

Q&A for Members

Transaction overview

1. How does the merger transaction work?

EBOS Group, the parent company of Chemmart, will sell the assets of Chemmart to Terry White Group Limited (TWG) in exchange for equity and will invest additional capital to achieve a 50% equity stake in the merged entity.

The sale will include 100% of the assets of Chemmart and EBOS's share of VIM Health (the owner of the Tony Ferguson weight loss brand which is currently 50% owned by TWG and EBOS).

Supplier relationships

2. What does the merger mean for the relationship with Symbion going forward?

Symbion (owned by EBOS Group) has been a trusted supplier to Terry White Group for many years and we look forward to strengthening this relationship by retaining Symbion as a key supplier to the Combined Group.

As a result of the strong performance and enhanced market position of the Group, we have been able to negotiate a stronger position for the group. The terms of our agreements will be subject to periodic review to ensure they are market competitive and that members receive the best prices possible.

Realising merger benefits

3. How will the business realise the benefits of the merger for members and customers?

Through the merger, we will create a strengthened combined group and be able to leverage significant scale advantages plus the collective strengths and capabilities of all three networks to be far more competitive.

Our members will benefit from a significantly increased investment in marketing, supply chain efficiencies, the ability to be more competitive in retail marketplace, access to substantial infrastructure to deliver improved in-pharmacy efficiencies and levels of customer service with increased support for delivery of front-line health services to customers.

The merger will deliver a stronger future for members of the Combined Group by providing the ability to trade more successfully in our highly competitive industry and continue to meet the ever-changing needs of our customers.

4. How are both groups planning to ensure the transition/integration process is successful and maintains the values of both businesses?

A team comprised of key senior team members from both businesses is driving the integration project to ensure we deliver the best of the best from all three networks into the Combined Group to create the strongest group possible.

Future direction of the Combined Group

5. How do you plan to pull all three brands together from a consumer point of view?

One of the key benefits of the merger will be a significant lift in our marketing investment which will allow us to build upon the existing equity and high consumer awareness levels in all three networks to further strengthen our position in the market. The details on this investment will be presented at our next round of Pharmacy Owner meetings which are scheduled to occur in late October.

6. The merger creates very strong representation in QLD, South Australia and WA. Are there future plans for growth into NSW and Victoria?

Yes, we expect expansion into these geographical areas to evolve strongly over the next 12 to 24 months.

7. Is this merger the next step in preparing the group for an IPO?

This merger is an important step in our growth strategy to build a leading national pharmacy network for the pharmacy owners.

Our immediate priority is to complete the merger and ensure a smooth and successful integration and focus on the pharmacies.

To implement our plans to strengthen the value we deliver to pharmacy owners, we will need to access capital in the future and we are continuing to investigate a number of different strategies to fund this growth, which may include an IPO.