

24 March 2022

NZX/ASX Code: EBO

ACCC ANNOUNCEMENT REGARDING LIFEHEALTHCARE ACQUISITION

EBOS Group Limited (EBOS) notes the announcement by the Australian Competition and Consumer Commission (ACCC) today that it will not oppose the proposed acquisition of LifeHealthcare announced on 9 December 2021.

The transaction remains subject to satisfaction of certain conditions precedent and the parties continue to work diligently towards completion of the transaction, which is expected in FY22.

A copy of the statement by the ACCC is attached.

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Authorised for lodgement with NZX and ASX by Janelle Cain, General Counsel, EBOS Group Limited.

MEDIA RELEASE



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EBOS' proposed acquisition of Pacific Health Group not opposed

The ACCC will not oppose the proposed acquisition of Australian Pacific Health Supplies TopCo1 Pty Limited and its subsidiaries (Pacific Health Group) by EBOS Group Limited (ASX: EBO), through its subsidiary EBOS Medical Devices Australia Pty Limited.

EBOS and Pacific Health Group distribute a range of medical devices to private and public hospitals and to clinicians. Pacific Health Group also manufactures and distributes allografts through its Australian Biotechnologies business. In general, the majority of the parties' offerings are complementary and not in direct competition.

The ACCC focused on the overlap in certain medical devices often used in spinal and orthopaedic surgery. These include cervical replacement discs and devices used as bone alternatives to promote bone formation and healing, such as human tissue allografts and synthetic biologics.

"We concluded that EBOS and Pacific Health Group would continue to face strong competition from several other distributors and manufacturers of these medical devices," ACCC Commissioner Stephen Ridgeway said.

The ACCC consulted public and private hospital customers, industry bodies and competitor distributors and manufacturers. Most market participants did not express concerns regarding the proposed acquisition.

The ACCC also considered whether the proposed acquisition would enable EBOS to foreclose competitors by increasing its ability and incentive to engage in anti-competitive bundling or tying of medical products. However, the ACCC found that hospitals and clinicians can generally switch to alternative suppliers, meaning an anti-competitive bundling or tying strategy is unlikely to be successful.

"Market feedback also indicated that individual clinicians decide on the most appropriate medical device for patient outcome and that the proposed acquisition would not change this," Mr Ridgeway said.

"We do not consider that the proposed acquisition will enable EBOS to foreclose rival suppliers by leveraging, bundling or tying its products."

More information can be found on the ACCC's website at [EBOS Group Limited – Pacific Health Supplies TopCo1 Pty Limited](#)

Notes to editors:

In considering the proposed acquisition, the ACCC applies the legal test set out in section 50 of the *Competition and Consumer Act 2010* (Cth). In general terms, section 50 prohibits acquisitions that would have the effect, or be likely to have the effect, of substantially lessening competition in any market.

'Tying' refers to when a business sells one good or service on the condition that the purchaser buys another good or service from the supplier.

'Bundling' can refer to the tying of products but also includes offering multiple products at a discount when sold as a package.

Background

EBOS is an ASX and NZX listed Australasian marketer, wholesaler and distributor of medical products, including through LMT Surgical.

Pacific Health Group has a presence in Australia, New Zealand and Asia. It distributes medical devices and consumables through LifeHealthcare and manufactures and distributes allografts through its Australian Biotechnologies business.

'Allografts' are prostheses produced from donated human tissues that are used in surgery to promote bone formation within the patient.

'Synthetic biologics' are a synthetic (non-human tissue) alternative to allografts.

'Cervical discs' are a prosthetic medical device to replace damaged spinal discs.

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