

**Green Cross Health Limited**  
**Consolidated interim financial statements**  
**Half year ended 30 September 2021**

## Contents

	Page
Half-year financial statements	
Consolidated interim statement of comprehensive income	2
Consolidated interim statement of changes in equity	3
Consolidated interim statement of financial position	4
Consolidated interim statement of cash flows	5
Notes to the financial statements	6
Company Directory	12

**Green Cross Health Limited**  
**Consolidated interim statement of comprehensive income**  
For the six months ended 30 September 2021

	Note	Six months ended 30 Sep 2021 (Unaudited) \$'000	Six months ended 30 Sep 2020 (Unaudited) \$'000
<b>Operating revenue</b>	4.1	<u>309,925</u>	<u>277,160</u>
<b>Operating expenditure</b>	4.2	<u>(278,746)</u>	<u>(248,042)</u>
Depreciation and amortisation		(3,781)	(4,105)
Depreciation - leases		(7,695)	(7,915)
Share of equity accounted net earnings		<u>759</u>	<u>836</u>
<b>Operating profit before interest and tax</b>		<b>20,462</b>	<b>17,934</b>
Interest income		16	19
Interest expenses		(315)	(698)
Interest expense - leases		<u>(2,469)</u>	<u>(2,245)</u>
<b>Net interest expense</b>		<b>(2,768)</b>	<b>(2,924)</b>
<b>Profit before tax</b>		<b>17,694</b>	<b>15,010</b>
Income tax expense		<u>(4,749)</u>	<u>(3,995)</u>
<b>Profit after tax for the period</b>		<b><u>12,945</u></b>	<b><u>11,015</u></b>
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income for the period</b>		<b><u>12,945</u></b>	<b><u>11,015</u></b>
<b>Attributable to:</b>			
Shareholders of the Parent		9,662	8,846
Non-controlling interest		<u>3,283</u>	<u>2,169</u>
<b>Attribution of profit and comprehensive income to shareholders and non controlling interest</b>		<b><u>12,945</u></b>	<b><u>11,015</u></b>
<b>Earnings per share:</b>			
Basic earnings per share (cents)		6.75	6.18
Diluted earnings per share (cents)		6.75	6.17

The accompanying Notes to the Financial Statements on pages 6 to 11 form part of the consolidated interim financial statements.

**Green Cross Health Limited**  
**Consolidated interim statement of changes in equity**  
For the six months ended 30 September 2021

	Share capital	Retained earnings	Non-controlling interest	Total equity
Note	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2021 (Audited)	90,610	50,585	8,452	149,647
Profit for the period	-	9,662	3,283	12,945
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>9,662</b>	<b>3,283</b>	<b>12,945</b>
Transactions with owners, recorded directly to equity:				
Distributions to non-controlling interests	-	-	(1,142)	(1,142)
Impacts of other transactions with non-controlling interests	-	(175)	(405)	(580)
<b>Balance at 30 September 2021 (Unaudited)</b>	<b><u>90,610</u></b>	<b><u>60,072</u></b>	<b><u>10,188</u></b>	<b><u>160,870</u></b>
Balance at 1 April 2020 (Audited)	90,610	33,802	10,307	134,719
Profit for the period	-	8,846	2,169	11,015
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>8,846</b>	<b>2,169</b>	<b>11,015</b>
Transactions with owners, recorded directly to equity:				
Distributions to non-controlling interests	-	-	(312)	(312)
Impacts of other transactions with non-controlling interests	-	185	(200)	(15)
<b>Balance at 30 September 2020 (Unaudited)</b>	<b><u>90,610</u></b>	<b><u>42,833</u></b>	<b><u>11,964</u></b>	<b><u>145,407</u></b>

*The accompanying Notes to the Financial Statements on pages 6 to 11 form part of the consolidated interim financial statements.*

**Green Cross Health Limited**  
**Consolidated interim statement of financial position**  
**As at 30 September 2021**

	Note	As at 30 Sep 2021 (Unaudited) \$'000	As at 30 Sep 2020 (Unaudited) \$'000	As at 31 Mar 2021 (Audited) \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents		32,214	44,922	37,302
Trade and other receivables		33,108	22,477	25,099
Contract assets		15,058	11,661	13,834
Inventories		32,512	33,635	30,388
Income taxes refundable		1,179	-	1,831
<b>Total current assets</b>		<b>114,071</b>	<b>112,695</b>	<b>108,454</b>
<b>Non-current assets</b>				
Property, plant and equipment		19,610	21,729	19,517
Right-of-use assets		72,742	82,457	76,355
Intangible assets		147,200	133,288	140,815
Deferred tax assets		12,129	16,157	12,018
Equity accounted group investments		8,093	7,770	7,724
<b>Total non-current assets</b>		<b>259,774</b>	<b>261,401</b>	<b>256,429</b>
<b>Total assets</b>		<b>373,845</b>	<b>374,096</b>	<b>364,883</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables and accruals		94,309	88,195	98,183
Contract liabilities		10,894	6,322	7,994
Income taxes payable		-	2,686	-
Borrowings		2,116	1,914	2,035
Lease liability		11,949	13,671	13,570
<b>Total current liabilities</b>		<b>119,268</b>	<b>112,788</b>	<b>121,782</b>
<b>Non-current liabilities</b>				
Borrowings		24,189	39,257	22,338
Lease liability		69,518	76,644	71,116
<b>Total non-current liabilities</b>		<b>93,707</b>	<b>115,901</b>	<b>93,454</b>
<b>Total liabilities</b>		<b>212,975</b>	<b>228,689</b>	<b>215,236</b>
<b>Net assets</b>		<b>160,870</b>	<b>145,407</b>	<b>149,647</b>
<b>EQUITY</b>				
Share capital	6	90,610	90,610	90,610
Retained earnings		60,072	42,833	50,585
Total equity attributable to shareholders of the Parent		150,682	133,443	141,195
Non-controlling interest		10,188	11,964	8,452
<b>Total equity</b>		<b>160,870</b>	<b>145,407</b>	<b>149,647</b>

The accompanying Notes to the Financial Statements on pages 6 to 11 form part of the consolidated interim financial statements.

**Green Cross Health Limited**  
**Consolidated interim statement of cash flows**  
For the six months ended 30 September 2021

	Note	Six months ended 30 Sep 2021 (Unaudited) \$'000	Six months ended 30 Sep 2020 (Unaudited) \$'000
<b>Cash flows from operating activities</b>			
Dividends received		499	255
Receipts from customers		294,069	268,191
Interest received		16	19
Payments to suppliers and employees		(271,633)	(223,167)
Income taxes paid		(5,189)	(6,151)
<b>Net cash inflow from operating activities</b>	5	<b><u>17,762</u></b>	<b><u>39,147</u></b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment and software intangibles		(2,095)	(1,450)
Acquisition of interests in equity accounted investments		(725)	(129)
Acquisition of interests in subsidiaries and non-controlling interests		(6,528)	(349)
<b>Net cash outflow from investing activities</b>		<b><u>(9,348)</u></b>	<b><u>(1,928)</u></b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		5,314	1,158
Repayment of borrowings		(3,328)	(16,550)
Payment of lease liabilities		(7,299)	(7,549)
Interest expense		(315)	(698)
Interest expense - leases		(2,469)	(2,245)
Distribution and loans to non-controlling interests		(5,405)	(312)
<b>Net cash outflow from financing activities</b>		<b><u>(13,502)</u></b>	<b><u>(26,196)</u></b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(5,088)</b>	<b>11,023</b>
<b>Add opening cash and cash equivalents</b>		<b><u>37,302</u></b>	<b><u>33,899</u></b>
<b>Closing cash and cash equivalents</b>		<b><u>32,214</u></b>	<b><u>44,922</u></b>
<b>Reconciliation of closing cash and cash equivalents to the consolidated interim statement of financial position:</b>			
Cash and cash equivalents		<b><u>32,214</u></b>	<b><u>44,922</u></b>
<b>Closing cash and cash equivalents</b>		<b><u>32,214</u></b>	<b><u>44,922</u></b>

The accompanying Notes to the Financial Statements on pages 6 to 11 form part of the consolidated interim financial statements.

## **1 Reporting Entity**

Green Cross Health Limited (the "Parent" or the "Company") is a New Zealand company registered under the Companies Act 1993 and is an FMC entity for the purposes of the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013. The Financial Statements have been prepared in accordance with these Acts. The Company is listed on the NZX Main Board ("NZX").

The consolidated interim financial statements of Green Cross Health Limited comprise the Parent, its subsidiaries, and its interest in associates and joint ventures (together referred to as the "Group").

## **2 Basis of preparation of financial statements**

### **(a) Statement of compliance**

These consolidated interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP), NZ IAS 34 Interim Financial Reporting, and other applicable Financial Reporting Standards as appropriate for profit oriented entities. These consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 March 2021.

The consolidated interim financial statements for the six months ended 30 September 2021 and the comparative information for the six months ended 30 September 2020 are unaudited.

These financial statements have been approved for issue by the Board of Directors on 26 November 2021.

### **(b) Basis of measurement**

The financial statements of the Group are prepared under the historical cost basis unless otherwise noted within the specific accounting policies below.

### **(c) Changes in accounting policy**

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 March 2021 except as outlined below.

The IFRS Interpretations Committee released a decision in March 2021 which clarified how implementation costs incurred in cloud computing arrangements should be treated and whether they should be expensed as incurred, or capitalised. The impact of the decision, and subsequent framework has been assessed by the Group and it is not material to this set of consolidated interim financial statements.

### **(d) Significant estimates and judgments**

In authorising the consolidated interim financial statements for the six months ended 30 September 2021, the Directors have ensured that the specific accounting policies necessary for the proper understanding of the financial statements have been disclosed, and that all accounting policies adopted are appropriate for the Group's circumstances and have been consistently applied throughout the period for all Group entities for the purposes of preparing the consolidated interim financial statements.

Inherent in the application of certain accounting policies, judgments and estimates are required. The Directors note that the actual results may differ from the judgments and estimates made.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

### 3 Segment reporting

The Group has three reportable segments: pharmacy services, medical services and community health.

The Group's main operations are in the pharmacy industry providing pharmacy services through consolidated stores, equity accounted investments and franchise stores. The medical services segment includes fully owned and equity accounted medical centres, and support services provided to these medical centres, as well as medical centres outside the Group. The community health segment provides services direct to the community to support independent living.

#### Operating segments

*Information about reportable segments*

September 2021 (Unaudited)	Note	Pharmacy services \$'000	Medical services \$'000	Community Health \$'000	Corporate \$'000	Total \$'000
<b>30 September 2021</b>						
External revenues	4.1	168,907	46,064	93,723	-	308,694
Other income*		1,002	6	223	-	1,231
Cost of products sold		(99,401)	-	-	-	(99,401)
Employee benefit expense		(32,431)	(32,738)	(87,330)	-	(152,499)
Lease expenses		(721)	(120)	(71)	-	(912)
Other expenses		(15,755)	(6,076)	(3,061)	(1,042)	(25,934)
Depreciation and amortisation		(3,035)	(549)	(197)	-	(3,781)
Depreciation - leases		(5,187)	(1,704)	(804)	-	(7,695)
Share of equity accounted net earnings		(38)	797	-	-	759
<b>Segment Profit</b>		<b>13,341</b>	<b>5,680</b>	<b>2,483</b>	<b>(1,042)</b>	<b>20,462</b>
Interest income						16
Interest expense						(315)
Interest expense - leases						(2,469)
<b>Profit before tax</b>						<b>17,694</b>
Tax expense						(4,749)
<b>Profit after tax</b>						<b>12,945</b>
Non-controlling interest						(3,283)
<b>Net Profit attributable to the shareholders of the parent</b>						<b>9,662</b>
Reportable segment assets		271,743	69,873	43,307	(11,078)	373,845
Reportable segment liabilities		132,394	57,060	34,599	(11,078)**	212,975

\*Other income includes New Zealand Government wage subsidies received of \$1.0m within Pharmacy services and \$0.2m within Community Health services under the Government's wage subsidy scheme available to eligible businesses impacted by the Covid-19 pandemic.

\*\*Intersegmental elimination



### 3 Segment reporting (continued)

September 2020 (Unaudited)	Note	Pharmacy services \$'000	Medical services \$'000	Community Health \$'000	Corporate \$'000	Total \$'000
<b>30 September 2020</b>						
External revenues	4.1	146,704	40,561	81,445	-	268,710
Other income*		6,976	465	1,009	-	8,450
Cost of products sold		(88,622)	-	-	-	(88,622)
Employee benefit expense		(29,262)	(28,656)	(76,525)	-	(134,443)
Lease expenses		(693)	(13)	(37)	-	(743)
Other expenses		(14,265)	(5,918)	(2,949)	(1,102)	(24,234)
Depreciation and amortisation		(3,286)	(484)	(335)	-	(4,105)
Depreciation - leases		(5,584)	(1,519)	(812)	-	(7,915)
Share of equity accounted net earnings		<u>231</u>	<u>605</u>	<u>-</u>	<u>-</u>	<u>836</u>
<b>Segment Profit</b>		<b><u>12,199</u></b>	<b><u>5,041</u></b>	<b><u>1,796</u></b>	<b><u>(1,102)</u></b>	<b><u>17,934</u></b>
Interest income						19
Interest expense						(698)
Interest expense - leases						<u>(2,245)</u>
<b>Profit before tax</b>						<b>15,010</b>
Tax expense						<u>(3,995)</u>
<b>Profit after tax</b>						<b>11,015</b>
Non-controlling interest						<u>(2,169)</u>
<b>Net Profit attributable to the shareholders of the parent</b>						<b><u>8,846</u></b>
Reportable segment assets		279,601	67,002	38,746	(11,253)	374,096
Reportable segment liabilities		147,865	57,996	34,081	(11,253)**	228,689

\*Other income includes New Zealand Government wage subsidies received of \$7.0m within Pharmacy services, \$0.5m within Medical services and \$1.0m within Community Health services under the Government's wage subsidy scheme available to eligible businesses impacted by the Covid-19 pandemic.

\*\*Intersegmental elimination

## 4 Operating performance

### 4.1 Revenue

The Group's operations and revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers.

<b>Revenue from contracts with customers</b>	<b>Six months ended 30 Sep 2021 (Unaudited) \$'000</b>	<b>Six months ended 30 Sep 2020 (Unaudited) \$'000</b>
Pharmacy retail and dispensary	151,433	133,247
Other pharmacy revenue	17,474	13,457
Medical fee income	46,064	40,561
Home care	<u>93,723</u>	<u>81,445</u>
	<b><u>308,694</u></b>	<b><u>268,710</u></b>

### Disaggregation of contract revenue

	<b>Reportable segments</b>			<b>Total \$'000</b>
	<b>Pharmacy services \$'000</b>	<b>Medical services \$'000</b>	<b>Community Health \$'000</b>	
<b>Six months ended 30 September 2021 (Unaudited)</b>				
<b>Timing of revenue recognition</b>				
Transferred at a point in time	161,862	19,180	68,306	249,348
Transferred over time	<u>7,045</u>	<u>26,884</u>	<u>25,417</u>	<u>59,346</u>
	<b><u>168,907</u></b>	<b><u>46,064</u></b>	<b><u>93,723</u></b>	<b><u>308,694</u></b>
	<b>Pharmacy services \$'000</b>	<b>Medical services \$'000</b>	<b>Community Health \$'000</b>	<b>Total \$'000</b>
<b>Six months ended 30 September 2020 (Unaudited)</b>				
<b>Timing of revenue recognition</b>				
Transferred at a point in time	141,784	18,177	57,420	217,381
Transferred over time	<u>4,920</u>	<u>22,384</u>	<u>24,025</u>	<u>51,329</u>
	<b><u>146,704</u></b>	<b><u>40,561</u></b>	<b><u>81,445</u></b>	<b><u>268,710</u></b>

## 4 Operating performance (continued)

### 4.2 Operating expenditure

	Six months ended 30 Sep 2021 (Unaudited) \$'000	Six months ended 30 Sep 2020 (Unaudited) \$'000
Cost of products sold	99,401	88,622
Employee benefit expense	152,499	134,443
Lease expenses	912	743
Other expenses	25,934	24,234
	<u>278,746</u>	<u>248,042</u>

## 5 Operating cash flow reconciliation

	Six months ended 30 Sep 2021 (Unaudited) \$'000	Six months ended 30 Sep 2020 (Unaudited) \$'000
Profit for the period	12,945	11,015
Add/(deduct) non-cash items:		
Depreciation, amortisation and impairment	11,476	12,020
Other non-cash items	1,342	(731)
Add/(deduct) changes in working capital items:		
Receivable and accruals movement	(7,671)	8,969
Inventory	(2,124)	1,085
Payable and accruals movement	(974)	3,865
Add/(deduct) items classified as cash flows from financing activities:		
Interest expense	299	679
Interest expense - leases	2,469	2,245
<b>Net cash inflow from operating activities</b>	<u>17,762</u>	<u>39,147</u>

## 6 Shares on issue

	As at 30 Sep 2021 (Unaudited) \$'000	As at 30 Sep 2020 (Unaudited) \$'000	As at 31 Mar 2021 (Audited) \$'000
<b>Shares authorised and on issue</b>			
Opening number of shares	143,303	143,303	143,303
Shares issued - fully paid	-	-	-
Shares issued - partly paid	-	-	-
Shares cancelled - partly paid	(150)	-	-
	<u>143,153</u>	<u>143,303</u>	<u>143,303</u>
Shares held as treasury stock	-	(150)	(150)
	<u>143,153</u>	<u>143,153</u>	<u>143,153</u>
Net tangible assets per share (cents) <sup>^</sup>	1.08	(2.82)	(2.23)
Net assets per share (cents)*	112.38	101.57	104.54

<sup>^</sup>The calculation of Net tangible assets / (liabilities) per share is based on net assets less deferred tax and intangible assets and the closing number of ordinary shares.

\*The calculation of net assets per share is based on net assets and the closing number of ordinary shares.

## **6 Shares on issue (continued)**

497,009 performance share rights were issued to senior executives on 23 October 2020 and 28 June 2021.

## **7 Distribution to owners**

Green Cross Health Limited elected not to pay a final dividend for the year ended 31 March 2021 (31 March 2020: Nil).

## **8 Subsequent events**

On 26 November 2021 Green Cross Health Limited declared an interim dividend of 3.0 cents per qualifying ordinary share amounting to \$4.3m, which will be fully imputed at 28%. The dividend record date is 8 December 2021 and payment will occur on 22 December 2021.

On 15 November 2021 Green Cross Health announced that it along with its consortium partner, Pacific Equity Partners (PEP), formally withdrew from a process to acquire Tamaki Health. Green Cross Health's costs associated with the process to acquire Tamaki Health are expected to be approximately \$1.5m.

No adjustments are required to these consolidated interim financial statements in respect to these events.

## Green Cross Health Limited Company Directory

### Board

**K Ellis**  
Independent Chair

**J A Bagnall**  
Non-Executive Director

**J B Bolland**  
Non-Executive Director

**P M Merton**  
Non-Executive Director

**K A Orr**  
Independent Director

**C M Steele**  
Independent Director

**PJ Williams**  
Independent Director

### Officers

**Rachael Newfield**  
Group CEO

**Ben Doshi**  
Group CFO/Company Secretary

### Registered office

Green Cross Health Limited  
Ground Floor, Building B  
602 Great South Road  
Ellerslie, Auckland 1051  
Telephone: +64 9 571 9080

### Share register

Computershare Investor Services Limited  
Private Bag 92119  
Auckland 1142  
Level 2, 159 Hurstmere Road  
Takapuna, Auckland 0622

Managing your shareholding online:  
To change your address, update your payment instructions and to view your registered details including transactions, please visit:  
[www.investorcentre.com/nz](http://www.investorcentre.com/nz)

General enquiries can be directed to:  
[enquiry@computershare.co.nz](mailto:enquiry@computershare.co.nz)  
Telephone: +64 9 488 8777  
Facsimile: +64 9 488 8787

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

### Auditor

KPMG  
KPMG Centre  
18 Viaduct Harbour Avenue  
Auckland

### Bankers

Bank of New Zealand  
80 Queen Street  
Auckland 1010

### Investor relations

For investor relations enquiries:  
Phone: 09 571 9088  
Email: [investorrelations@gxh.co.nz](mailto:investorrelations@gxh.co.nz)

**Green Cross Health Limited  
Company Directory (continued)**

**Websites**

- [www.greencrosshealth.co.nz](http://www.greencrosshealth.co.nz)
- [www.access.org.nz](http://www.access.org.nz)
- [www.lifepharmacy.co.nz](http://www.lifepharmacy.co.nz)
- [www.livingrewards.co.nz](http://www.livingrewards.co.nz)
- [www.thedoctors.co.nz](http://www.thedoctors.co.nz)
- [www.unichem.co.nz](http://www.unichem.co.nz)
- [www.housecall.co.nz](http://www.housecall.co.nz)