that Mr Cullity's fixed remuneration should remain the same as FY2020.

Short Term Incentive (STI) payment

In the financial year ended 30 June 2021, Mr Cullity received an STI payment of $1,350,000. This payment was based on the financial performance of the Group for the prior year (that is, the year ended 30 June 2020) (2020 STI).

With regard to the 2020 STI, a target was set by reference to the Group's 2020 underlying Profit Before Tax results (Target). If the Group's underlying Profit Before Tax (PBT) results were equal to:

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

Mr Cullity received his maximum STI entitlement under the 2020 STI.

2021 STI

In relation to the STI for the year ended 30 June 2021, a similar structure for the STI was adopted. Mr Cullity's STI entitlement under the 2021 STI is $1,820,000 and it is expected that Mr Cullity will receive the STI entitlement during the 2022 financial year.

Long Term Incentives

During the year ended 30 June 2021, Mr Cullity received long term incentives of $1,000,000.

The performance conditions for the performance rights granted during the year ended 30 June 2021 are described in section c and table 2 above.

The maximum LTI opportunity for Mr Cullity in the form of equity instruments for the year ended 30 June 2021 was A$1,650,000.

In addition, in July 2021, Mr Cullity, together with other senior executives, was issued with performance rights in relation to the performance period 1 July 2021 to 30 June 2024.

2021 Annual Report

Long term incentives in the form of equity instruments received by Mr Cullity to date are:

Table 6: LTIs – Chief Executive Officer

	Performance Period	Instrument	Vested/Unvested
LTI – 2021/2024	1 July 2021 to 30 June 2024	94,124 performance rights	Unvested
LTI – 2020/2023	1 July 2020 to 30 June 2023	75,000 performance rights	Unvested
LTI – 2019/2022	1 July 2019 to 30 June 2022	45,455 performance rights	Unvested
LTI – 2018/2021	1 July 2018 to 30 June 2021	47,500 performance rights	Unvested
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

LTI 2018/2021

In relation to the 47,500 performance rights issued in respect of the performance period 1 July 2018 to 30 June 2021, it is expected that these performance rights will vest shortly after the release of the Annual Report.

Vested LTI Shares

In previous financial years, EBOS operated a long term incentive share plan whereby EBOS provided an interest-free, non-recourse loan to participating senior executives, including Mr Cullity, in order for those executives to purchase shares in the Company. Those shares have vested. The loan balances in respect of those vested shares as at 30 June 2021 are as follows:

- LTI 2016/2019 – 95,000 shares – NZ$1,470,354;
- LTI 2017/2020 – 110,000 shares – NZ$1,662,270.

Non-Executive Director Remuneration

The remuneration of non-executive directors is set by reference to the time commitment and responsibilities of the non-executive directors (including any commitment as a member of a Board committee) and is set at a level which is designed to attract and retain experienced and qualified Board members and provide appropriate remuneration for their time and expertise. Market rates for non-executive director remuneration for comparable companies (by size, industry classification and/or complexity) are also taken into account.

Non-executive directors do not receive performance-based remuneration.

Total remuneration for non-executive directors is subject to an aggregate fee pool limit of NZ$1,410,000 (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 15 October 2019.

Table 7: Non-executive director fees by position

Position	Fees (NZD)
Chair	$320,000
Director (other than Chairman)	$160,000
Chair of Audit and Risk Committee	$37,500
Chair of Remuneration Committee	$20,000
Member of Audit and Risk Committee	$17,500
Member of Remuneration Committee	$10,000

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 2021 were as follows:

Table 8: Non-executive director fees paid during the year ended 30 June 2021

Director	Base Fee NZ$	Audit and Risk Committee* NZ$	Remuneration Committee* NZ$	Total NZ$
E Coutts	320,000	17,500	20,000	357,500
N Dowling	160,000	17,500	-	177,500
S McGregor	160,000	-	-	160,000
S McLauchlan	160,000	37,500	10,000	207,500
S Ottrey	160,000	-	10,000	170,000
P Williams	160,000	-	-	160,000

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 in Australia, 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 2021 Number of Employees
$100,000 to $110,000	188
$110,000 to $120,000	104
$120,000 to $130,000	65
$130,000 to $140,000	76
$140,000 to $150,000	65
$150,000 to $160,000	47
$160,000 to $170,000	50
$170,000 to $180,000	38
$180,000 to $190,000	16
$190,000 to $200,000	32
$200,000 to $210,000	26
$210,000 to $220,000	19
$220,000 to $230,000	16
$230,000 to $240,000	10
$240,000 to $250,000	17
$250,000 to $260,000	12
$260,000 to $270,000	9
$270,000 to $280,000	7
$280,000 to $290,000	3
$290,000 to $300,000	7
$300,000 to $310,000	5
$310,000 to $320,000	4
$320,000 to $330,000	2
$330,000 to $340,000	2
$350,000 to $360,000	2
$360,000 to $370,000	3
$370,000 to $380,000	3
$380,000 to $390,000	4
$390,000 to $400,000	1
$400,000 to $410,000	1
$410,000 to $420,000	4
$430,000 to $440,000	2
$450,000 to $460,000	3

Employee remuneration (NZ$)	30 June 2021 Number of Employees
$470,000 to $480,000	1
$540,000 to $550,000	1
$660,000 to $670,000	1
$730,000 to $740,000	1
$760,000 to $770,000	1
$880,000 to $890,000	1
$910,000 to $920,000	1
$1,030,000 to $1,040,000	1
$1,120,000 to $1,130,000	1
$1,130,000 to $1,140,000	1
$1,310,000 to $1,320,000	1
$1,560,000 to $1,570,000	1
$1,670,000 to $1,680,000	1
$2,090,000 to $2,100,000	1
$4,150,000 to $4,160,000	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 2021, as follows:

E.M. Coutts: Chair of Oceania Healthcare Limited, and Skellerup Holdings Limited, Director of EBOS Group subsidiaries in New Zealand and Member, Marsh New Zealand Advisory Board. **Roles ceased during the 2020/21 year:** Chair, Ports of Auckland and Director, Tennis Auckland Region Incorporated.

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

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

S.J. McLauchlan: Chairman of Scott Technology Limited, Analog Digital Instruments Limited, Cargill Hotel 2002 Ltd, G S McLauchlan & Co, Otago Community Hospice and Wood Solutions. Director of Southlink Health Education Trust, Argosy Property Ltd, Dunedin Casinos Ltd, NZ Whisky and Scenic Hotels Group. Governor, NZ Sports Hall of Fame. Member, Marsh NZ Advisory Board. **Roles ceased during the 2020/21 year:** Chair, UDC Finance Limited, BPac Clinical Services Ltd, Compass Agribusiness Ltd and Foundation Studies Ltd.

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

P.J. Williams: Executive of The Zuellig Group and director of associated companies, a director of Pharma Industries Ltd, CB Norwood Pty Ltd, Cambert and 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 particulars of acquisitions or disposals of a relevant interest in the Company's shares during the year ended 30 June 2021.

Director	Ordinary Shares Purchased	Consideration Paid	Date of Transaction
Elizabeth Coutts	561	NZ$13,306.92	9 October 2020
Nicholas Dowling	1,500	A$31,050	27 August 2020
Stuart McLauchlan	34	NZ$806.48	9 October 2020
Sarah Ottrey	104	NZ$2,466.88	9 October 2020

2021 Annual Report

Directors' shareholdings

Director		30 June 2021	30 June 2020
Elizabeth Coutts	– Indirect/beneficial interest	33,874	33,313
	– Direct, non-beneficial interest - trustee of EBOS Staff Share Plan	71,592	71,592
Nicholas Dowling	– Indirect/beneficial interest	1,500	Nil
Stuart McLauchlan	– Indirect/beneficial interest	2,071	2,037
Sarah Ottrey	– Indirect/beneficial interest	3,050	3,050
	– Held with associated person	8,484	8,380

Attendance at Board and committee meetings

	Board		Audit & Risk		Remuneration	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Elizabeth Coutts	12	12	3	3	2	2
Nick Dowling	12	12	2	2	-	-
Stuart McGregor	12	12	1	1	-	-
Stuart McLauchlan	12	12	3	3	2	2
Sarah Ottrey	12	12	-	-	2	2
Peter Williams	12	12	-	-	-	-

2021 Annual Report

Disclosures relating to subsidiaries

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

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

Subsidiary	Current Directors
HPS Hospitals Pty Ltd	J Cullity S McGregor#
HPS IVF Pty Ltd	J Cullity S McGregor#
HPS Services Pty Ltd	J Cullity S McGregor#
Intellipharm Pty Ltd	J Cullity S McGregor
Lite Living Pty Ltd	J Cullity S McGregor#
LMT Surgical Pty Ltd	J Cullity S McGregor#
Lyppard Australia Pty Ltd	J Cullity S McGregor#
Masterpet Australia Pty Limited	J Cullity S Duggan*
Masterpet Corporation Limited	E Coutts J Cullity L Hansen S Duggan*
Masterpet Logistics Pty Ltd	J Cullity S Duggan*
Mega Save Management Pty Ltd	J Cullity S McGregor#
National Surgical Pty Ltd	J Cullity S McGregor#
Nexus Australasia Pty Limited	J Cullity S McGregor#
PBA Finance No. 1 Pty Ltd	J Cullity S McGregor#
PBA Finance No. 2 Pty Ltd	J Cullity S McGregor#
PBA Wholesale Pty Ltd	J Cullity S McGregor#

Subsidiary	Current Directors
Pet Care Distributors Pty Ltd	J Cullity S McGregor#
Pet Care Holdings Australia Pty Ltd	J Cullity S McGregor#
Pet Care Wholesalers Pty Ltd	J Cullity S McGregor#
Pets International Pty Ltd	J Cullity S Duggan*
Pharmacy Brands Australia Pty Ltd	J Cullity S McGregor#
Pharmacy Retailing (NZ) Limited	E Coutts J Cullity L Hansen
PRNZ Limited	E Coutts J Cullity L Hansen
QPharma Pty Ltd (formerly Aristopet Pty Ltd)	J Cullity S Duggan*
Richard Thomson Pty Limited	J Cullity S McGregor#
Symbion Pty Ltd	J Cullity S McGregor
Terry White Group Pty Ltd	J Cullity S McGregor#
Tony Ferguson Weight Management Pty Ltd	J Cullity S McGregor#
TW&CM Pty Ltd	J Cullity S McGregor#
TWC IP Pty Ltd	J Cullity S McGregor#
Ventura Health Pty Ltd	J Cullity S McGregor#
VIM Health Pty Ltd	J Cullity S McGregor#

Disclosures relating to subsidiaries continued

Subsidiary	Current Directors
VIM Health IP Pty Ltd	J Cullity S McGregor#
Vitapet Corporation Pty Limited	J Cullity S Duggan*
Warner & Webster Pty Ltd	J Cullity S McGregor#
W & W Management Services Pty Ltd	J Cullity S McGregor#
You Save Management Pty Ltd	J Cullity S McGregor#
ZAP Services Pty Ltd	J Cullity S McGregor
ZHHA Pty Ltd	J Cullity S McGregor
Shanghai EBOS Trading Co Ltd (formerly Shanghai EBOS Business Management Co Ltd)	J Cullity

* Ceased to be a director during the year ended 30 June 2021.
# 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 104 to 105.

Auditor

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

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

Elizabeth Coutts
Chair of Directors

Stuart McLauchlan
Director

Directory

Registered offices

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

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

Website address

www.ebosgroup.com

Directors

Elizabeth Coutts
Independent Chair

Tracey Batten
Independent Director

Nick Dowling
Independent Director

Stuart McGregor
Independent Director

Stuart McLauchlan
Independent Director

Sarah Ottrey
Independent Director

Peter Williams
Independent Director

Senior executives

John Cullity
Chief Executive Officer

Brett Barons
CEO Symbion

Andrea Bell
Chief Information Officer

Simon Bunde
EGM Strategic Operations and Innovation

Janelle Cain
General Counsel

Leonard Hansen
Chief Financial Officer

David Lewis
EGM Strategy

Jacinta McCarthy
Group GM – Human Resources

Auditor

Deloitte Limited
Christchurch

Securities exchange

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

Share register

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

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

Managing your shareholding online

To change your address, update your payment instructions and to view your Investment portfolio, including transactions, please visit:

www.computershare.com/investorcentre

General enquiries can be directed to:

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

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

Annual Meeting

The Annual Meeting of EBOS Group Limited will be held on Tuesday, 19 October 2021 at 2pm, at Addington Raceway & Events Centre, 75 Jack Hinton Drive, Addington, Christchurch, New Zealand.

This Annual Report is printed on environmentally responsible paper, produced using FCS® certified 100% Post Consumer Recycled, Process Chlorine Free (PCF) pulp.

EBOS GROUP LIMITED

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