Zur Rose Group

1^{st} Half-Year Results 2022

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Key messages

- Key priority EBITDA break-even in 2023
- No additional cash needed for operational business
- Highly efficient distribution center in Heerlen live
- medpex brand integration started
- Digitalisation of EUR 50bn Rx market takes off

Agenda

1. Business update
2. Break-even programme
3. Financial update
4. Outlook
5. Q&A

Business update

Half-year targets 2022 achieved – first results of break-even programme delivered

Revenue	Revenue H1 2022: +0.4%[1]	✓
EBITDA	Improvement by CHF 37m[2] – Gross margin increase by 0.6ppt – Cost reductions – Marketing performance improvements	✓
Cash	Cash balance: CHF 199m[3]	✓

[1]in local currency | [2]vs. 2nd half-year 2021 | [3]as of 30 June 2022

Milestone achieved: new distribution center Heerlen live

- Successful go live accomplished
- Strategic milestone and precondition for brand integrations
- Capacity increase from 12m to 27m parcels per year
- Unique infrastructure with highly efficient and secured processes to fulfill eRx demand
- Improvement of logistic costs per parcel of >30%
- Expected cost reductions of CHF 10m per year with savings already in 2022

Integration of medpex brand to Heerlen started

- Operational integration of medpex volume into new distribution center Heerlen
- Closure of Stifts-Apotheke (medpex) in Ludwigshafen by owner end of October 2022 – about 350 employees concerned
- Location Ludwigshafen will continue and operate as logistic hub for non-pharmaceuticals with a capacity of 7m parcels per year
- Job offer to about 200 logistics and pharmaceutical employees by Zur Rose Group in Ludwigshafen and Heerlen
- At the Zur Rose Group company Visionrunner GmbH, a service provider for Stifts-Apotheke, 36 jobs will be reduced
- Leverage of synergies and reduction of complexity is expected to lead to positive EBITDA impact of CHF 8m per year

Germany-wide eRx roll out starts on 1 September 2022

- 154,273 eRx redeemed from telematic infrastructure whereas our share is about 3x times higher than pRx
- eRx test phase will end successfully on 31 August 2022
- All stakeholders committed and success criteria for mandatory roll out in regions Schleswig-Holstein and Westphalia-Lippe agreed
- Several redemption channels for eRx:
  - gematik app, paper printout and scan of token in place
  - eGK, sms, e-mail, third party apps under examination
- Patient will choose channel with best services and highest convenience

gematik eRx roll out plan[1]

1st Sep 2022	Dec 2022	Spring 2023
Roll out in Schleswig-Holstein and Westphalia-Lippe (11m inhabitants, 14% of population) Success criteria: 1. Patient information 2. 25% eRx[3] 3. Error rate < 3%	Mandatory eRx in Schleswig-Holstein and Westphalia-Lippe[2] Roll out in six additional states	Completion of nationwide roll out including final nine states

Source: [1]https://www.gematik.de/anwendungen/e-rezept/faq/einfuehrung | [2]Subject to successful completion of prior phase and approval of gematik shareholders | [3]This refers to 25 per cent of the e-prescriptions in relation to the total number of dispensed prescriptions for prescription drugs at the expense of the statutory health insurance in relation to drugs in the respective K(Z)V region per sector (medical/dental) submitted for billing. The collection is based on the period of the last billing run.

Game changer eRx in Germany

1. EUR 50bn market[1]

- Digitalisation of 500m Rx[2] per year
- 80%[6] chronic demand

2. <1% Rx online share penetration

- 23%[7] OTC online share in Germany
- 13%[5] Rx online share in Sweden

3. EUR >1bn eRx potential with existing OTC customers

- 26%[4] potentially chronic patients
- Revenue potential: >4x times pRx

4. 10x higher CLV than OTC

- EUR 110 basket
- EUR 14 contribution margin

5. DocMorris #1 brand

- DocMorris brand awareness: 68%[3]
- DocMorris eRx awareness: 22%[3]

[1]https://www.bundesgesundheitsministerium.de/themen/krankenversicherung/zahlen-und-fakten-zur-krankenversicherung/finanzergebnisse.html | [2]gematik 2022 | [3]Kantarstudie and YouGov BrandIndex 2022 (aided) | [4]wissenschaftliches Institut der AOK 2020 | [5]Sveriges Apoteksforening: swedish pharmacy sector report 2021 | [6]DE 2020,WIdO | [7]BMG 2022

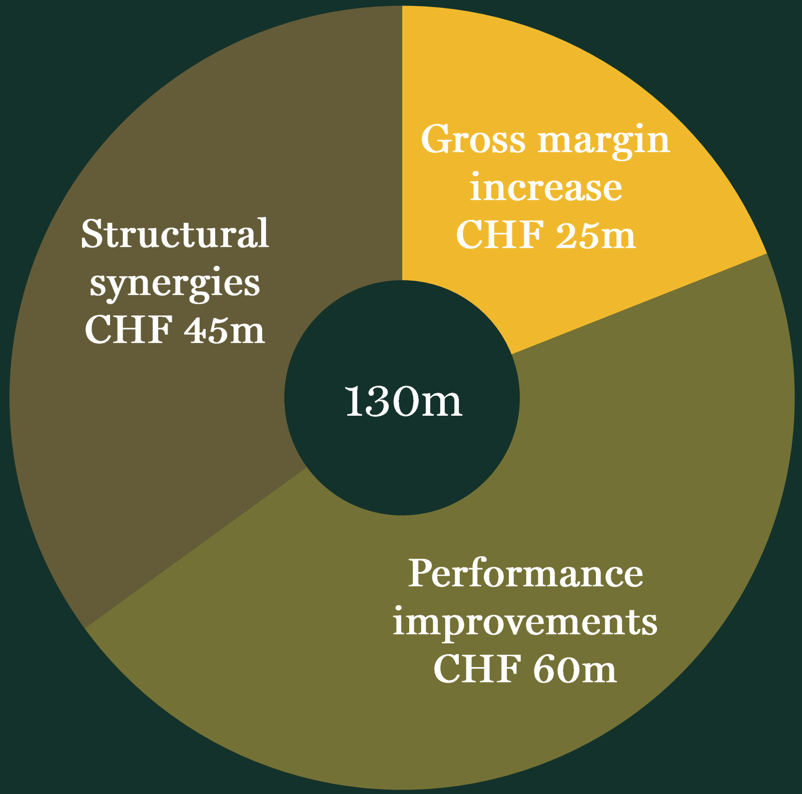
Break-even programme

EBITDA break-even 2023

2017 - 2021	2022 - 2023	2024+
«Growth»	«Break even»	«Profitable growth»
Growth of revenue and active customer base	**Accelerated break-even programme** – Reduction of complexity – Operational excellence – Focus on core businesses and markets	Profitable eRx growth
Investments in best talents, technology, eRx readiness and internationalisation		Expansion of digital health ecosystem
Revenue CAGR 20%	**EBITDA break-even 2023**	**Profitable double digit growth and positive free cash flow**

Accelerated break-even programme with expected positive EBITDA impact of CHF 130m vs. EBITDA 2021 by 2023

- Accelerated execution is expected to lead to EBITDA break-even in 2023
- Realisation of full year effects in 2023 requires immediate implementation of measures with mid-single digit percent negative revenue effect in 2022
- Programme includes significant reduction of OTC marketing spend and reallocation to eRx
- EBITDA break-even independent on eRx scaling



Key measures backed with clearly defined actions

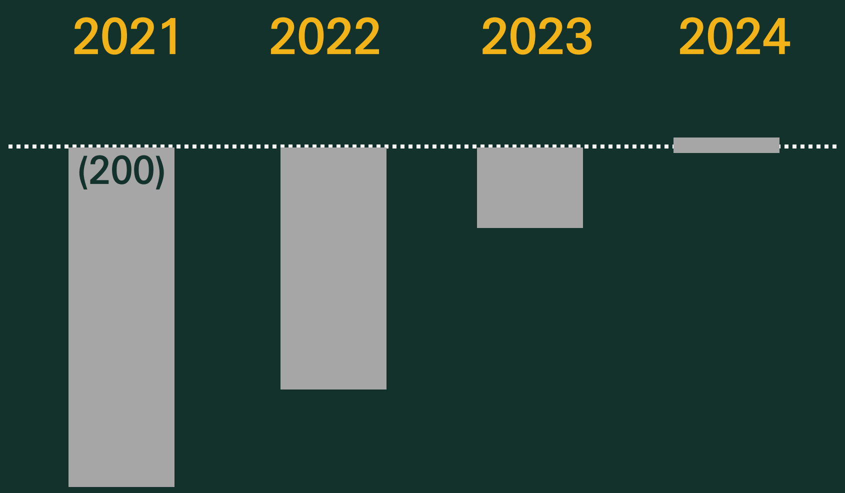
Key measure	Actions	Amount
Gross margin increase	– Procurement – Selected price increase – Assortment and advertising services	CHF 25m
Performance improvements	– Productivity improvements – Reduction of direct logistic costs – Improvement of marketing efficiency (non-Rx) – Brand marketing reduction	CHF 60m
Structural synergies	– Operational integration of brands – Consolidation of brands – Reduction of indirect costs	CHF 45m

CHF 130m EBITDA improvement 2021 to 2023

No external cash required for operational business

- No external cash required for operational business until break-even based on cash balance of CHF 199m as of 30 June 2022
- External financing needs limited to refinancing of upcoming maturities plus some additional headroom
- Various financing options prepared
- Actively monitoring markets for suitable environment

Expected free cash flow[1]

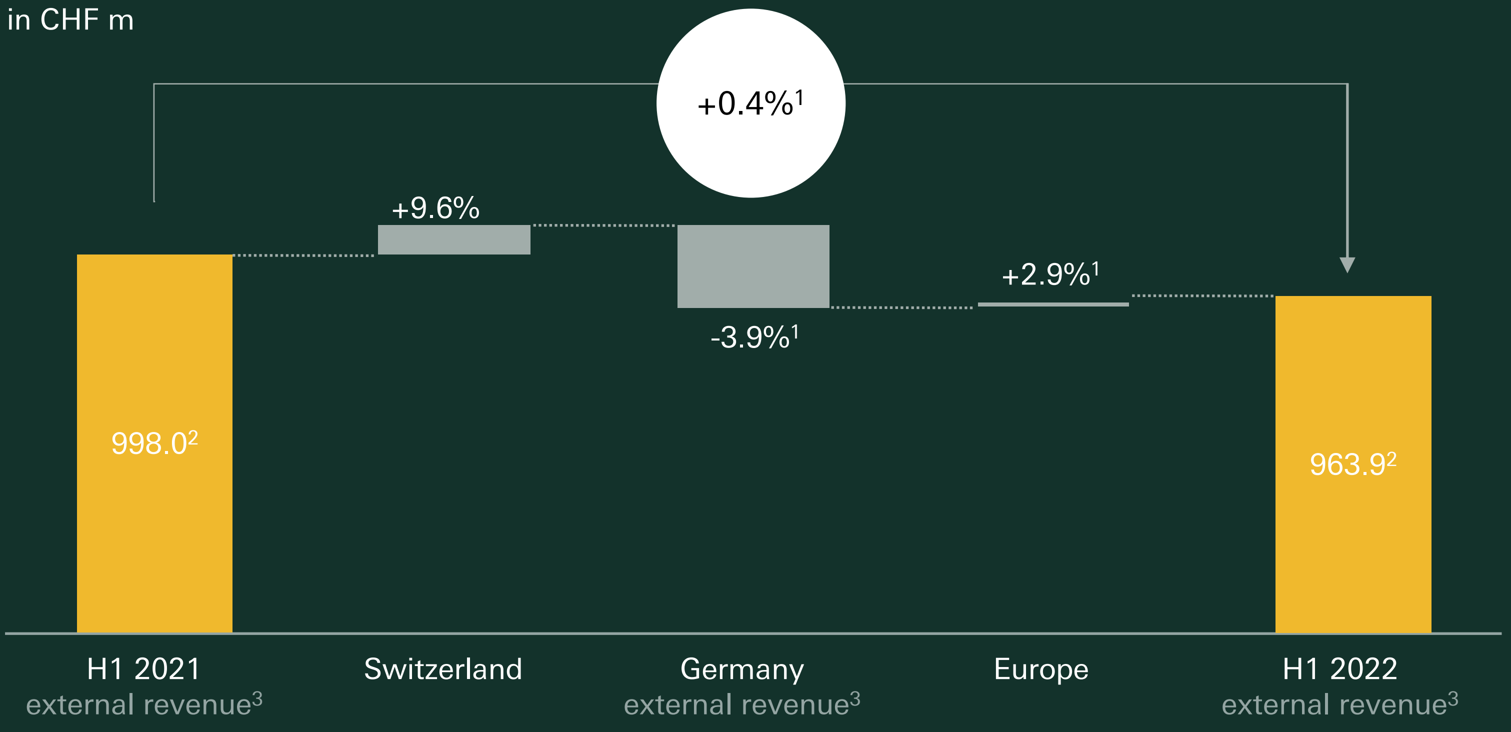


[1]Refers to cash flow pre financing activities (figures rounded)

Financial update

Half year revenue development in line with guidance

in CHF m



Group
— Flat revenue development in line with communicated guidance

Switzerland
— Accelerated growth driven by B2B activities

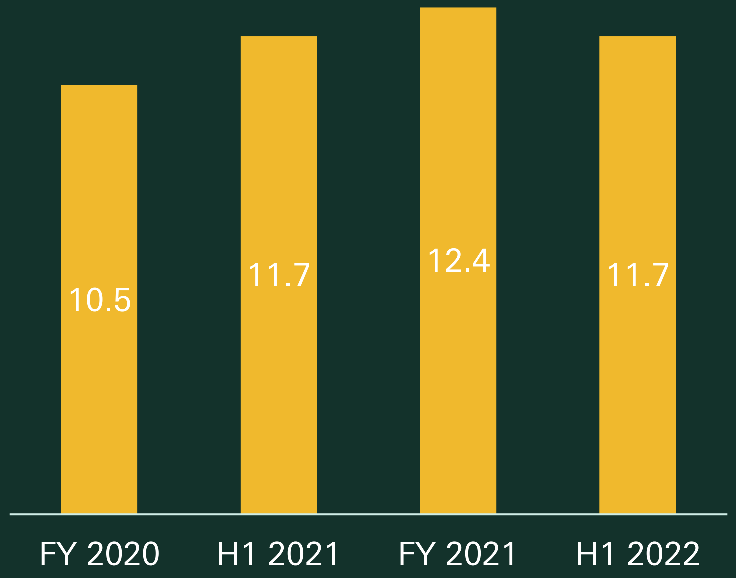
Germany
— Declining pRx business ahead of eRx launch
— Efficiency of OTC-marketing and continued trends in online market

Europe
— Slow down due to focus on earnings

Notes: [1]in local currency | [2]including eliminations of CHF 3.6m for H1 2021 and CHF 3.8m for H1 2022 | [3]consolidated revenue of the Zur Rose Group in CHF m plus the mail order revenue of pharmacies supplied by the Zur Rose Group less the consolidated revenue for the ir supply

Focus on high quality customer cohorts

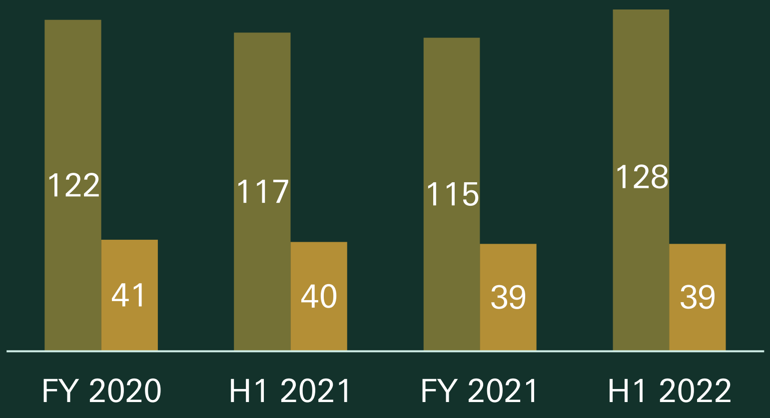
Active customers[1]
in m



Repeat order rate[2]

76%	74%	74%	76%
FY 2020	H1 2021	FY 2021	H1 2022

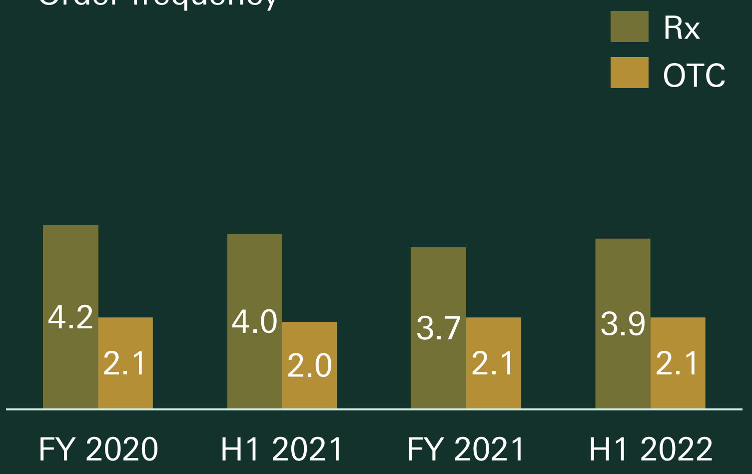
Basket size[4]
in EUR



Site visits[3]

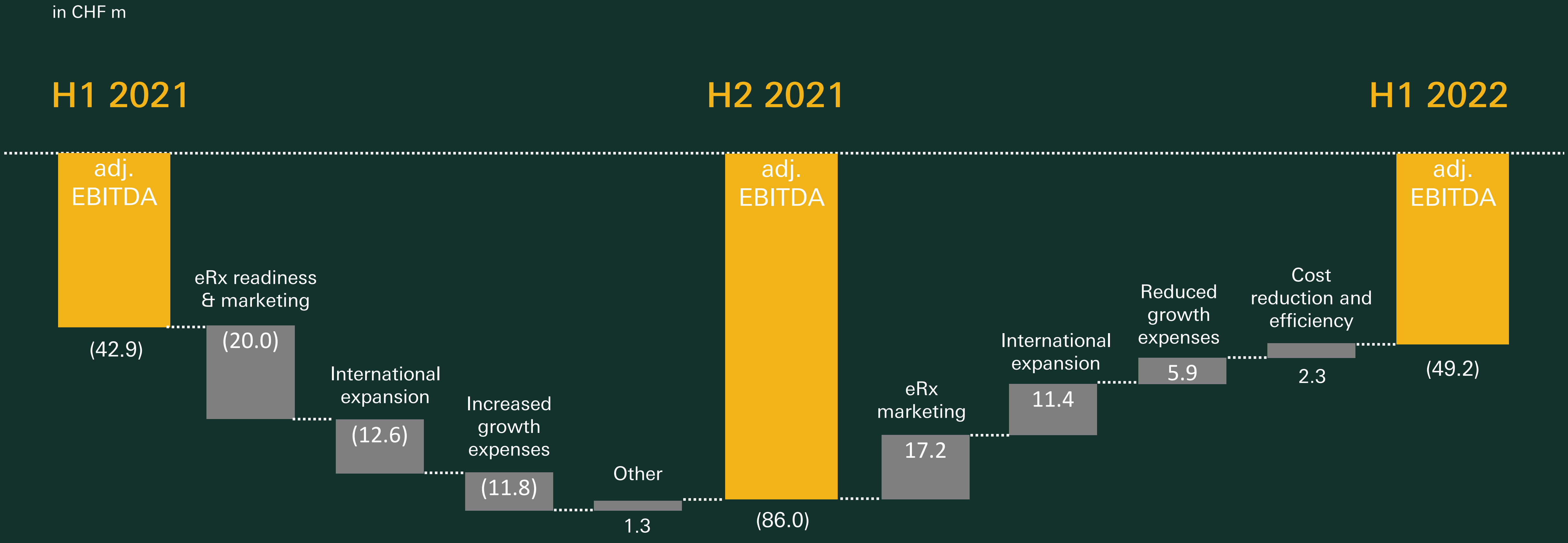
244m	234m	265m	255m
FY 2020	H1 2021	FY 2021	H1 2022

Order frequency[5]



Notes: Figures reflecting the B2C & marketplace business regardless of integration and consolidation progress of the acquired businesses with Apotal included in active customer numbers | [1]all mail order customers who have placed an order with Zur Rose or a pharmacy supplied by Zur Rose in the last 12 months | [2] share of orders from existing customers in relation to total number of orders | [3]number of website visits in the last 12 months | [4]basket size equals average value of the purchase per order | [5] number of orders per active customer in 12 months period

Break-even programme on track – delivering first results

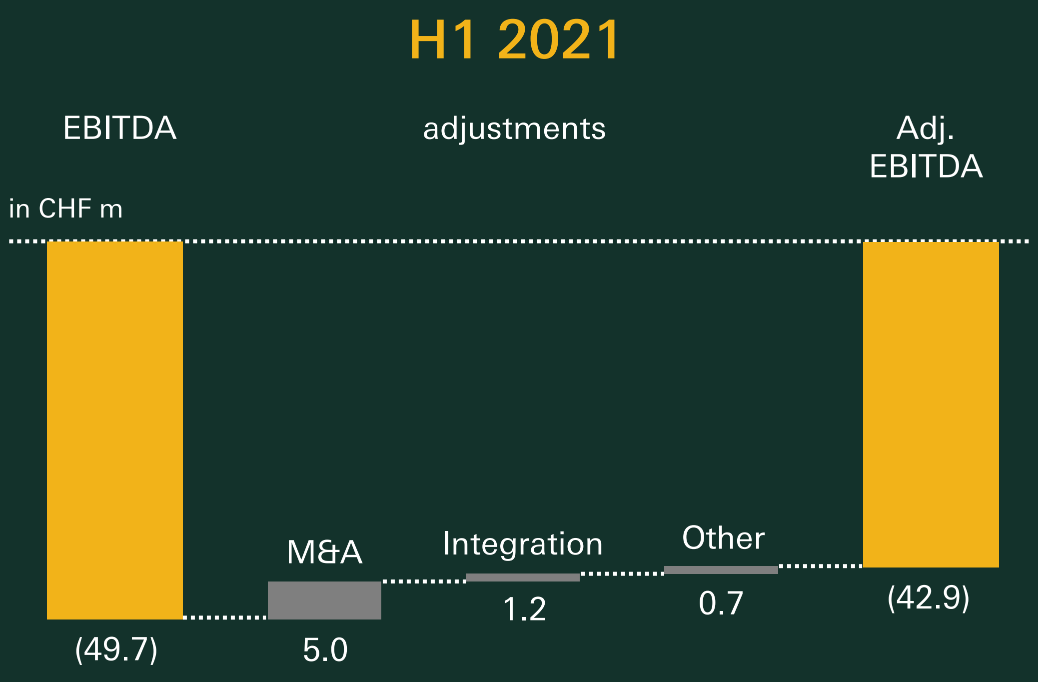


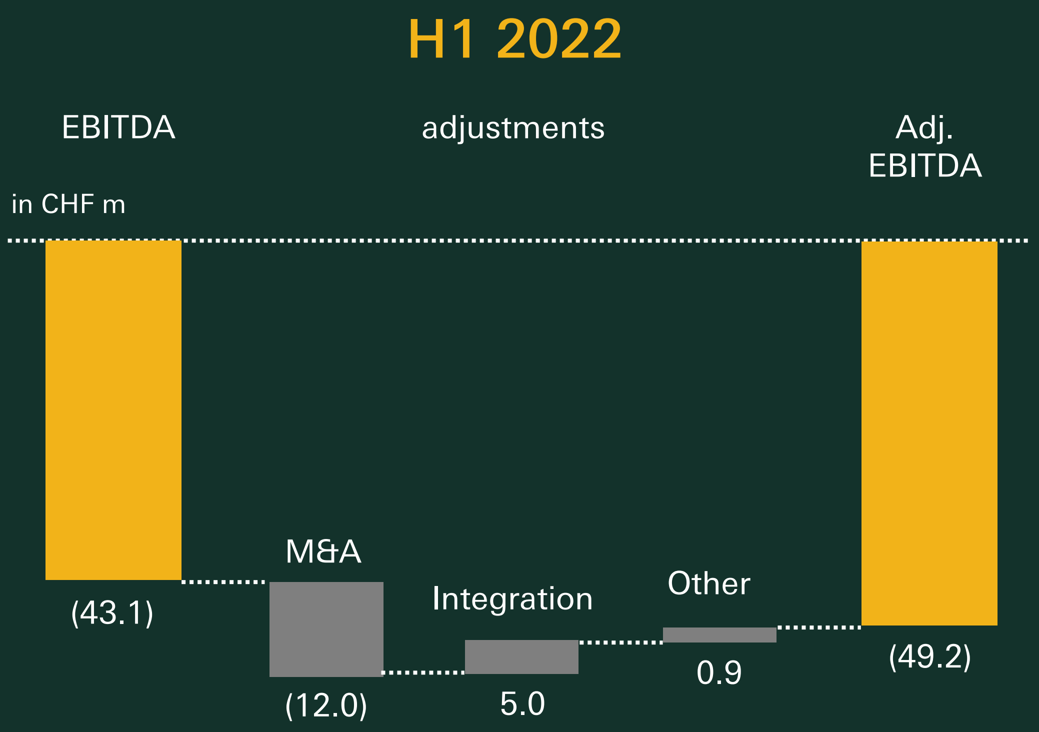
Significant improvement vs. H2 2021

in CHF m	H1 2022	Margin in %	H2 2021	Margin in %	H1 2021	Margin in %
External revenue	963.9		1036.0		998.0	
Consolidated revenue	824.0		886.7		839.8	
Gross profit adj.	121.6	14.8	126.1	14.2	136.9	16.3
Personnel expenses adj.	(77.4)	(9.4)	(69.9)	(7.9)	(73.2)	(8.7)
Marketing expenses	(38.0)	(4.6)	(69.4)	(7.8)	(49.4)	(5.9)
Distribution expenses	(24.6)	(3.0)	(26.1)	(2.9)	(28.4)	(3.4)
Other operating income & expenses adj.	(30.8)	(3.7)	(46.7)	(5.3)	(28.8)	(3.4)
Adj. EBITDA	(49.2)	(6.0)	(86.0)	(9.7)	(42.9)	(5.1)
Adjustments	6.1		(6.9)		(6.8)	
EBITDA	(43.1)	(5.2)	(92.9)	(10.5)	(49.7)	(5.9)
EBIT	(69.5)	(8.4)	(120.7)	(13.6)	(73.1)	(8.7)
Net income	(86.1)	(10.4)	(148.6)	(16.8)	(77.0)	(9.2)

- Gross margin increase by 0.6ppt compared do previous period
- Insourcing of specific functions started with impact on personnel and other operating expenses
- Marketing expenses include TV campaign in Q1 2022
- Slight decline of depreciation & amortization
- Net financial result impacted by foreign currency (CHF-EUR)

Update on EBITDA adjustments





- Share based retention package for founders as largest position within adjustments
- Apo-rot integration

- M&A: mainly driven by earnout valuation related to share price decrease
- medpex brand integration started

Balance sheet

in CHF m	30 June 2022	%	31 Dec 2021	%
Cash and cash equivalents	199.2		277.7	
Receivables	162.5		166.5	
Inventories	70.4		92.5	
Property, plant & equipment	96.4		98.7	
Intangible assets	580.8		595.4	
Other assets	34.5		38.4	
Total assets	1143.8		1269.2	
Financial liabilities	67.1		83.8	
Payables & accrued expenses	183.7		196.1	
Bonds	486.2		485.4	
Other liabilities	7.7		19.0	
Equity	399.1	34.9	484.9	38.2
Total equity and liabilities	1143.8		1269.2	

— Highly attractive, asset-light business model

— CHF 199.2m of cash on balance sheet

— CHF 13.6m reduction of net working capital mainly due to reduction of inventories

Outlook

EBITDA guidance confirmed despite reduced revenue

External revenue 2022 in local currency	**mid-single digit decline** **(due to focus on earlier EBITDA break-even)** Previously: flat development
Revenue OTC DocMorris 2022	**positive growth** **(due to focus on earlier EBITDA break-even)** Previously: double-digit revenue growth
adj. EBITDA 2022	**CHF -75m to CHF -95m** **(unchanged)** Previously: CHF -75m to CHF -95m
adj. EBITDA break-even	**FY 2023** Previously: FY 2024
adj. EBITDA margin mid-term	**8%** **(unchanged)** Previously: 8%

Key takeaways

– Key priority EBITDA break-even in 2023

– No additional cash needed for operational business

– Digitalisation of EUR 50bn Rx market takes off

Q&A

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