

EBOS GROUP LIMITED

**INTERIM REPORT
FOR THE SIX MONTHS
ENDED 31 DECEMBER 2023**

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EBOS GROUP LIMITED
INTERIM REPORT 2024
SUMMARY OF CONSOLIDATED FINANCIAL HIGHLIGHTS

	Six months 31 Dec 23 A\$'000 (unaudited)	Six months 31 Dec 22 A\$'000 (unaudited)	Year ended 30 Jun 23 A\$'000 (audited)
Revenue	6,582,488	6,145,722	12,237,401
Profit before depreciation, amortisation, net finance costs and tax expense (EBITDA)	303,067	289,180	568,776
Profit before net finance costs and tax expense (EBIT)	236,724	226,018	443,992
Profit before tax expense	191,958	192,627	373,431
Profit for the period	137,256	137,591	263,445
Profit for the period attributable to owners of the Company	136,175	132,198	253,373
Equity attributable to owners of the Company	2,365,227	2,374,403	2,434,392
Earnings per share	71.0c	69.6c	132.9c
Interim dividend per share (New Zealand dollars)	57.0c	53.0c	53.0c

SHAREHOLDER CALENDAR

Interim dividend record date	1 March 2024
Interim dividend payable	22 March 2024
Release of 2024 full year results	21 August 2024
Annual Meeting	23 October 2024

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE SHAREHOLDERS OF EBOS GROUP LIMITED

Conclusion

We have reviewed the condensed consolidated interim financial statements ('interim financial statements') of EBOS Group Limited and its subsidiaries ('the Group') on pages 3 to 18 which comprise the condensed consolidated balance sheet as at 31 December 2023, and the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six months ended on that date, and notes to the interim financial statements, including material accounting policy information.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2023 and its financial performance and cash flows for the six month ended on that date in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

Basis for Conclusion

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

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

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

Directors' responsibilities for the interim financial statements

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

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

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

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

Restriction on use

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

Deloitte Limited

Mike Hoshek, Partner
for Deloitte Limited
Christchurch, New Zealand
20 February 2024

EBOS GROUP LIMITED
CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2023

	Notes	Six months 31 Dec 23 A\$'000 (unaudited)	Six months 31 Dec 22 A\$'000 (unaudited)	Year ended 30 Jun 23 A\$'000 (audited)
Revenue	2(a)	6,582,488	6,145,722	12,237,401
Income from associates		6,534	5,428	12,369
Profit before depreciation, amortisation, net finance costs and tax expense (EBITDA)		303,067	289,180	568,776
Depreciation	2(b)	(48,050)	(43,437)	(86,246)
Amortisation of finite life intangibles	2(b)	(18,293)	(19,725)	(38,538)
Profit before net finance costs and tax expense (EBIT)		236,724	226,018	443,992
Finance income		3,952	4,257	8,542
Finance costs – borrowings		(41,118)	(32,373)	(67,808)
Finance costs – leases		(7,600)	(5,275)	(11,295)
Profit before tax expense		191,958	192,627	373,431
Income tax expense		(54,702)	(55,036)	(109,986)
Profit for the period		137,256	137,591	263,445
Profit for the period attributable to:				
Owners of the Company		136,175	132,198	253,373
Non-controlling interests		1,081	5,393	10,072
		137,256	137,591	263,445
Earnings per share				
Basic (cents per share)		71.0	69.6	132.9
Diluted (cents per share)		71.0	69.6	132.9

Notes to the financial statements are included on page 10 to 18.

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

For the six months ended 31 December 2023

	Six months 31 Dec 23 A\$'000 (unaudited)	Six months 31 Dec 22 A\$'000 (unaudited)	Year ended 30 Jun 23 A\$'000 (audited)
Profit for the period	137,256	137,591	263,445
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Movement in cash flow hedge reserve	(10,628)	1,599	1,114
Related income tax	3,300	32	(384)
Movement in foreign currency translation reserve	1,398	17,767	5,941
	(5,930)	19,398	6,671
Items that will not be reclassified subsequently to profit or loss:			
Movement on equity instruments fair valued through other comprehensive income	(938)	1,258	1,016
Total comprehensive income net of tax	130,388	158,247	271,132
Total comprehensive income for the period is attributable to:			
Owners of the Company	129,449	152,744	260,908
Non-controlling interests	939	5,503	10,224
	130,388	158,247	271,132

Notes to the financial statements are included on page 10 to 18.

EBOS GROUP LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2023

	Notes	Share capital A\$'000	Share based payments reserve A\$'000	Foreign currency translation reserve A\$'000	Retained earnings A\$'000	Fair value through other comprehensive income reserve A\$'000	Cash flow hedge reserve A\$'000	Non-controlling interests A\$'000	Total A\$'000
Six months ended 31 December 2022 (unaudited):									
Opening balance		1,810,562	11,228	(37,100)	481,666	(6,002)	4,458	(113,256)	2,151,556
Profit for the period		-	-	-	132,198	-	-	5,393	137,591
Other comprehensive income for the period, net of tax		-	-	17,657	-	1,258	1,631	110	20,656
Payment of dividends	4	-	-	-	(83,001)	-	-	-	(83,001)
Share-based payments		-	55	-	-	-	-	-	55
Dividends reinvested	3	39,214	-	-	-	-	-	-	39,214
Share placement costs	3	(285)	-	-	-	-	-	-	(285)
Tax on deductible issue costs	3	85	-	-	-	-	-	-	85
Employee share plan shares issued	3	838	-	-	-	-	-	-	838
Employee share issue costs	3	(59)	-	-	-	-	-	-	(59)
Balance at 31 December 2022		1,850,355	11,283	(19,443)	530,863	(4,744)	6,089	(107,753)	2,266,650

Notes to the financial statements are included on page 10 to 18.

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

For the six months ended 31 December 2023

	Notes	Share capital A\$'000	Share based payments reserve A\$'000	Foreign currency translation reserve A\$'000	Retained earnings A\$'000	Fair value through other comprehensive income reserve A\$'000	Cash flow hedge reserve A\$'000	Non-controlling interests A\$'000	Total A\$'000
Year ended 30 June 2023 (audited):									
Opening balance		1,810,562	11,228	(37,100)	481,666	(6,002)	4,458	(113,256)	2,151,556
Profit for the period		-	-	-	253,373	-	-	10,072	263,445
Other comprehensive income for the period, net of tax		-	-	5,789	-	1,016	730	152	7,687
Payment of dividends	4	-	-	-	(175,611)	-	-	-	(175,611)
Movement in option over non-controlling interests		-	-	-	-	-	-	(28,000)	(28,000)
Share-based payments		-	4,982	-	-	-	-	-	4,982
Dividends reinvested	3	77,981	-	-	-	-	-	-	77,981
Share placement costs	3	(285)	-	-	-	-	-	-	(285)
Tax on deductible issue costs	3	85	-	-	-	-	-	-	85
Employee share plan shares issued	3	1,681	-	-	-	-	-	-	1,681
Employee share issue costs	3	(161)	-	-	-	-	-	-	(161)
Balance at 30 June 2023		1,889,863	16,210	(31,311)	559,428	(4,986)	5,188	(131,032)	2,303,360

Notes to the financial statements are included on page 10 to 18.

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

For the six months ended 31 December 2023

	Notes	Share capital A\$'000	Share based payments reserve A\$'000	Foreign currency translation reserve A\$'000	Retained earnings A\$'000	Fair value through other comprehensive income reserve A\$'000	Cash flow hedge reserve A\$'000	Non-controlling interests A\$'000	Total A\$'000
Six months ended 31 December 2023 (unaudited):									
Opening balance		1,889,863	16,210	(31,311)	559,428	(4,986)	5,188	(131,032)	2,303,360
Profit for the period		-	-	-	136,175	-	-	1,081	137,256
Other comprehensive income for the period, net of tax		-	-	1,540	-	(938)	(7,328)	(142)	(6,868)
Payment of dividends	4	-	-	-	(100,879)	-	-	-	(100,879)
Movement in option over non-controlling interests		-	-	-	-	-	-	(2,626)	(2,626)
Transfer of non-controlling interests		-	-	-	32,768	-	-	(32,768)	-
Partial derecognition of option over non-controlling interests	10	-	-	-	(134,626)	-	-	134,626	-
Share-based payments		-	3,265	-	-	-	-	-	3,265
Employee share plan shares issued	3	932	-	-	-	-	-	-	932
Employee share issue costs	3	(74)	-	-	-	-	-	-	(74)
Balance at 31 December 2023		1,890,721	19,475	(29,771)	492,866	(5,924)	(2,140)	(30,861)	2,334,366

Notes to the financial statements are included on page 10 to 18.

EBOS GROUP LIMITED
CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 December 2023

	Notes	31 Dec 23 A\$'000 (unaudited)	31 Dec 22 A\$'000 (unaudited)	30 Jun 23 A\$'000 (audited)
Current assets				
Cash and cash equivalents		365,313	222,922	211,886
Trade and other receivables		1,527,086	1,509,863	1,497,526
Prepayments		51,394	46,122	40,474
Inventories		1,334,278	1,190,188	1,234,237
Current tax refundable		3,509	4,757	5,918
Other financial assets – derivatives	8	4,701	20,044	16,836
Total current assets		3,286,281	2,993,896	3,006,877
Non-current assets				
Property, plant and equipment		343,514	305,409	329,777
Capital work in progress		81,534	34,378	49,110
Prepayments		267	1,659	2,011
Deferred tax assets		225,564	220,858	206,586
Goodwill	10	2,041,543	1,976,141	1,976,368
Indefinite life intangibles		193,460	171,961	171,108
Finite life intangibles		331,233	355,136	344,156
Right of use assets		356,447	291,375	281,788
Investment in associates		51,905	46,185	53,650
Other financial assets		23,972	15,937	15,602
Total non-current assets		3,649,439	3,419,039	3,430,156
Total assets		6,935,720	6,412,935	6,437,033
Current liabilities				
Trade and other payables		2,340,387	2,241,953	2,314,371
Bank loans	7	171,729	30,942	42,124
Lease liabilities		55,830	48,548	50,142
Current tax payable		14,213	25,776	6,370
Employee benefits		70,259	68,559	80,046
Other financial liabilities – derivatives	8, 10	493	137,611	165,000
Total current liabilities		2,652,911	2,553,389	2,658,053
Non-current liabilities				
Bank loans	7	1,281,823	1,029,496	936,351
Lease liabilities		325,897	263,562	254,326
Trade and other payables		20,164	25,578	15,383
Deferred tax liabilities		278,343	264,099	259,245
Employee benefits		9,216	10,161	10,315
Other financial liabilities – derivatives	8, 10	33,000	-	-
Total non-current liabilities		1,948,443	1,592,896	1,475,620
Total liabilities		4,601,354	4,146,285	4,133,673
Net assets		2,334,366	2,266,650	2,303,360
Equity				
Share capital	3	1,890,721	1,850,355	1,889,863
Share based payments reserve		19,475	11,283	16,210
Foreign currency translation reserve		(29,771)	(19,443)	(31,311)
Retained earnings		492,866	530,863	559,428
Equity instruments fair valued through other comprehensive income		(5,924)	(4,744)	(4,986)
Cash flow hedge reserve		(2,140)	6,089	5,188
Equity attributable to owners of the company		2,365,227	2,374,403	2,434,392
Non-controlling interests		(30,861)	(107,753)	(131,032)
Total equity		2,334,366	2,266,650	2,303,360

Notes to the financial statements are included on page 10 to 18.

EBOS GROUP LIMITED
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 December 2023

Notes	Six months 31 Dec 23 A\$'000 (unaudited)	Six months 31 Dec 22 A\$'000 (unaudited)	Year ended 30 Jun 23 A\$'000 (audited)
Cash flows from operating activities			
Receipts from sale of goods and services	6,559,650	6,021,329	12,124,627
Interest received	3,952	4,257	8,542
Dividends received from associates	8,731	8,824	11,579
Payments for purchase of goods and services	(6,371,675)	(5,757,173)	(11,529,888)
Taxes paid	(46,477)	(78,524)	(144,381)
Interest paid	(48,718)	(37,648)	(79,103)
Net cash inflow from operating activities	105,463	161,065	391,376
Cash flows from investing activities			
Sale of property, plant and equipment	218	249	533
Purchase of property, plant and equipment	(32,042)	(24,787)	(54,497)
Payments for capital work in progress	(32,229)	(9,933)	(39,552)
Payments for intangible assets	(2,333)	(891)	(4,303)
Acquisition of subsidiaries	10 (223,559)	(36,928)	(49,658)
Investment in associates	-	(2,182)	(6,214)
Investment in other financial assets	(9,314)	(574)	(574)
Net cash outflow from investing activities	(299,259)	(75,046)	(154,265)
Cash flows from financing activities			
Proceeds from issue of shares	3 858	39,793	79,216
Proceeds from borrowings	475,319	6,205	23,941
Repayment of borrowings	-	(325,575)	(425,575)
Repayment of lease liabilities	(28,375)	(23,951)	(48,983)
Dividends paid to equity holders of parent	(101,692)	(81,565)	(175,730)
Net cash inflow/(outflow) from financing activities	346,110	(385,093)	(547,131)
Net increase/(decrease) in cash held	152,314	(299,074)	(310,020)
Effect of exchange rate fluctuations on cash held	1,113	4,680	4,590
Net cash and cash equivalents at beginning of period	211,886	517,316	517,316
Net cash and cash equivalents at end of period	365,313	222,922	211,886

Notes to the financial statements are included on page 10 to 18.

EBOS GROUP LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2023

1. FINANCIAL STATEMENTS

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

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

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

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

These financial statements should be read in conjunction with the financial statements and related notes included in the Group's Annual Report for the year ended 30 June 2023.

The Condensed Consolidated Balance Sheet as at 31 December 2022 presented within this report has been updated to reflect the final fair value adjustments attributable to the acquisition of LifeHealthcare Group. There is no impact to the 31 December 2022 Statement of Comprehensive Income. Please refer to Note B2 of the Group's Annual Report for the year ended 30 June 2023 for further details.

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

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

2. PROFIT FROM OPERATIONS

	Six months 31 Dec 23 A\$'000 (unaudited)	Six months 31 Dec 22 A\$'000 (unaudited)	Year ended 30 Jun 23 A\$'000 (audited)
(a) Revenue			
Community Pharmacy	3,912,432	3,731,388	7,312,355
Institutional Healthcare	1,965,819	1,759,978	3,590,454
Contract Logistics Services	72,153	71,902	144,086
Contract Logistics Sales	451,774	387,360	820,549
Interdivisional eliminations	(105,872)	(96,067)	(190,887)
Healthcare	6,296,306	5,854,561	11,676,557
Animal Care	286,182	291,161	560,844
	6,582,488	6,145,722	12,237,401

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

For the six months ended 31 December 2023

2. PROFIT FROM OPERATIONS (Continued)

	Six months 31 Dec 23 A\$'000 (unaudited)	Six months 31 Dec 22 A\$'000 (unaudited)	Year ended 30 Jun 23 A\$'000 (audited)
(b) Profit before net finance costs and tax expense			
Profit before net finance costs and tax expense has been arrived at after charging the following expenses by nature:			
One-off items ⁽¹⁾	(10,100)	-	(13,234)
Cost of sales	(5,766,378)	(5,365,508)	(10,676,268)
Write-down of inventory	(2,874)	(1,943)	(13,671)
Impairment loss on trade and other receivables	(493)	(600)	(1,096)
Depreciation of property, plant and equipment	(16,395)	(17,297)	(32,454)
Depreciation on right of use assets	(31,655)	(26,140)	(53,792)
Amortisation of finite life intangibles attributable to fair value adjustment for the LifeHealthcare Group acquisition	(13,090)	(13,469)	(26,938)
Amortisation of other finite life intangibles	(5,203)	(6,256)	(11,600)
Short-term and low value asset leases	(4,261)	(4,461)	(10,358)
Donations	(166)	(24)	(443)
Employee benefit expense	(257,595)	(244,673)	(491,699)
Defined contribution plan expense	(15,999)	(14,438)	(29,321)
Other expenses	(228,089)	(230,323)	(444,904)
	<u>(6,352,298)</u>	<u>(5,925,132)</u>	<u>(11,805,778)</u>

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

3. SHARE CAPITAL

	No. '000	Six months 31 Dec 23 A\$'000 (unaudited)	No. '000	Six months 31 Dec 22 A\$'000 (unaudited)	No. '000	Year ended 30 Jun 23 A\$'000 (audited)
Fully paid ordinary shares						
Balance at beginning of period	191,604	1,889,863	189,383	1,810,562	189,383	1,810,562
Dividend reinvested	-	-	1,185	39,214	2,130	77,981
Performance rights	186	-	46	-	46	-
Share placement and retail offer issue costs	-	-	-	(285)	-	(285)
Tax on deductible issue costs	-	-	-	85	-	85
Issue of shares to staff under employee share plan	27	932	24	838	45	1,681
Employee share issue costs	-	(74)	-	(59)	-	(161)
	<u>191,817</u>	<u>1,890,721</u>	<u>190,638</u>	<u>1,850,355</u>	<u>191,604</u>	<u>1,889,863</u>

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

For the six months ended 31 December 2023

4. DIVIDENDS

	AUD Cents per share	Six months 31 Dec 23 A\$'000 (unaudited)	AUD Cents per share	Six months 31 Dec 22 A\$'000 (unaudited)	AUD Cents per share	Year ended 30 Jun 23 A\$'000 (audited)
Recognised amounts						
Fully paid ordinary shares						
Final – prior year	52.7	100,879	43.9	83,001	43.9	83,001
Interim – current year	-	-	-	-	48.2	92,610
	52.7	100,879	43.9	83,001	92.1	175,611
Unrecognised amounts						
Final dividend	-	-	-	-	52.4	100,477
Interim dividend	52.9	101,443	48.4	94,631	-	-
	52.9	101,443	48.4	94,631	52.4	100,477

Dividends are approved by the Board in New Zealand dollars. Dividends recognised in the Statement of Changes in Equity are converted from New Zealand dollars to Australian Dollars at the exchange rate applicable on the date the dividend was approved. Unrecognised dividends are converted at the exchange rate applicable on the reporting date. The Board approved an interim dividend of 57.0 New Zealand cents per share on 20 February 2024. The record date for the dividend is 1 March 2024 and the dividend will be paid on 22 March 2024.

The following table shows dividends approved in New Zealand dollars:

	Six months 31 Dec 23 NZD Cents per share	Six months 31 Dec 22 NZD Cents per share	Year ended 30 Jun 23 NZD Cents per share
Recognised amounts			
Fully paid ordinary shares			
Final – prior year	57.0	49.0	49.0
Interim – current year	-	-	53.0
	57.0	49.0	102.0
Unrecognised amounts			
Final dividend	-	-	57.0
Interim dividend	57.0	53.0	-
	57.0	53.0	57.0

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

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

For the six months ended 31 December 2023

5. NOTES TO THE CASH FLOW STATEMENT

	Six months 31 Dec 23 A\$'000 (unaudited)	Six months 31 Dec 22 A\$'000 (unaudited)	Year ended 30 Jun 23 A\$'000 (audited)
Reconciliation of profit for the period with cash flows from operating activities			
Profit for the period	137,256	137,591	263,445
Add/(less) non-cash items:			
Depreciation of property, plant and equipment	16,395	17,297	32,454
Depreciation on right of use assets	31,655	26,140	53,792
Amortisation of finite life intangibles	18,293	19,725	38,538
Loss/(gain) on sale of property, plant and equipment	48	(249)	1,272
Share of profit from associates	(6,534)	(5,428)	(12,369)
Expense recognised in respect of share-based payments	5,907	4,029	9,014
Deferred tax	183	(7,712)	7,590
	<u>65,947</u>	<u>53,802</u>	<u>130,291</u>
Movements in working capital:			
Trade and other receivables	(29,560)	(135,766)	(123,431)
Prepayments	(9,176)	(14,453)	(9,157)
Inventories	(100,041)	(86,213)	(130,262)
Current tax refundable/payable	10,252	(19,387)	(39,953)
Trade and other payables	30,797	208,504	270,728
Employee benefits	(10,886)	(6,990)	4,652
Foreign currency translation of working capital balances	(1,156)	3,056	3,258
	<u>(109,770)</u>	<u>(51,249)</u>	<u>(24,165)</u>
Balances classified as investing activities	11,859	24,639	25,831
Working capital items acquired (including fair value adjustments)	171	(3,718)	(4,026)
Net cash inflow from operating activities	<u>105,463</u>	<u>161,065</u>	<u>391,376</u>

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

For the six months ended 31 December 2023

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

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

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

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

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

(b) Segment revenues and results

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

	Healthcare A\$'000	Animal Care A\$'000	Corporate A\$'000	Group A\$'000
Six months ended 31 December 2023 (unaudited):				
Revenue from external customers	6,296,306	286,182	-	6,582,488
EBITDA	273,568	47,162	(17,663)	303,067
Depreciation of property, plant and equipment	(14,483)	(1,912)	-	(16,395)
Depreciation on right of use assets	(27,941)	(3,164)	(550)	(31,655)
Amortisation of finite life intangibles attributable to fair value adjustment for the LifeHealthcare Group acquisition	(13,090)	-	-	(13,090)
Amortisation of other finite life intangibles	(4,874)	(329)	-	(5,203)
EBIT	213,180	41,757	(18,213)	236,724
Net finance costs	-	-	(44,766)	(44,766)
Tax (expense)/benefit	(59,614)	(10,836)	15,748	(54,702)
Profit for the period	153,566	30,921	(47,231)	137,256
Non-controlling interests	(1,081)	-	-	(1,081)
Profit for the period attributable to owners of the Company	152,485	30,921	(47,231)	136,175
Six months ended 31 December 2022 (unaudited):				
Revenue from external customers	5,854,561	291,161	-	6,145,722
EBITDA	254,952	50,965	(16,737)	289,180
Depreciation of property, plant and equipment	(15,171)	(2,126)	-	(17,297)
Depreciation on right of use assets	(22,755)	(2,835)	(550)	(26,140)
Amortisation of finite life intangibles attributable to fair value adjustment for the LifeHealthcare Group acquisition	(13,469)	-	-	(13,469)
Amortisation of other finite life intangibles	(5,858)	(398)	-	(6,256)
EBIT	197,699	45,606	(17,287)	226,018
Net finance costs	-	-	(33,391)	(33,391)
Tax (expense)/benefit	(55,440)	(12,206)	12,610	(55,036)
Profit for the period	142,259	33,400	(38,068)	137,591
Non-controlling interests	(5,393)	-	-	(5,393)
Profit for the period attributable to owners of the Company	136,866	33,400	(38,068)	132,198

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

For the six months ended 31 December 2023

6. SEGMENT INFORMATION (Continued)

	Healthcare A\$'000	Animal Care A\$'000	Corporate A\$'000	Group A\$'000
Year ended 30 June 2023 (audited):				
Revenue from external customers	11,676,557	560,844	-	12,237,401
EBITDA	504,469	98,443	(34,136)	568,776
Depreciation of property, plant and equipment	(28,684)	(3,770)	-	(32,454)
Depreciation on right of use assets	(46,826)	(5,867)	(1,099)	(53,792)
Amortisation of finite life intangibles attributable to fair value adjustment for the LifeHealthcare Group acquisition	(26,938)	-	-	(26,938)
Amortisation of other finite life intangibles	(10,919)	(681)	-	(11,600)
EBIT	391,102	88,125	(35,235)	443,992
Net finance costs	-	-	(70,561)	(70,561)
Tax (expense)/benefit	(113,028)	(23,487)	26,529	(109,986)
Profit for the period	278,074	64,638	(79,267)	263,445
Non-controlling interests	(10,072)	-	-	(10,072)
Profit for the period attributable to owners of the Company	268,002	64,638	(79,267)	253,373

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

(c) Segment assets

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

(d) Revenues from major products and services

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

(e) Geographical information

The Group operates in two principal geographical areas: (1) Australia and (2) New Zealand (country of domicile) and Southeast Asia.

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

	Six months 31 Dec 23 A\$'000 (unaudited)	Six months 31 Dec 22 A\$'000 (unaudited)	Year ended 30 Jun 23 A\$'000 (audited)
Revenue from external customers			
Australia	5,279,075	5,008,362	9,901,504
New Zealand and Southeast Asia	1,303,413	1,137,360	2,335,897
	6,582,488	6,145,722	12,237,401
Non-current assets			
Australia	2,753,619	2,689,191	2,693,830
New Zealand and Southeast Asia	618,351	462,805	476,090
	3,371,970	3,151,996	3,169,920

EBOS GROUP LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2023

7. BANK FACILITY AND BORROWINGS

The Group fully complies with and operates within the financial covenants under the arrangements with its bankers. During the period, the Group entered into agreements to extend the maturity date of two term debt facilities, \$125.0m and NZ\$50.0m, to October 2027. The Group also extended its term debt facility in Southeast Asia of \$53.5m to March 2025. At 31 December 2023 the Group had unutilised term loan facilities of \$251.0m (December 2022: \$505.3m, June 2023: \$598.2m).

The Group also has a secured trade debtor securitisation facility of which \$228.3m was unutilised at 31 December 2023 (December 2022: \$369.1m, June 2023: \$357.9m). In addition, the Group has a \$75.0m term debt facility secured by property, plant and equipment. All other debt is linked to a corporate guarantee structure established under bank financing arrangements.

As at 31 December 2023, the maturity profile of the Group's term debt and securitisation facilities was:

<u>Facility</u>	<u>Amount</u>	<u>Maturity</u>
Term debt facilities	\$616.4m	1-2 years
Term debt facilities	\$745.0m	2-3 years
Term debt facilities	\$171.4m	3-4 years
Securitisation facility	\$400.0m	1-2 years

8. FINANCIAL INSTRUMENTS

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

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

	Six months 31 Dec 23 A\$'000 (unaudited)	Six months 31 Dec 22 A\$'000 (unaudited)	Year ended 30 Jun 23 A\$'000 (audited)
Fair value of derivative financial instruments			
Other financial assets – derivatives (at fair value)			
Forward foreign exchange contracts	76	2,192	3,258
Interest rate swaps	-	555	230
Interest rate collars	4,625	17,297	13,348
	<u>4,701</u>	<u>20,044</u>	<u>16,836</u>
Other financial liabilities – derivatives (at fair value)			
Forward foreign exchange contracts	493	611	-
Other financial liabilities – consideration for remaining non-controlling interests (Note 10)	33,000	137,000	165,000
	<u>33,493</u>	<u>137,611</u>	<u>165,000</u>

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

The fair value of foreign currency forward exchange contracts is determined using a discounted cash flow valuation. Key inputs include observable forward exchange rates, at the measurement date, with the resulting value discounted back to present values. Interest rate swaps and interest rate collars are valued using a discounted cash flow valuation. Key inputs for the valuation of interest rate swaps and interest rate collars are the estimated future cash flows based on observable yield curves at the end of the reporting period, discounted at a rate that reflects the credit risk of the various counterparties.

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

EBOS GROUP LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2023

9. IMPACT OF NEW ACCOUNTING STANDARDS

In the current period the Group has adopted all mandatory new and amended standards and interpretations. The adoption of these new standards has had no material impact on these financial statements.

10. ACQUISITION INFORMATION

LifeHealthcare Group acquisition – Put option over non-controlling interests

On 31 May 2022, the Group, through its subsidiary EBOS Medical Devices Pty Ltd, acquired 100% of equity interest in Pacific Health Supplies TopCo1 Pty Ltd and Pacific Health Supplies TopCo2 Pty Ltd (LifeHealthcare Group), including 51% interest in Transmedic Pte Ltd (Transmedic, a subsidiary of LifeHealthcare Group). The Group also entered into arrangements providing a pathway to 100% ownership of Transmedic, resulting in a financial liability – derivative of \$137.0m initially recognised on the balance sheet as at 30 June 2022 and a corresponding adjustment to non-controlling interests. Subsequently, the amount expected to be paid at the time of exercise of the option was reassessed to \$165.0m, as at 30 June 2023, with the movement of \$28.0m recognised directly in equity.

During the period, the Group purchased an additional 39% shareholding in Transmedic for a consideration of \$134.6m (SG\$118.7m), to increase its shareholding in Transmedic to 90%. An option arrangement has also been entered into that will facilitate the Group moving to 100% ownership in FY26. As at 31 December 2023, the carrying value of the financial liability – derivative was \$33.0m. Subsequent changes to the carrying value of the financial liability – derivative are recognised directly in equity within non-controlling interests.

Other acquisitions

On 31 July 2023, the Group completed the acquisition of Superior Pet Food Co., a leading manufacturer and supplier of dog treats and premium dog rolls based in New Zealand, for a consideration of \$77.7m (NZ\$83.8m).

Other than the above, there are no material acquisitions during the period. The purchase price allocation for acquisitions during the period is measured on a provisional basis and is subject to change pending the finalisation of the valuation of the assets acquired and liabilities assumed. Combined details of acquisitions undertaken during the current period are as follows:

	Carrying value A\$'000 (unaudited)	Fair value adjustment A\$'000 (unaudited)	Fair value on acquisition A\$'000 (unaudited)
Current assets			
Cash and cash equivalents	4,426	-	4,426
Trade and other receivables	3,519	(615) ¹	2,904
Prepayments	37	(37) ²	-
Inventories	3,645	(789) ³	2,856
Current tax receivables	47	(8) ⁴	39
Non-current assets			
Property, plant and equipment	2,408	(755) ⁵	1,653
Right of use assets	-	2,688 ⁶	2,688
Deferred tax assets	40	1,296 ⁴	1,336
Indefinite life intangibles	-	21,863 ⁷	21,863
Finite life intangibles	1	(1) ⁸	-
Current liabilities			
Trade and other payables	(1,903)	(1,186) ⁹	(3,089)
Current tax payable	-	(470) ⁴	(470)
Lease liabilities	-	(368) ¹⁰	(368)
Employee benefits	(1,329)	(185) ¹¹	(1,514)
Non-current liabilities			
Trade and other payables	-	(723) ⁹	(723)
Lease liabilities	-	(2,320) ¹⁰	(2,320)
Deferred tax liabilities	-	(6,128) ⁴	(6,128)
Employee benefits	(113)	(150) ¹¹	(263)
Net assets acquired	10,778	12,112	22,890

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

For the six months ended 31 December 2023

10. ACQUISITION INFORMATION (Continued)

	A\$'000 (unaudited)
Net assets acquired	22,890
Goodwill on acquisition	62,398
Total consideration	85,288
Less deferred purchase consideration	(2,265)
Less cash and cash equivalents acquired	(4,426)
Add cash paid for additional shares from non-controlling interests	134,626
Add deferred purchase consideration paid in relation to prior year acquisitions	10,336
Net cash outflow from acquisition	223,559

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

11. EVENTS AFTER BALANCE DATE

Subsequent to 31 December 2023, the Board approved an interim dividend to shareholders. For further details please refer to Note 4.

EBOS GROUP LIMITED

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Tracey Batten	Independent Director
Mark Bloom	Independent Director
Stuart McLauchlan	Independent Director
Julie Tay	Independent Director (appointed May 2023)
Peter Williams	Independent Director

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