Annual Report 2024

DocMorris

Contents

Cover image in the context of the marketing campaign for e-prescriptions.

Doc – Doch: Yes you can – Yes it is – Yes of course
"Doch" is a powerful word – the word that is missing from today's healthcare system.
An attitude that says that anything is possible – if you only know how.
And we can confidently claim that!

Analogous translation:

Sick?
Just go to the app for e-prescriptions.

Make it easy for yourself.

The following QR code leads to the adverts:

DocMorris at a glance

2024 facts and figures

+ 6.7 % revenue

Growth across all business units

E-script via CardLink

Digital access to 58 billion Euro
Rx market in Germany

New Rx customers

Number tripled within a year

Over 2.3 million

E-scripts processed in 2024

Telemedicine

Over 1.3 million treatments result in
profitable doubling of revenue

Profitability

reached in German Non-Rx
business

67 % CO_2e reduction

Transition to green energy

Successful refinancing

CHF 200 million convertible bond
issued to refinance maturing
straight bond

Profile

The Swiss-based DocMorris AG is a leading company in the fields of online pharmacy, marketplace and professional healthcare with strong brands in Germany and other European countries. Deliveries are mainly from the highly automated logistics centre in Heerlen, the Netherlands, with a capacity of over 27 million parcels per year. In Spain and France, the company operates the leading marketplace for health and personal care products in Southern Europe. With its business model, DocMorris offers its patients, customers and partners a broad range of products and services. In doing so, DocMorris is pursuing its vision of creating a digital health ecosystem for everyone to manage their health in one click. Around 1,600 employees in Germany, the Netherlands, Spain, France, Portugal and Switzerland generated an external revenue of CHF 1,085 million serving over 10 million active customers in 2024. The shares of DocMorris AG are listed on the SIX Swiss Exchange (securities number 4261528, ISIN CH0042615283, ticker DOCM). For further information, please visit corporate.docmorris.com.

Key Financials

	31.12.2024	31.12.2023	31.12.2022 restated [1]
	in CHF million	in CHF million	in CHF million
External revenue [2) 3)]	**1,085.0**	1,037.5	1,159.9
Year-on-year-change of external revenue in % in local currency [2) 3)]	**6.7**	–7.4	–11.8
Year-on-year-change of external revenue in % [2) 3)]	**4.6**	–10.5	–18.0
Net revenue [3)]	**1,017.0**	966.9	931.0
Year-on-year change of net revenue in % [3)]	**5.2**	3.9	–15.8
Net revenue	**1,017.0**	969.5	931.0
Year-on-year change of net revenue in %	**4.9**	4.1	–15.8
Gross margin in % of net revenue	**21.3**	21.0	17.2
Earnings before interest, taxes, depreciation and amortisation adjusted (EBITDA adjusted)	**–48.6**	–34.9	–85.5
in % of net revenue [3)]	**–4.8**	–3.6	–9.2
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**–43.9**	–38.4	–92.6
in % of net revenue	**–4.3**	–4.0	–9.9
Earnings before interest and taxes (EBIT)	**–89.8**	–83.2	–140.0
in % of net revenue	**–8.8**	–8.6	–15.0
Net income / (loss) from continuing operations	**–97.3**	–117.6	–171.1
in % of net revenue	**–9.6**	–12.1	–18.4
Net income / (loss) from discontinued operations	**0.0**	199.8	0.0
Net income / (loss)	**–97.3**	82.3	–171.1
in % of net revenue	**–9.6**	8.5	–18.4
Equity	**340.1**	430.5	350.8
in % of total assets	**43.7**	49.7	31.9
Investments [4)]	**28.6**	31.3	46.6
Number of employees in full-time equivalents [5)]	1,454	1,401	1,865

1) Restated due to the disposal of the Swiss business.
2) External revenue consists of the consolidated revenue of DocMorris plus online revenues of pharmacies supplied by DocMorris, less the consolidated revenue from supplying them.
3) 2023 revenue adjusted for the payment of performance obligations satisfied in prior years.
4) Reclassification of CHF 3.6 million due to incorrect allocation of capital expenditures paid in connection with intangible assets between continuing and discontinued operations in 2023.
5) 2023 restated due to improved systems and methodology.

Letter to Shareholders

Dear Shareholders

In 2024, the electronic prescription established itself as the new standard in Germany. This is also reflected at DocMorris: the prescription drugs (Rx) business saw a significant upturn and has been growing continuously since the introduction of CardLink in April 2024. At the same time, the non-Rx business in Germany[1] achieved a positive operating result at EBITDA level. DocMorris successfully completed the break-even programme by closing the Halle site and discontinuing the 'Zur Rose' brand in 2024. The company met the revised expectations for the reporting year announced in August 2024: external revenue[2] increased by 4.6 per cent year on year, or 6.7 per cent in local currency, to CHF 1,085.0 million. All business areas contributed to revenue growth. Adjusted EBITDA amounts to minus CHF 48.6 million. The number of active customers[3] rose from 9.1 million at the end of 2023 to 10.3 million at the end of 2024.

Positive development in all business areas in Germany — With growth of 6.9 per cent in local currency compared to the previous year, DocMorris generated external revenue of CHF 1,022.0 million in Germany in 2024. Due to the increased Rx marketing measures, the adjusted EBITDA decreased to minus CHF 47.2 million (previous year: minus CHF 31.8 million).

In the Rx business, an intensified marketing campaign to acquire new customers in the remaining eight months of 2024 more than offset the impact of restricted market access until April 2024. The number of new Rx customers tripled in 2024 compared to the previous year and increased fivefold from the fourth quarter of 2023 to the fourth quarter of 2024. The customer loyalty and order frequency rate of new e-prescription customers is significantly better than that of paper prescription customers. Following the successful introductory campaign to launch e-prescriptions, DocMorris is now implementing the next stage of its strategic communication. The new advertising campaign, under the slogan 'Mach's Dir Doc einfach!' with a song of the same name, is designed to ensure that the CardLink prescription redemption is sustainably remembered and that the number of DocMorris app downloads and orders continues to increase. With the launch of the CardLink solution in the medpex app in March 2025 and the Apotal app in the second quarter of 2025, the active customer base of these brands should be even more accessible in the future.

1 Consisting of OTC business, services and TeleClinic.

2 External revenue consists of the consolidated revenue of DocMorris plus online revenues of pharmacies supplied by DocMorris, less the consolidated revenue from supplying them

3 Customers supplied by DocMorris, either directly or through its partners.

In the non-Rx business DocMorris achieved a positive operating result at EBITDA level. Profitability was increased by improved margins, economies of scale in retail media and marketplace, a stronger private label business and further improvements in operational and marketing efficiency. This should lay the foundations for profitable growth.

TeleClinic made a significantly positive contribution to EBITDA of around CHF 3 million, doubling its revenue to CHF 11 million. In view of the increasing demand from patients, doctors and strategic partners, TeleClinic continues to expect strong revenue and even stronger earnings growth in the years ahead.

Turnaround in Spain and France — In the Europe segment, DocMorris increased its revenue by 3.6 per cent in local currency to CHF 63.1 million in 2024 compared to the previous year. This positive turnaround is the result of a new model for acquiring profitable customers that is geared towards growth again.

CO_2e emissions reduced by 67 per cent — In 2024, DocMorris made significant progress in its environmental performance: by switching to climate-neutral electricity from renewable sources, the company was able to reduce CO_2e emissions by 67 per cent compared to the previous year. In addition, further measures are planned to reduce emissions to net zero, as described in the TCFD report (Task Force on Climate-related Financial Disclosures). For the first time, the 2024 Sustainability Report is aligned with the European Sustainability Reporting Standards (ESRS), which are based on the EU Corporate Sustainability Reporting Directive (CSRD).

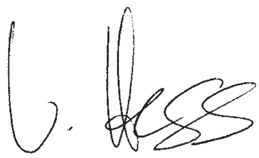
Outlook — DocMorris expects continuous growth in all business units. Based on the development until end of February, Rx revenue for the first quarter 2025 is expected to grow by around 50 per cent compared to the previous year. A more comprehensive outlook including short and mid-term expectations will be announced in the context of the planned capital increase.

Capital increase — DocMorris is evaluating various options for raising equity of around CHF 200 million, primarily through a capital increase with subscription rights for existing shareholders. The aim is to strengthen the balance sheet in order to support strategic goals such as acquiring new Rx customers over the next few years and to safeguard a possible refinancing of the CHF 95 million convertible bond 2026. The company has mandated banks to evaluate, structure, schedule and execute the capital increase. The results of the evaluation and the necessary proposals to the Annual General Meeting on 8 May 2025 will be communicated when the first-quarter 2025 revenue figures are published on 10 April 2025.

Share lending facility: In the event of a rights offering, rights to subscribe for new shares would be allocated to shares borrowed indirectly from the Company under a share lending facility, created to facilitate hedging for convertible bond (c. 3m shares, majority currently lent out). Borrowers under the facility are contractually obliged to return these rights. Alternative options for convertible bond holders, who are also borrowers under the Company's share lending facility are likely to be offered in proportion to their holding of convertible bonds.

Thanks — We feel it is very important to express our warmest thanks to all who supported us last year: our customers, for their confidence in our services; our staff, for their impressive commitment to the good of the company and the great motivation with which they carry out their daily responsibilities; and you our shareholders, for your loyalty to our company.

Walter Oberhänsli
Chairman of the Board



Walter Hess
Chief Executive Officer

Walter Hess (left) and Walter Oberhänsli.

Business fields

DocMorris operates at the compelling intersection of healthcare, technology and e-commerce. This unique position enables the company to be active in significant business areas, with a primary focus on customer-centric digital healthcare and improving medication efficacy.

Online pharmacy — The core business is online pharmacy. In addition to prescription medicines (Rx), the assortment features over-the-counter (OTC) and consumer health as well as beauty and personal care (BPC) products. Private labels, including nutritional supplements, painkillers, first aid products and other OTC medicines also complement the offering.

Marketplace services — Together with its marketplace partners, DocMorris ensures that patients and customers have easier and faster access to a wider range of products. At present, the business is focused on the key markets Germany, Spain, France and Portugal.

Professional health services — DocMorris offers a range of services and solutions to key providers in the health industry, such as doctors, pharmacies, insurers, and health institutions throughout Europe. This creates added value for patients and customers based on a seamless health journey: from creating condition awareness to solutions for diagnoses and treatments, as well as adherence and monitoring.

a) **Doctors:** In Germany, DocMorris connects patients with doctors via telemedicine. Already more than 4,000 doctors are actively providing services on the TeleClinic platform, which has been used to carry out more than 3 million telemedical treatments to date.

b) **Pharmaceutical companies:** DocMorris partners with pharmaceutical companies to improve the digital health journey for patients and customers. In doing so, the company combines e-commerce and telehealth expertise with the experience of leading treatment providers for various health conditions. These partnerships come to life on DocMorris Ratgeber, a digital hub that helps people living with various conditions to find the right care management and treatment options for a better quality of life.

c) **Health insurers:** DocMorris simplifies processes for insurers by providing their customers with a comprehensive range of services that include medication ordering and management, automated prescribing, direct billing, and qualified pharmaceutical advice. In this way, we make an active contribution to patient health.

Segment Germany

Market environment

The introduction of e-prescriptions for people with statutory health insurance on 1 January 2024 was a major step forward for digitalisation in Germany. The electronic prescription channel became the new standard within a very short period of time. On 19 March, gematik published the final specifications for the eHealth-CardLink product for the fully digital redemption of e-prescriptions. On 10 April, DocMorris was the first online pharmacy to receive gematik approval for simple and secure e-prescription redemption using an electronic health card (eGK = elektronische Gesundheitskarte) via the DocMorris app. In 2024, numerous legislative projects in the area of pharmacies and digitalisation were launched. However, the break-up of the government prevented some bills from being passed.

Market growth in Germany — The German pharmacy market is subject to structural growth in the mid-single-digit percentage range, primarily in the prescription part of the market, with a value of around EUR 58 billion in 2024[1]. The market share of EU-foreign online pharmacies for prescription medicines is around 1 per cent[1], while the market share of all online pharmacies for over-the-counter medicines is around 25 per cent[2,3,4].

E-prescription quickly established — More than 500 million[5] electronic prescriptions had been redeemed by 31 December 2024. The e-prescription has thus largely replaced the paper prescription for prescribing finished medicinal products in a very short time and has become an integral part of healthcare in Germany. In 2024, the physical health card was the most frequently used method of redeeming prescriptions. However, due to the further development of the mobile use of the eGK based on a technological solution developed by DocMorris, online pharmacies and pharmacy platforms were able to offer a fully digital solution for e-prescription redemption in the course of the year with gematik's eHealth-CardLink product – without an eGK PIN. Since the introduction of CardLink solutions, EU-foreign online pharmacies have increased their market share in the prescription medicines sector from 0.8 per cent at the end of 2023 to 1.2 per cent in the third quarter of 2024[1].

1 Federal Ministry of Health: Financial results of the SHI system 1st – 3rd quarter 2024 (CW45)
2 IQVIA™ Market Report, Performance of the German Pharmaceuticals Market in 2024
3 Insight Health, OTC pharmacy market developtment December 2024
4 ABDA, Zahlen, Daten, Fakten 2024
5 gematik TI dashboard

European Health Data Space — On 15 March 2024, the European Parliament and the Council of the European Union reached a political agreement on the Commission's proposal for a European Health Data Space (EHDS). On 24 April 2024, the Parliament adopted the regulation to improve cross-border access to healthcare. The Council's approval followed on 21 January 2025, meaning that EU citizens will be able to use e-prescriptions, electronic patient records and other healthcare data across EU borders in the future. The cross-border use of telemedicine will also be facilitated. With the EHDS, online pharmacies are explicitly mentioned in EU legislation for the first time, thereby recognising the importance of online pharmacy services and telemedicine services. After the legislation came into force in February 2025, the EU member states are now starting the gradual implementation. The EU-wide exchange of health data is expected to be possible from 2028 onwards.

Act to Accelerate the Digitalisation of the Healthcare System — The Act to Accelerate the Digitalisation of the Healthcare System (Digital Act – DigiG) came into force on 26 March 2024. A central component of the law is the establishment of the electronic patient record (ePA = elektronische Patientenakte) for everyone, which will be rolled out for people with statutory health insurance from the beginning of 2025. By linking it to the e-prescription service, the ePA will provide those with statutory health insurance with a digital medication overview. The law also removes the limit on video consultations to a maximum of 30 per cent of doctors' working hours. Telemedicine is therefore an integral part of the healthcare system in Germany.

Act on the Improved Use of Health Date — The Health Data Use Act (GDNG) also came into force on 26 March 2024. The aim of the Act is to make health data accessible for research. A decentralised health data infrastructure is intended to make it easier to use health data for public welfare purposes.

Pharma Legislation — On 10 April 2024, the European Parliament adopted its position on the EU pharmaceutical reform. The legislative package was adopted by a large majority. The revision of EU pharmaceutical legislation is intended to create a more dynamic and flexible legal framework that is better tailored to the needs of the population and companies. The aim is to make medicinal products more accessible, affordable and innovative. As a next step, the member states will finalise their position in the Council of the European Union so that negotiations between institutions can then begin. The reform is not expected to enter into force before 2027.

Act to strengthen healthcare provision in the community — On 28 June 2024, the German Bundestag held its first reading of the Act to Strengthen Healthcare Provision (GVSG). The federal government's draft bill aims to improve the services available to patients and relieve the burden on doctors. The reform of outpatient medical care includes a change in the remuneration system for patients with minor chronic illnesses who do not require a high level of care from a quarterly to a cross-quarter logic. Doctors no longer have to order these patients into the practice every quarter in order to receive their remuneration and can increasingly issue multiple prescriptions for their longer-term drug treatment. These repeat prescriptions will also make it easier for online pharmacies to care for chronically ill patients with continuous medication. A prescription subscription service automatically delivers medication directly to the patient's home on a quarterly basis. This saves time and effort and ensures a seamless supply of important medication. Due to the break-up of the governing coalition, the GVSG was no longer passed in its entirety. However, important components such as the de-budgeting of GP remuneration and the cross-quarter flat rate for chronic illnesses were still passed by the Bundestag on 31 January 2025 shortly before the election and are expected to come into force in March 2025.

Pharmacy Fee and Pharmacy Structure Reform Act — On 14 June 2024, the Federal Ministry of Health presented the draft bill for a Pharmacy Fee and Pharmacy Structure Reform Act (Apotheken-Reformgesetz – ApoRG). The aim of the draft was to modernise and secure nationwide supply in the long term.

The fixed fee that pharmacies receive for each medicine pack was to be increased in two stages from Euro 8.35 to Euro 9.00 by 2026. To finance this, a reduction in the variable remuneration from the current three per cent of the pack price to two per cent was planned. An increase in fixed remuneration will strengthen the economic foundation of pharmacies. However, the reduction in the percentage share does not have a clearly recognisable steering effect in favour of securing the provision of care in the area.

The draft also envisaged making the rules for pharmacy operations more flexible and promoting efficient forms of care. Telepharmacy was to be integrated into the pharmacy operating regulations, video counselling of patients from the pharmacy was to be made possible and a pharmaceutical video consultation between pharmacists and pharmaceutical technical assistants (PTAs) in different locations was to be permitted.

DocMorris took the draft as an opportunity to campaign for a consistent reform of the pharmaceutical supply system in October 2024. The position paper "Telepharmazie: Schlüssel zur flächendeckenden Versorgung" ("Telepharmacy: the key to nationwide coverage") shows how the opportunities of digitalisation can be used, the system modernised and nationwide coverage secured in the long term. Only the consistent integration of telepharmacy as a second strong pillar of pharmaceutical care into standard care can ensure the quality of care in the long term. This must take place in a way that is open to technology and free of discrimination and equal under social law.

Draft law to strengthen heart health — On 6 November 2024, the first reading of the Healthy Heart Act (GHG) took place in the German Bundestag. The bill focussed on improving the early detection and care of cardiovascular diseases. Pharmacies should be more involved in the screening and prevention of cardiovascular diseases and tobacco-related diseases. The range of pharmaceutical services should be expanded for this purpose and corresponding low-threshold counselling services should be established in pharmacies.

Break-up of the governing coalition in Germany – On 6 November 2024, the "traffic light coalition" consisting of the SPD, BÜNDNIS 90 / DIE GRÜNEN and the FDP broke up in Germany. Healthcare laws, such as parts of the Healthcare Reinforcement Act, the pharmacy reform or the Healthy Heart Act, which had not yet been fully passed by the Bundestag and Bundesrat, fell under discontinuity due to a lack of majorities. The legislative process initiated will not be continued after the election. Projects must be completely reintroduced into the legislative process if a new government wishes to take them up. New elections were held on 23 February 2025. DocMorris is monitoring the formation of the government and analysing the coalition negotiations.

The next German government faces the task of reforming the healthcare system to make it fit for the future. Rising costs in statutory health insurance, a shortage of skilled labour and the decline in pharmacies are jeopardising nationwide care. At the same time, the number of chronically ill people and those in need of care is increasing. DocMorris is therefore calling for a consistent reform of the healthcare system after the 2025 Bundestag elections that focuses on digitalisation and the efficiency and quality of telepharmacy as key approaches to solving the problems. A position paper on the Bundestag election focuses on equal regulatory treatment and remuneration of online pharmacies and on-site pharmacies as well as the promotion of hybrid care models and patient-specific solutions.

Business performance

With an increase of 6.9 per cent in local currency, DocMorris generated external revenue[1] of CHF 1,022.0 million in Germany in 2024. The over-the-counter (OTC) business recorded growth of 6.7 per cent in local currency in 2024, while the Non-Rx business, consisting of the OTC business, services and TeleClinic, achieved a positive operating result at EBITDA level. Despite market challenges, the turnaround in prescription solutions was achieved with sales growth in 2024 of 2.1 per cent in local currency and a tripling of new Rx customers compared to the previous year. Adjusted EBITDA was minus CHF 47.2 million (previous year: minus CHF 31.8 million). TeleClinic doubled its revenue compared to the previous year to around CHF 11 million with a substantial positive EBITDA contribution.

New advertising campaign — With the nationwide introduction of electronic prescriptions, DocMorris launched a new cross-media advertising campaign for e-prescriptions in January 2024. Digital applications are already part of everyday life for many people. E-prescriptions, on the other hand, were still new to many patients at the beginning of the year. Under the claim “Apotheke, einfach verlässlich” (“Pharmacy, simply reliable”), the fictitious Gesundberg family showed in short TV adverts how easy it is to redeem an e-prescription or order over-the-counter products from DocMorris. The campaign was supplemented by various online and social media activities and integrated into DocMorris’ own media.

Offering in the healthcare ecosystem grows — TeleClinic continued its profitable growth as Germany’s leading telemedicine provider in 2024. Over 3,200 registered doctors actively using the technical platform treated over 1.3 million cases. Around 75 per cent of patients who use TeleClinic do not have access to a GP. TeleClinic is an important pillar in DocMorris’ healthcare ecosystem, which is also being further expanded with patient-specific services for chronic diseases. Its growth confirms the healthcare ecosystem strategy.

In February 2024, TeleClinic entered into a partnership with Europe’s largest mobility club ADAC for easier access to digital healthcare. In cooperation with ADAC, TeleClinic developed an app integration that enables its more than 21 million members to access telemedical services from doctors based in Germany at any time and throughout Germany. This includes consultations, electronic sick notes and prescriptions. With a high degree of flexibility, TeleClinic works with partners to design seamless integrations in order to drive digitalisation in the healthcare system. As a white or grey

1 External revenue consists of the consolidated revenue of DocMorris plus online revenue of pharmacies supplied by DocMorris, less consolidated revenue for supplying them.

label, the content and functions of TeleClinic's telemedicine platform can be implemented in other applications. Further co-operations in this area were concluded with numerous statutory health insurances in 2024.

gematik approval for e-prescription solution — On 10 April 2024, DocMorris was the first provider to successfully complete the process for product and provider approval for the fully digital redemption of e-prescriptions via the electronic health card (eGK = elektronische Gesundheitskarte). gematik thus confirmed the suitability of DocMorris' eHealth CardLink procedure in terms of security and data protection. The security measures implemented go far beyond those of the on-site solution. From 17 April 2024, customers were able to retrieve, read and fully digitally redeem their e-prescriptions easily, quickly and securely via smartphone using the DocMorris app and their eGK. The dynamic development in the Rx business shows that customers greatly appreciate the simple prescription redemption via the DocMorris app and next working day delivery. This is also reflected in the strong growth in the number of new Rx customers. The new redemption channel for e-prescriptions makes it possible to provide even better care for chronically ill patients with long-term medication.

In December 2024, the DocMorris app and its fully digitalised redemption process for e-prescriptions won the App Growth Awards 2024. The awards are the annual barometer for the global app growth and marketing ecosystem. DocMorris impressed the international jury in the "Health & Fitness" category. The prize in this category is awarded for app marketing and growth campaigns in the field of health and fitness apps.

Launch of the loyalty programme — DocMorris introduced an attractive customer loyalty programme in June 2024. It makes shopping at DocMorris even more rewarding and offers many benefits. Points can be collected automatically with every over-the-counter online order and later converted into discounts. Customers receive at least 10 points per euro of order value, and even 15 points in the app. From 1,000 points – equivalent to one euro discount – the points can be redeemed in the shopping basket at DocMorris.

Expansion of the retail media offering — In July 2024, dmr Advertising, the 360° retail media unit of DocMorris, and Criteo further expanded their existing cooperation. They were one of the first providers in the DACH region to offer customers a comprehensive full-funnel advertising offering with the introduction of native video ads. This innovative format enables advertisers to increase the visibility of their brand among consumers at the beginning of the purchasing decision process and thus increase the number of visitors to their products at DocMorris.

Step towards increasing efficiency — In October 2024, DocMorris announced the closure of the Zur Rose Pharma logistics centre in Halle (Saale). The online customers of the Zur Rose pharmacy will be supplied with over-the-counter and prescription medicines on request by the DocMorris pharmacy from the logistics centre in Heerlen. In agreement with the owner of the Zur Rose brick-and-mortar pharmacy in Halle, DocMorris closed its Zur Rose

Pharma GmbH service location there on 31 December 2024. With the closure of the Halle site and the discontinuation of the 'Zur Rose' brand, DocMorris has successfully completed its break-even programme.

Accelerating the retail media business with LiveRamp – In October 2024, dmr Advertising announces a strategic partnership with LiveRamp, the leading data collaboration platform, to accelerate its retail media business and take the retail media network to the next level. The goal of the collaboration is to enhance advertisers' activation capabilities across the entire digital advertising ecosystem, including major social media platforms, connected TVs and wherever consumers spend their time. Advertisers utilising DocMorris' network will be able to better reach and engage their customers to improve their marketing results.

Segment Europe

Business performance

DocMorris generated revenue of CHF 63.1 million in the southern European marketplace business which corresponds to a growth of 3.6 per cent in local currency year-on-year. This is a positive trend shift, now returning to growth with a new model focused on attracting profitable customers. Optimisation of the marketing mix expenditure, consolidation of the loyalty programme and the launch of direct sourcing for more than 690 brands in the platform have significantly improved the result. The loyalty programme allows participants to collect points for their purchases and redeem them on their next purchase. Through direct sourcing, most brands offer attractive discounts and exclusive campaigns. These measures led to an adjusted EBITDA improvement from minus CHF 3.0 million to minus CHF 1.4 million.

Change of legal landscape for marketplace platform — During 2024, the European Court of Justice (ECJ) ruled on pharmacy platforms regarding OTC products. The ruling was in DocMorris favour: Platforms through which pharmacies sell OTC are generally permitted and may not be prohibited by the Member States. This will enable to use the DocMorris platform in countries where only BPC products are sold, such as Spain and France, and connect local pharmacies directly to patients that need to have access to OTC medicines. This opens up a new OTC platform business opportunity in European member states where DocMorris is not selling OTC products yet.

First private label cosmetics line with sun protection products — During 2024 the number of own-branded products increased up to 91. DocMorris also introduced its first-ever private-label cosmetic line, focusing on solar protection products. This exciting addition to the portfolio includes a range of high-quality sunscreens designed to meet the highest standards of skin care and UV protection. These products not only offer effective sun protection but also provide an affordable, high-quality alternative to other branded options. The solar protection line reinforces DocMorris' commitment to providing its customers with value, innovation and accessibility. The launch of this cosmetic line marks an important step in strengthening the DocMorris brand and diversifying its product offerings.

AI technology boosts productivity and enhances operations across the Group — The use of artificial intelligence (AI) has significantly improved productivity at DocMorris throughout 2024. AI-driven systems are being employed across various processes, including content creation, customer service and data analysis. These advanced tools enable better forecasting, faster issue resolution and more relevant information given to the consumer. By leveraging AI, DocMorris continues to optimise its operations, enhance efficiency and deliver exceptional value to customers. This strategic integration of cutting-edge technology aligns with the company's goal of staying at the forefront of innovation while improving the overall customer journey.

Sustainability Report

Preparation for the new sustainability reporting requirements

The EU Corporate Sustainability Reporting Directive (CSRD) with its new European Sustainability Reporting Standards (ESRS) provides companies and their stakeholders with higher transparency, consistency and standardisation in sustainability reporting.

DocMorris has decided to take a first step towards aligning with these new standards and volunatarily reports largely in accordance with ESRS for the 2024 reporting year. DocMorris' aim was to adopt the ESRS structure as far as possible in order to be well prepared for the upcoming reporting years when ESRS application is mandatory.

ESRS 2 General

General basis for preparation

Framework

Starting with the 2024 report, the sustainability report is disclosed in accordance with the European Sustainability Reporting Standards (ESRS) of the EU Corporate Sustainability Reporting Directive (CSRD). By applying these standards and with the first-time preparation of a TCFD report (can be found at the end of the Sustainability section), DocMorris also complies with the reporting requirements on non-financial matters under Articles 946a-c of the Swiss Code of Obligations.

In line with DocMorris' efforts to improve governance around sustainability, the company's reporting process is continually evolving to integrate new regulations and best practices. Emissions calculations are performed in-house using a bespoke model based on the principles of the Greenhouse Gas Protocol. DocMorris' cross-functional Sustainability Working Groups contribute significantly to the qualitative data for this report.

The data reported covers the calendar years 2024, 2023 and 2022. It includes actual data and best estimates where data was not yet available as of the reporting date. In 2024 the data collection scope was expanded to include activity data from the distribution centre located in Hilter, Germany. To make prior year data comparable, 2023 has been fully restated and 2022 has been restated to the extent possible.

Scope 1 includes only fuels from the company's own vehicles and fugitive emissions from cooling machinery. Scope 2 includes only GHG emissions from electricity and heat and were calculated using both the location-based and market-based approaches. Unlike operational emissions within scopes 1 and 2, scope 3 emissions cannot be measured in their entirety. They often involve a significant amount of estimated or modelled data based on company-specific assumptions, because these are emissions from third parties. DocMorris constantly improves its methodology and accuracy of reporting.

Further details about scope, data collection and KPI measurement methodology can be found in the appendix "Sustainability KPI accounting methodology".

Estimate, judgement and restatement principles

Some data points in DocMorris' sustainability reporting are subject to estimates, judgements or adjustments. The methodology and selected KPIs are reviewed on a regular basis to reflect developments in business priorities, regulatory requirements, industry best practices and standards, and stakeholder feedback. As the sustainability reporting requirements and methodology continue to mature, management will continue to make judgement calls on whether restatements are meaningful and justified. DocMorris is committed to transparently identifying restatements, explaining any changes in methodology and, when possible, applying the changes to the prior reporting period to facilitate comparability.

Strategy, business model and value chain

DocMorris' commitment to health and wellbeing determines how the company views its role in contributing to a sustainable future. It develops and implements measures in these fields, seeking intersections and holistic approaches that foster wellbeing for both people and the planet. These include responsible economic activities, social responsibility, environmental protection, and ethical business conduct – all of which are critical for maintaining the company's position as a responsible citizen.

The sustainability strategy is part of the business strategy that identifies the topics where DocMorris has a considerable impact on society and the environment and, conversely, sustainability topics that have a significant influence on the company's overall success. It also determines how DocMorris approaches and manages its material topics, which lie at the heart of the company's sustainability endeavours. DocMorris considers it crucial to regularly review its strategic positioning to redefine targets and to swiftly adapt to changes. This includes considering the requirements of the capital market, customer expectations and digitalisation of the business. New legislation, product and service innovations and the ongoing development of communication channels also require a high degree of flexibility, foresight and adaptability.

For information about products, markets and customer groups, please refer to the section "Business Fields" of the 2024 Annual Report.

Products are manufactured by suppliers and then purchased and later sold by DocMorris. The company currently does not provide any products or services which are banned in the respective region of the company's product or service offering. The revenue breakdown for the segments Germany and Europe, both operating in the healthcare and services sector, can be found in the note 6 "Operating segments" of the Notes to the Consolidated Financial Statements in the Annual Report 2024.

The upstream value chain comprises a variety of Rx (prescription drugs), OTC (over the counter) and BPC (beauty and personal care) product manufacturers, which can be pharmaceutical companies, fast-moving consumer goods manufacturers or businesses focusing on producing food supplements, many of which are family-owned. DocMorris seeks to secure procurement by building long-term partnerships. The downstream value chain involves third-party distributors, who deliver ordered parcels to the customer's desired location. Order processes usually take place online and often involve the DocMorris app. TeleClinic, the DocMorris Marketplace as well as the businesses in the Europe segment provide online platforms that connect suppliers of medical goods and services to patients and customers. Additional revenue is generated via advertising services (especially retail media). The business activity not only benefits patients and customers related to health but also secures employment and is expected to deliver returns to investors.

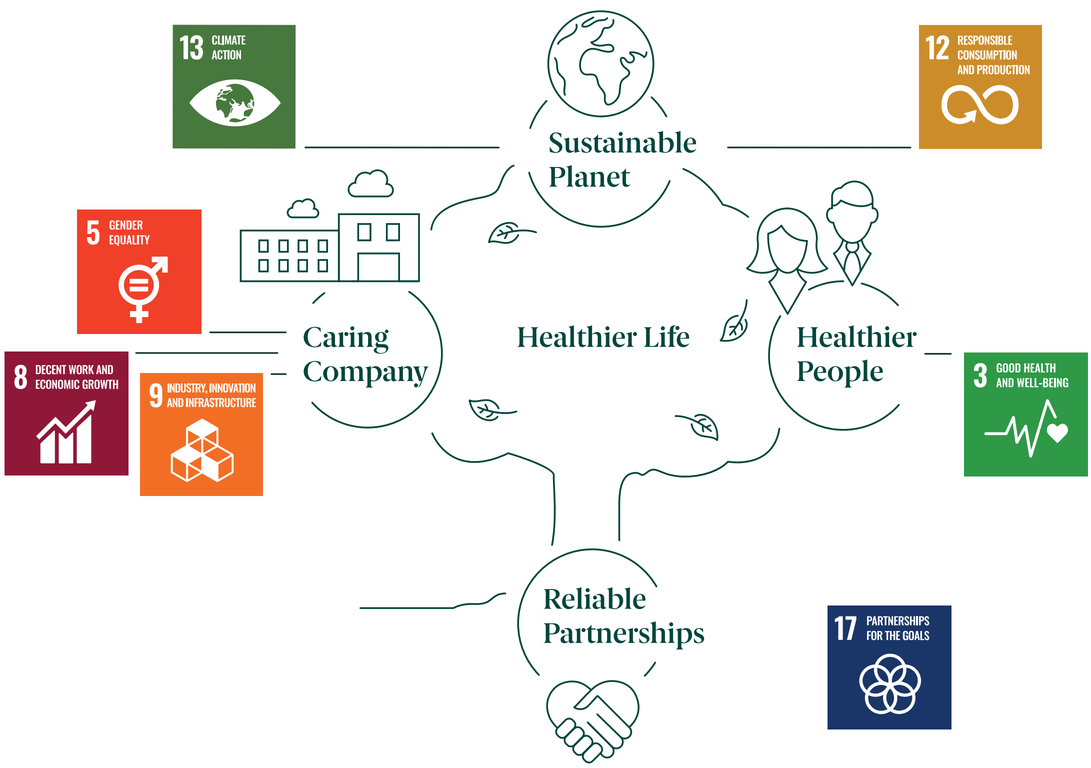
Committed to the Sustainable Development Goals (SDGs)

DocMorris' sustainability strategy is inspired by and aligned with the United Nations' Sustainable Development Goals (SDGs), which were developed as a global blueprint to achieve a better and more sustainable future for all. While all 17 SDGs are related to the company's activities and impact, the company has identified seven that are most closely linked to the pillars of its sustainability strategy:

- SDG 3 Good Health and Well-Being
- SDG 5 Gender Equality
- SDG 8 Decent Work and Economic Growth
- SDG 9 Industry, Innovation and Infrastructure
- SDG 12 Responsible Consumption and Production
- SDG 13 Climate Action
- SDG 17 Partnerships

DocMorris is also committed to the United Nations Global Compact (UNGC), the world's largest corporate sustainability initiative with a mission to help companies align their strategies and operations with universal principles relating to human rights, labour, the environment and anti-corruption.

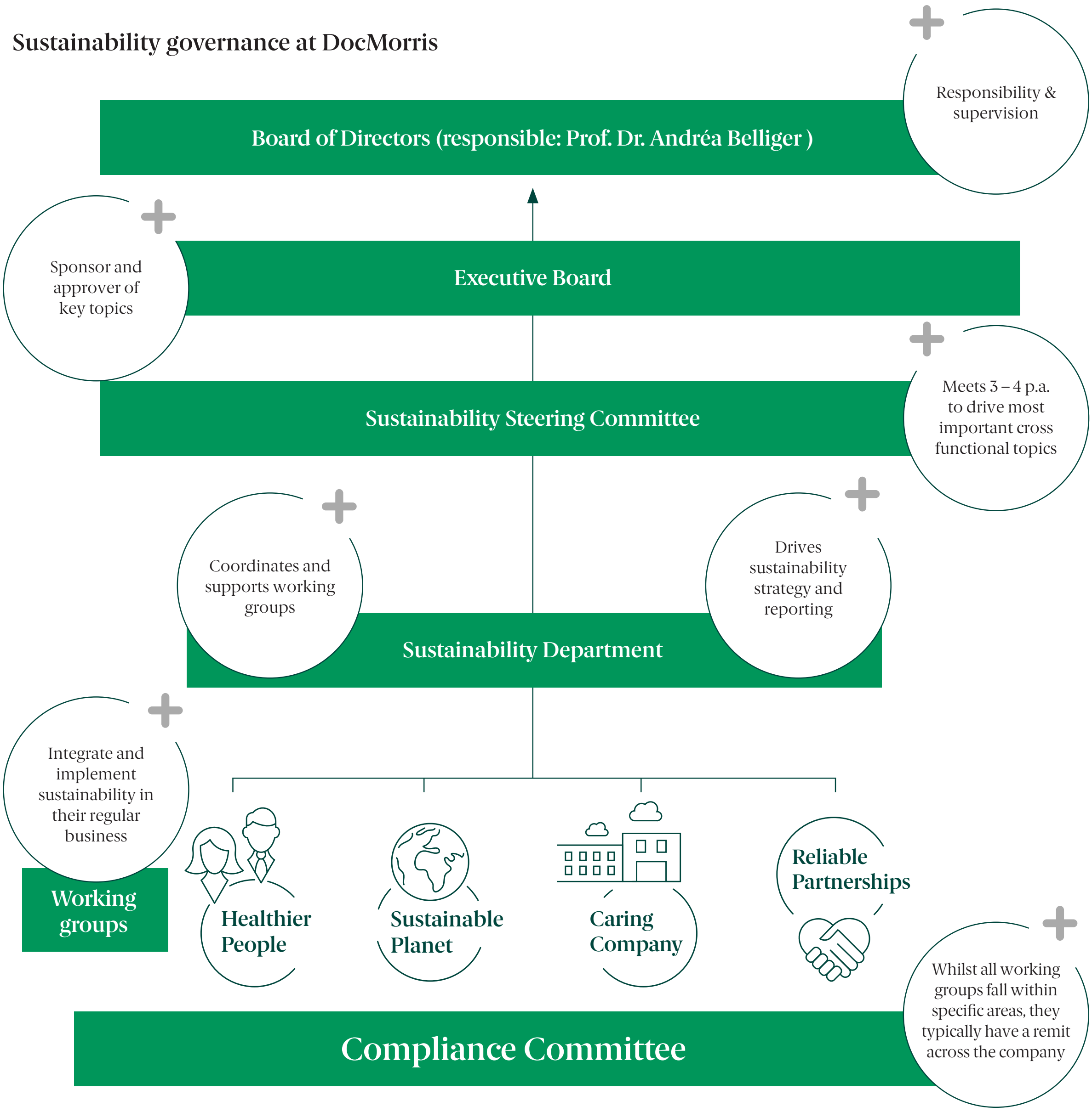
In 2022, DocMorris handed in its first Communication on Progress (CoP) and reiterated in its Letter of Commitment to support public accountability and transparency and to report annually on the progress made regarding the implementation of the Compact's Ten Principles. The latter are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.



Sustainability governance

Overall responsibility for the sustainable development of DocMorris lies with the Board of Directors and the Executive Board. Since 2023, Prof. Dr. Andréa Belliger is responsible for Sustainability within the Board of Directors. DocMorris uses its Sustainability Steering Committee as a group-wide cross-sectional coordination body to link governance to business. The Sustainability Steering Committee reports on a regular basis on important developments to the Board of Directors and the Executive Board (i.e. regularly at the Executive Board meeting and Board of Directors meeting, additional meetings with selected members of the Board of Directors and Executive Board). As part of the materiality assessment, the material topics were presented to and approved by the Executive Board and the Board of Directors. The Executive Board and Board of Directors approve the sustainability report before publication.

Sustainability governance at DocMorris



The Sustainability department drives the strategy and reporting as well as coordinates and supports the working groups in implementing sustainability topics in their day-to-day work across the four key pillars: Healthy People, Caring Company, Sustainable Planet and Reliable Partnerships. The Sustainability department reports directly to the Executive Board.

The Sustainability Steering Committee is chaired by the Head of Sustainability. It meets around four times a year to drive the most important cross-functional topics, to ensure collaboration and provide inspiration. It defines priorities, specifies guidelines and recommends initiatives to the Executive Board. Within their respective areas of responsibility, each Board member is responsible for sustainability. In 2024, the Sustainability Steering Committee met four times, with each meeting lasting approximately one hour.

Statement on sustainability due diligence

Core elements of due diligence	Sections in the sustainability statements	Page
a) Embedding due diligence in governance,strategy and business model	ESRS 2 General Corporate Governance	26, 27 102, 103
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 General ESRS S1 Own Workforce ESRS S4 Consumer and end user	37 – 39 55 67, 68
c) Identifying and assessing adverse impacts	ESRS 2 General	28 – 36
d) Taking actions to address those adverse impacts	ESRS E1, E2, E5 Climate Change, Pollution and Circular Economy ESRS S1 Own Workforce ESRS S2 Workers in the value chain ESRS S4 Consumer and end user ESRS G1 Business conduct	42 – 53 54 – 64 65, 66 67 – 72 73 – 76
e) Tracking the effectiveness of these efforts and communicating	Sustainability Targets ESRS E1, E2, E5 Climate Change, Pollution and Circular Economy	40, 41 45, 46

Double materiality assessment

Introduction

In preparation for sustainability reporting in accordance with CSRD and as a foundation of sustainability at DocMorris, the company carried out a double materiality analysis in 2024.

For this analysis, DocMorris used its experience from the last materiality analysis in accordance with the GRI standard, that was carried out in 2021, combined with the guidance provided by the EFRAG. A process, a scoring matrix and a model for aggregation and prioritisation were gradually developed. All ESRS standards have been interpreted to the best of the company's knowledge.

DocMorris is convinced that the results described below provide a true and fair view of the impacts, risks and opportunities. Nevertheless, DocMorris can optimise the DMA process and methodology by regularly reviewing it and by learning from other companies.

For the analysis, the company chose the top-down approach described by EFRAG and focused on the topics specified by the ESRS standards. DocMorris added its own topics to this list, which are of sector-specific importance and some of which have been categorised as material. However, their content is already included in the ESRS topics, which is why they are no longer included separately in the text.

Assessment Process

The assessment process was carried out considering the entire value chain (upstream, own operations and downstream). Colleagues from the segments and the Group were involved in both assessments, resulting in an evaluation of the impacts, risks and opportunities for the entire Group.

As part of the impact assessment, colleagues from eleven departments with in-depth insights into the relevant stakeholder perspectives were selected to determine the key impacts of DocMorris as stakeholder representatives. After an introduction, the impact assessment was carried out by each stakeholder individually and the results were summarised afterwards. DocMorris also interviewed an expert from the NaBu (Naturschutzbund) for the environmental stakeholder group to ensure that this important stakeholder group was also considered. For the financial assessment, the financial risks and opportunities were determined within a workshop with employees from Sustainability, Finance and Controlling.

Based on these assessments a draft materiality matrix was created and presented initially to the Sustainability Steering Committee for discussion and approval, and after that to the Executive Board and Board of Directors for final validation.

Scoring Approach

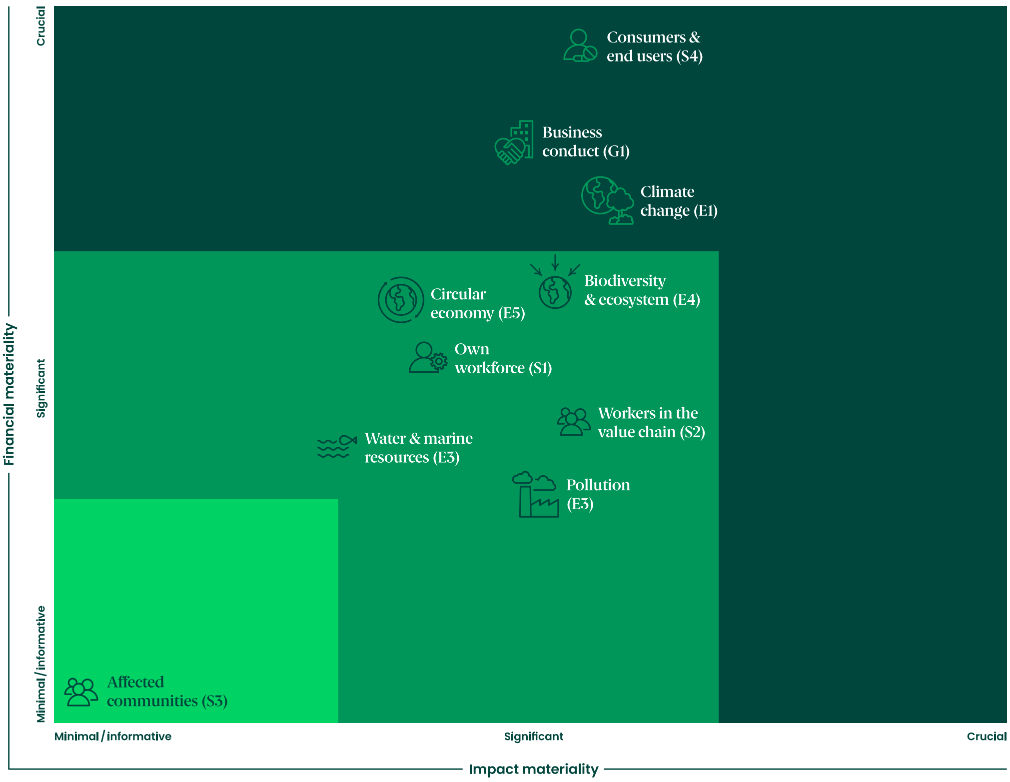
The materiality assessment's scoring methodology was undertaken in accordance with the requirements in ESRS and alongside the GRI standards.

For impact materiality the following criteria were considered: scale, scope, irremediability, and likelihood of impacts based on whether an impact is positive / negative and actual / potential. For financial materiality the following criteria were considered: financial magnitude of risk / opportunity and likelihood of the financial effect. Qualitative assessments were made for both impact and financial materiality due to the immaturity of quantifiable assessments.

To determine the materiality of the topics, the impact scores were added up in the same way as the risk and opportunity scores. Threshold values were defined for both assessments, which, if exceeded, set the materiality of a topic.

Once the results were determined, the governance bodies were given the opportunity to review the results and adjust the scores.

Outcome



The following table lists the sustainability-related impacts, risks and opportunities DocMorris has identified and assessed as material. As shown in the matrix above, eight out of ten ESRS Standards are material to DocMorris. Each material ESRS sub-topic is presented in the following table.

Topic	Description	Value chain	Impact, risk, opportunity
E1 Climate Change			
Climate change is one of the most material topics for DocMorris due to its impact on both our own operations as well as our entire value chain.			
Climate change adaption	The physical risks posed by climate change are real and were evaluated by DocMorris for the first time in a climate risk assessment to derive further measures.	Upstream (U), Own Operations (O), Downstream (D)	Mid-term risk
	Preparing for acute and chronic climate-related risks can not only be a protection but also an opportunity to grow in business. This can be an opportunity for DocMorris, especially when looking at climate-related changes in disease patterns.		Mid-term opportunity
Climate change mitigation	DocMorris' measures to mitigate climate change, particularly in its own operations but also in the value chain, can have a major impact.	U, O, D	Actual positive impact
Energy	With highly automated logistics, energy consumption is one of the biggest contributors to DocMorris' carbon footprint and therefore a major impact.	U, O, D	Actual negative impact
	The high consumption poses a financial risk if savings measures are not implemented. In addition, the short-term use of green energy may result in higher costs.		Short-term risk
E2 Pollution			
In view of the value chain, the production of drugs and the logistics, air pollution is also a material issue.			
Pollution of air	DocMorris has an impact on the state of the air within the entire value chain, but also in its own operations through the manufacture of products and packaging as well as logistics.	U, O, D	Actual negative impact
	The state of the air has a high impact on people's health and therefore also on the health of DocMorris employees, who in turn have a direct influence on the company's performance.		Long-term risk
	Poorer air quality is likely to lead to a greater number of respiratory illnesses and thus has an impact on product development and sales.		Long-term opportunity
E4 Biodiversity and ecosystem			
Impacts on the extent and condition of ecosystem	As a pharmacy, DocMorris is dependent on the production of medicines which require raw materials that also depend on a healthy and vital environment for their production.	U, O	Long-term risk

Topic	Description	Value chain	Impact, risk, opportunity
E5 Resource use and Circular Economy			
As a mail order company, packaging material is one of the most important components of the business and therefore circular economy is highly material topic for DocMorris.			
Resource inflows, including resource use	Resources are consumed and used as soon as they are delivered to DocMorris. . The company works together with its partners on the type of material used and the use of reusable packaging to contribute to a circular economy.	U, O	Actual negative impact
	Shortages are a concrete risk in terms of the company's ability to deliver, but also as a cost factor.		Short-term risks
	Due to size and scalability, DocMorris has the ability to secure materials and remain able to deliver in the event of shortages.		Short-term opportunity
Resource outflows related to products and services	Resource scarcity and price increases play a role in the future. Reusability and reduction are key goals.		Mid-term risk
Waste	With its operations and resource inflows, waste is material for DocMorris.	U, O, D	Actual negative impact
S1 Own Workforce			
For DocMorris, our own workforce is vital to our survival; compliance with human rights and additional measures that create a healthy environment for our employees are a basic requirement for us.			
Secure employment	Lack of motivation and the departure of workers due to short-term contracts or uncertainty leads to poor performance.		Short-term risk
	Certainty about the employment contract contributes to employee loyalty and helps recruit talent.		Short-term opportunity
Working time	As a central element of labour rights, compliance with the regulations on working hours is a matter of course for DocMorris. Compliance with rest and leisure time is essential for a healthy working environment and satisfied employees.	O	Actual positive impact
	In a competitive working environment and high cost pressure, the risk of a negative influence on working hours is always present. DocMorris tries to work against this with different instruments.		Actual negative impact
Adequate wages	As an online mail-order pharmacy, DocMorris is in a competitive environment. Paying adequate wages is therefore crucial to retain talent. DocMorris pays its employees in line with the market and will continue to do so in future.	O	Actual positive impact
	High turnover and the associated recruitment costs as well as cost pressure due to lack of skilled workers represent a financial risk.		Mid-term risk
Social dialogue	Growing dissatisfaction due to poor communication and dialogue leads to a higher fluctuation rate and therefore to a financial risk.		Mid-term risk
	High appreciation and early response to problems and grievances makes DocMorris an attractive employer.		Mid-term opportunity

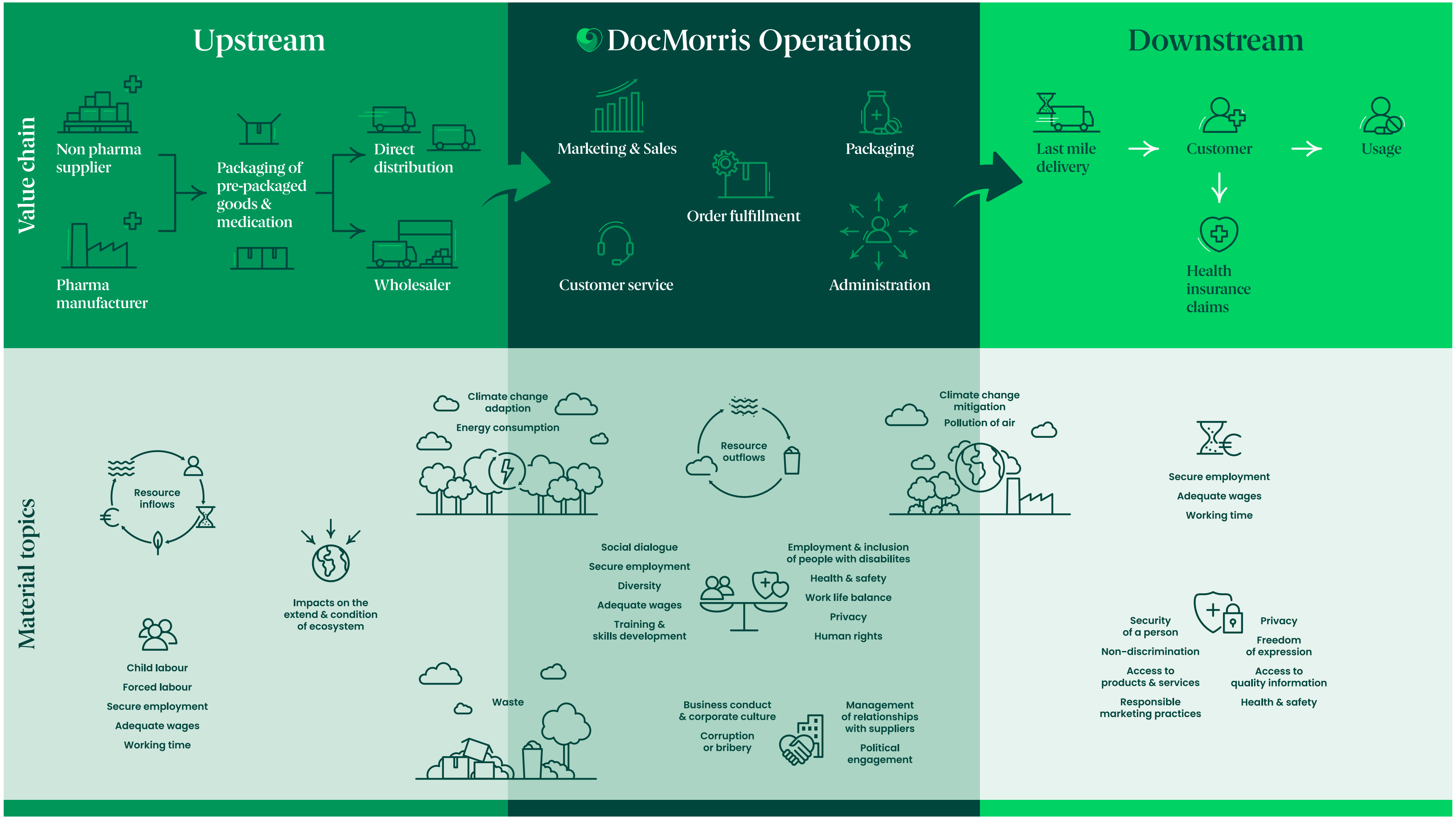
Topic	Description	Value chain	Impact, risk, opportunity
Work-life balance	Motivated, satisfied and balanced employees are very important for the success of DocMorris. We therefore endeavour to achieve a good work-life balance for our employees.	O	Actual positive impact
	Overworked workers are less motivated and more likely to be absent due to illness. This has a negative impact on performance.		Short-term risk
	Satisfied and balanced employees are motivated and contribute enormously.		Short-term opportunity
Health and safety	As a company associated with logistics, health and safety are part of our daily work. Only healthy and protected employees can make the contribution that is so important to us, which is why we are constantly improving our measures.	O	Actual positive impact
Gender equality and equal pay for work of equal value	With an empathetic and caring culture, we strive for equality between all genders. We are therefore working to create an inclusive, equal and equitable workplace for everyone. This also includes equal pay.	O	Actual positive impact
	Not taking gender equality into account also means that you can use a smaller talent pool and damage reputation.		Mid-term risk
	Measures to achieve gender equality attract talent and lead to a role model as an employer.		Mid-term opportunity
Training and skills development	DocMorris endeavours to constantly develop its employees and at the same time motivate them and give them the opportunity to learn.	O	Actual positive impact
	Training and skills development improve employee's knowledge and performance.		Mid-term opportunity
Employment and skills development	With an empathetic and caring culture, we want to help ensure that every employee has their place and feels secure and valued. We are therefore working to create an inclusive, equal and equitable workplace for everyone.	O	Actual positive impact
	No further development of existing employees leads to a competitive disadvantage		Mid-term risk
	Through the further development of existing employees, there is a growth in knowledge in the own company. This can lead to a competitive advantage.		Mid-term opportunity
Employment and inclusion of people with disabilities	It is up to DocMorris to create an attractive working environment for people with disabilities and not to exclude anyone from work due to spatial or social circumstances.	O, D	Actual positive impact
Diversity	With an empathetic and caring culture, DocMorris wants to help ensure that every employee has their place and feels secure and valued. We are therefore working to create an inclusive, equal and equitable workplace for everyone.	O	Actual positive impact
	Not dealing with diversity and representation means a reputational damage internally and externally, as well as the leave of employees		Short-term risk

Topic	Description	Value chain	Impact, risk, opportunity
Privacy	Protecting the privacy of every employee and thus ensuring that all employees feel safe is very relevant for DocMorris.	O	Actual positive impact
	Discrimination against employees, for whatever reason, means reputational damage as well as the departure and problems with the acquisition of employees.		Mid-term risk
S2 Workers in the Value Chain			
As a pharmacy and retailer, DocMorris is dependent in many respects on good cooperation with partners and the high quality of their products and services. The workers in the value chain therefore also play a role for DocMorris.			
Secure employment	It is important throughout the value chain that employees have long-term employment and do not worry about their workplace.	U, D	Actual positive impact
Working time	Extended working hours can lead to fatigue and other health problems. This is common knowledge, especially in logistics, and we will discuss these issues with our partners.	U, D	Actual positive impact
			Actual negative impact
Adequate wages	Task and market-oriented pay also play an important role in the value chain for the livelihood of employees. We will discuss this with our partners in the future.	U, D	Actual positive impact
Health and safety	The health and safety of workers in the value chain is a valuable asset that DocMorris will address in future discussions with its partners so as not to jeopardise it.	U, D	Potential positive impact
			Potential negative impact
Gender equality and equal pay for work of equal value	Together with partners, DocMorris can manage to improve equal treatment and equal rights throughout the entire value chain.		Potential positive impact
Child labour	Child labour is an exclusion criterion for DocMorris when working with our suppliers. DocMorris checks the suppliers regularly for any risks regarding child labour.	U, D	Long-term risk
Forced labour	Forced labour is an exclusion criterion for DocMorris when working with our suppliers. DocMorris checks the suppliers regularly for any risks regarding forced labour.	U, D	Long-term risk
S4 Consumers and end-users			
Consumers and end users are enormously important for DocMorris' business and success. One of our core values is customer centricity, which is why this area is highly material.			
Privacy	As a mail-order pharmacy that deals with health data on a daily basis, the privacy of our customers is our greatest asset. That is why we set the highest standards of customer privacy and work every day.		Actual positive impact
	Poor and negligent handling of data privacy can lead to irreversible damage to a company's image and the immediate cancellation of customer orders, particularly in the healthcare sector. Penalties pose a further financial risk.		Short-term risk
	Precisely because health data is highly sensitive, transparent and trustworthy behaviour can be an image booster and thus create customer loyalty and a better customer lifetime value.		Short-term opportunity

Topic	Description	Value chain	Impact, risk, opportunity
Freedom of expression	DocMorris is constantly endeavouring to improve its services. Customer-centricity is one of our core values, which is why it is highly relevant for us that our customers have the opportunity to express themselves. This can be done via forums on the web or reviews as well as directly to our customer service by email or telephone.	U, O, D	Actual positive impact
	Publicly visible bad reviews and ratings lead to a loss of image and a loss of customers.		Short-term risk
	Publicly visible bad reviews and ratings lead to a better image and thus to new customers. In addition, criticism can be used to learn and improve things.		Short term opportunity
Access to (quality) information	As a mail-order pharmacy, we deal with sensitive products that are intended to improve the health of our customers but also have side effects and interactions. It is therefore particularly important for DocMorris not only to provide all relevant information in the shop, but also to provide customers with pharmaceutical information on side effects and interactions as well as instructions for use with every order.	U, O, D	Actual positive impact
	Access to good and qualitative product and therapy information can improve the therapy and health status of patients and therefore have a strong image-enhancing effect.		Short-term opportunity
Health and safety	The health and safety of our customers is our greatest priority. We work every day to support our customers in their therapy, and we do this with the highest pharmaceutical standards. This not only applies to the quality of the products	U, O, D	Actual positive impact
	As a pharmacy, it is essential to protect the health of our patients and to dispense medicines safely and responsibly. Failure to comply with these principles can lead to serious damage to our image as well as further action by authorities.		Short-term risk
	Good counselling and information can improve therapy and thus also the health of patients. We therefore also see this as an opportunity to improve ourselves on a daily basis.		Short-term opportunities
Security of a person	The security of a person is particularly important to us, especially when it comes to pharmaceutical safety and data security. We therefore work with the highest standards in terms of both data security and pharmaceutical safety.	U, O, D	Actual positive impact
	Ignoring the therapeutic or data-related safety of our patients can cause essential image damage, but also lead to further measures by authorities.		Short-term risk
	Good advice and transparent handling of data lead to a trusting relationship with the patient and thus high loyalty.		Short-term opportunity
Access to products and services	As a mail-order pharmacy, DocMorris creates access to healthcare for everyone. We constantly endeavour to facilitate access and, for example, enable people in rural areas or immobile people to access healthcare.	U, O, D	Mid-term opportunity

Topic	Description	Value chain	Impact, risk, opportunity
Responsible marketing practices	As an online mail order company that deals in sensitive products such as medicines, DocMorris is aware of its responsibility in the area of marketing. We therefore adhere to responsible and ethical marketing.	U, O, D	Actual positive impact
	Unethical marketing can lead to image damage and penalties.		Short-term risk
G1 Business Conduct			
Ethical business practices and good and healthy corporate governance are the basis of all our actions.			
Corporate culture	Our five culture principles are Customer and patient-centric, seeking consensus and Sharing ownership, Empathetic, Binding and agile, and Caring and competent. Working with these principles is part of our way of promoting a healthy corporate culture and drives us towards our shared goals.	O, D	Actual positive impact
	A culture that is not uniformly exemplified leads to frustration within the workforce and can result in poor performance or fluctuation		Mid-term risk
	A well-practised and authentic corporate culture is the basis for satisfied employees and their loyalty.		Mid-term opportunity
Protection of whistle-blowers	The protection of whistleblowers encourages and enables all stakeholders to speak up. We at DocMorris see this as an opportunity to make our business practices fair and transparent.	U, O, D	Short-term opportunity
Political engagement	Our lobbying activities and other means of exerting political influence have a positive impact on digitalisation of and access to the healthcare market.	U, O, D	Actual positive impact
	Extensive lobbying can lead to a loss of trust and reverse the positive impact.		Negative impact
	Without lobbying dialogue, this can lead to a misjudgement of the business model and working practices and thus to the loss of the business basis.		Short-term risk
	Through dialogue with decision-makers, a relationship of trust is created that leads to a better market and therefore also to good healthcare. It also makes it possible to prepare for possible regulation.		Short-term opportunity
Corruption and bribery	As DocMorris, we are committed to ethical business conduct and use our influence against corruption and bribery to minimise risks and to strengthen good cooperation with business partners.		Actual positive impact
	Cases of corruption and bribery can lead to a loss of reputation and fines		Short-term risk
Management of relationships with suppliers including payment and practices	Good management of suppliers, ensuring compliance with our code of conduct. We are committed to continuous improvement in our relationships with suppliers and business partners.	U, O, D	Actual positive impact
	Problems in business relationships can lead to delivery delays or non-delivery.		Mid-term risk
	Good and trusting work with suppliers leads to well-running operations and offers the opportunity to realise efficiencies.		Mid-term opportunity

Value chain overview



Interest and views of stakeholders

DocMorris strives to maintain a continuous and transparent dialogue with relevant stakeholders and to take their interest into account in corporate decision-making processes. Stakeholder dialogues take place in all segments of the company. The department or function that is in direct contact with the stakeholders is responsible for the respective stakeholder dialogue and therefore responsibilities are shared between the People, Investor Relations, Account Managers, Procurement and Logistics departments. The Head of Sustainability is responsible for building and managing the ongoing formal stakeholder dialogue on the topic of sustainability. Many fruitful interactions were held in 2024 with the company's shareholders, proxy advisers, sustainability experts and consultants.

DocMorris encourages an open dialogue with its most important stakeholders through continuous and transparent exchanges. Through the exchange of ideas, concerns and expertise, DocMorris factors in the contributions of all its constituencies to collectively scale sustainable development. DocMorris is aware of its responsibility to contribute to sustainable development and is committed to fostering a sustainable future together with its stakeholders.

Stakeholder	Organisation of engagement	Purpose and topics	Example of outcomes
Business partners	Individual meetings and Group meetings on common topics	— Ensure secure and reliable data protection — Product quality and safety, including instructions for storage and protected fast deliveries if required — Compliance with labour and human rights (in the company and with suppliers) — Future-oriented measures in the area of packaging materials / waste and climate protection	— New indication specific information campaigns and Ratgeber journeys — Development and launch of health app & DiGA Hub — LGBTQI+ Engagement and participation at Christopher Street Day
Investors	Regular exchange between investors, analysts and DocMorris Management and Investor Relations team	— Ensure secure and reliable data protection — Product quality and safety, including instructions for storage and protected fast deliveries if required — Compliance with labour and human rights (in the company and with suppliers) — Future-oriented measures in the area of packaging materials / waste and climate protection	— Outcomes not officially seen or disclosed — DocMorris sees share price development and trading volumes as indirect feedback — Some investors ask questions about sustainability strategy

Stakeholder	Organisation of engagement	Purpose and topics	Example of outcomes
Customers	Individual discussions on customer service, regular surveys on relevant topics, comments on popular digital platforms	— Ensure secure and reliable data protection — Product quality and safety, including instructions for storage and protected fast deliveries if required — Compliance with labour and human rights (in the company and with suppliers) — Future-oriented measures in the area of packaging materials, waste and climate protection, marketing	— Various outcomes from daily contacts, e.g. better quality of service and advice — Concrete marketing measures or adjustments to the shop resulted from questionnaires
Suppliers	Individual meetings, information on important developments by e-mail / intranet	— Business ethics and compliance — Reliable digital systems and data protection — Human rights in the supply chain	— Commitment Supplier Code of Conduct
Employees	Individual meetings, information on important developments by e-mail / intranet	— Corporate culture and attractive working conditions — Further development in the area of diversity, equal opportunities and equal treatment — Labour and human rights as a general prerequisite — Occupational safety and health protection — Talent development	— Creation of a new intranet due to increased demand for bundled information — Adaptation of the DocMorris Inside information format to the needs of employees (frequency, broader content)
Civil society / Nature	Regular exchange with various NGOs and patient associations	— Corporate Governance — Business ethics and compliance — Product quality and safety — Social and environmental assessment of suppliers — Environmental measures	— Discussing and working on Double Materiality Analysis
Politics	Regular exchange with political decision-makers and associations	— General health policy challenges — Regulation in the pharmacy market — Contribution of mail-order pharmacies to healthcare — Digitalisation in health policy — European cooperation in health policy and digitalisation	— Nationwide introduction of a fully digital, low threshold redemption option for e-prescriptions via NFC (Near Field Communication) of the health insurance card — In the European Health Data Space (EHDS) regulation, online pharmacies are explicitly mentioned in EU legislation for the first time, recognising the importance of online pharmacy services and telemedicine services

Stakeholder	Organisation of engagement	Purpose and topics	Example of outcomes
Press	Regular dialogue with the specialised and general press	— Engaged dialogue about the new fully digital option for redeeming e-prescriptions via DocMorris app and the electronic health card — Communication about new packaging for DocMorris, which saves material resources and minimises transport volume	— Engaged dialogue about the new fully digital option for redeeming e-prescriptions via DocMorris app and the electronic health card — Communication about new packaging for DocMorris, which saves material resources and minimises transport volume
Competitors / economic associations	Dialogue with competitors and various associations (digital associations, healthcare industry)	— Market regulation — Digitalisation — Market and business development	— Joint statements on regulatory issues
Physicians	Dialogue with doctors' associations and individual doctors	— Healthcare policy and — Digitalise healthcare and ePrescription	— Improving the documentation process — More transparency with regard to treatment remuneration

Sustainability targets

In order to strengthen responsibility at the highest level, for the first time in 2022 DocMorris set itself specific short-term, mid-term and long-term targets in each of the four strategic pillars. These targets are tied to short-term incentives (STI) of the Executive Board. The sustainability targets reflect the refined sustainability strategy with an enhanced focus on carbon footprint, diversity and inclusion and emphasise the strong commitment of DocMorris to act in a transparent and accountable manner. The main targets (see the table below) are complemented by further non-time specific additional targets that represent key areas of focus, thereby expanding and reinforcing the company's efforts and can be found in the respective chapters.

In 2024, DocMorris achieved almost all of its targets set for 2024 as shown in the tables below and set the foundations to achieve its mid- and long-term targets.

From 2025 onwards, the targets will no longer be assigned to the four strategic pillars of the sustainability strategy but will follow the ESRS guidelines and therefore be divided into Environment, Social and Governance sections.

Target achievements 2024 (short-term)

Target	Result / Explanation
Sustainable Planet	
We will reduce absolute CO_2e emissions at our sites by 4.2 per year (scopes 1 & 2)	✔ >67%, mostly due to renewable energy in segment Germany
Caring Company	
We will keep our adjusted gender pay gap at or below the current level of around 3%	✘ 4.5% reflecting a slight increase in the gender pay gap, target nevertheless remains at 3%
We will train >80% of our workforce in our core cultural principles	✔ Information, instruction and training in various formats (global onboarding, culture dialogues and culture specific learnings)
We will strengthen our communication and culture by using the company-wide system for employee dialogues #OurJourney for >95% of our employees	✔ 95% of employees have successfully completed the #OurJourney dialogue
Healthy People	
We will increase the number of pharmaceutical information letters	✔ 33 new information letters
We will increase the services for chronic disease patients	✔ 5 new indication-specific landing pages (DocMorris) Ratgeber. 131 active ingredients in the ingredient dictionary, 120 medication analyses
We will expand the follow-up prescription service	✔ Successfully introduced and is continuously optimised
Reliable Partnerships	
We will have 25% of our suppliers agree to the Supplier Code of Conduct	✔ 27% of suppliers have signed the Code of Conduct or have their own comparable CoC

New targets

E1 Climate Change

2025 (new)	Mid-term (2030)	Long-term (2050)
1. We will reduce absolute CO_2e for market-based emissions (scope 2) by mid-single digit percentage compared to 2024.	1. We will reduce absolute CO_2e for market-based emissions (scopes 1 and 2) at our sites by 85% by 2030 with 2022 as the base year. 2. We will switch to 100% renewable electricity in all distribution centres by 2030.	1. We will achieve net zero emissions (scopes 1 and 2) by 2050.

S1 Own Workforce

2025 (new)	Mid-term (unchanged)	Long-term (unchanged)
1. We will train all of our (top)-management in sustainable health management principles. 2. We will lower our Gender Pay Gap from the 2024 level of 4.5%. 3. We will create a new offer for upskilling on new market skills.	1. We will strengthen the focus on intercultural diversity. 2. We will achieve equal pay for all genders.	1. We will remain an employer of choice where people want to work and build a career. 2. We will be a leader in corporate social responsibility, including human rights.

S2 Workers in the value chain

2025 (new)	Mid-term (new)	Long-term (extended)
1. We will get 30% of our suppliers to agree to the Supplier Code of Conduct or have a CoC with similar substance to ours.	1. We will have all of our suppliers agree to the Supplier Code of Conduct by 2030 or have a CoC with similar substance to ours.	1. We will foster respect of human rights within the whole supply chain (upstream & downstream).

S4 Consumers and end users

2025 (new)	Mid-term (unchanged)	Long-term (unchanged)
1. We will cover 90% of the drug groups with information letters. 2. We will add at least 5 new Journeys to the DocMorris "Ratgeber" and expand other services for chronic disease patients.	1. We will expand our digital health ecosystem platform. 2. We will commit to specific goals as new services are launched.	1. We will work towards achieving our vision of enabling everyone to manage their health in one click.

G1 Business Conduct

2025 (new)	Mid-term (new)	Long-term (extended)
1. We will train all our employees in our Culture Principles.	1. We will strengthen and live our corporate culture. 2. We are working on maintaining the good payment conditions.	1. The corporate culture is internalised, but at the same time constantly improved. 2. We remain a trustworthy partner with fair payment terms.

ESRS E1, E2, E5 Climate Change, Pollution and Circular Economy

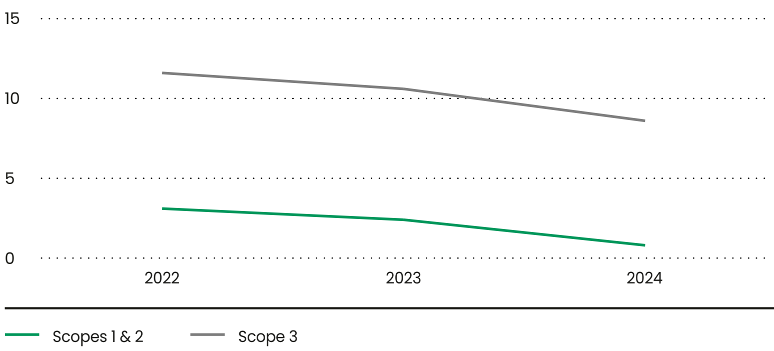
Paving the way to net zero

In 2024, DocMorris continued to build on its sustainability strategy with a particular focus on reducing GHG emissions from electricity and optimising resource consumption for purchased goods and downstream transportation. Our most impactful achievements included:

- securing a new **renewable energy contract** for electricity across segment Germany, contributing to a 93% reduction in market-based GHG emissions compared to the baseline year 2022
- **significantly reducing** the size of cardboard boxes used to package ordered goods and **streamlining outbound logistics** through improved load capacity and pickup frequency, both contributing to a 4% reduction in emissions from downstream transportation compared to 2022
- **reducing paper usage** in Heerlen outbound logistics by >50%

These active measures, along with many others that are outlined later in this report, contributed to an overall reduction in Scopes 1 & 2 GHG intensity (market-based) of 69% from 2.4 grams of CO_2e per CHF of revenue[1], in 2023[2] to 0.8 in 2024 (–75% versus the baseline year 2022).

GHG Intensity (grams of CO_2e per CHF revenue)



[1] 2023 and 2022 have been restated to reflect increased scope and improvements to our GHG inventory accounting

[2] External revenue calculated at constant foreign currency exchange rates

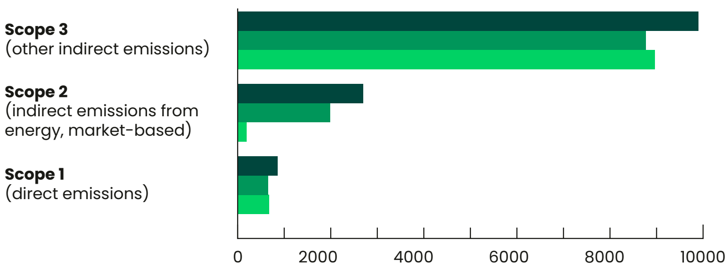
Due to the nature of DocMorris' business, the main driver of carbon emissions in Scopes 1 and 2 is the energy required to operate highly automated logistics at distribution centres across Germany, the Netherlands and southern Europe. The largest contributor to Scope 3 emissions that is currently measurable originates from resource consumption and emissions related to the packaging and (downstream) shipping of parcels to customers.

Total scope 3 emissions by origin

In per cent

- 33% 3.1 Purchased goods and services (Cardboard material)
- 6% 3.3 Fuel- and energy-related activities
- 2% 3.6 Business travel
- 59% 3.9 Downstream transportation and distribution

Development of emissions in tCO_2e per scope



2022 2023 2024

Operational efficiency continued to improve in 2024 on the back of further centralisation of logistics and distribution in segment Germany as well as the merger and operational integration of subsidiaries medpex, Visionrunner and Comventure in early 2024. The development of emissions chart highlights that despite a double digit increase in logistics volume in 2024, scope 3 and scope 1 emissions were only marginally higher than in 2023.

Leading the path forward to develop new circular business practices, DocMorris announced in January 2025 its pilot project to test the feasibility of reusable packaging. In cooperation with the Hamburg-based company Ravioli, reusable packaging will be used on a trial basis for shipping health and care products at DocMorris' logistics location in Ludwigshafen starting early 2025. If the pilot is a success, implementation of reusable packaging could not only reduce the demand for resources but also prevent waste generation and facilitate optimisation of waste management.

DocMorris supports the Paris Agreement and the objective of limiting global warming to 1.5 °C relative to the preindustrial level. Further details can be found in the section "TCFD report".

A table of material topics including a description, value chain details and assessment of the impact, risk and / or opportunity can be found in the section "Double materiality assessment".

DocMorris follows guidance from the Greenhouse Gas (GHG) Protocol. Further details on our methodology can be found in the appendix "Sustainability KPI accounting methodology".

Approach and policies

DocMorris' approach to taking measurable action towards its sustainability goals is supported by a multi-faceted approach.

The Group's Sustainability Steering Committee sets the strategy and direction for the most important cross-functional topics.

Various policies at the level of group, segment, legal entity or location have been implemented to facilitate clear communication and encourage consistent application of group sustainability principles. These policies include:

- a strict control regime for safe disposal of hazardous waste (e.g. expired medications)
- waste management practices aligned with local regulations
- regular maintenance of cooling cells, air conditioners and server cooling machines
- business travel policies
- employee remote work policies

Due to the nature of our business, most air pollution-related risks are upstream and downstream in the value chain (e.g. inbound and outbound transportation from third-party carriers) rather than within our direct operational boundaries. DocMorris focuses on mitigating risks as part of its daily operating procedures. Current policies have proven effective in limiting incorrect disposal or accidental spills of hazardous waste.

DocMorris currently does not purchase carbon credits for GHG removals or to finance GHG mitigation projects.

DocMorris is not required by legislation to set air pollution targets. Our emissions-related targets currently focus on reducing overall CO_2e, and taking action to reduce GHGs that contribute to global warming will inevitably result in reduced air pollution. As more granular air pollution data becomes available and can be measured, additional targets will be considered.

Performance on sustainability measures

A detailed explanation of the calculation methodology can be found in the appendix "Sustainability KPI accounting methodology".

The following tables summarise the consumption and related GHG emissions for activities relevant to DocMorris and the results are explained in the sections that follow.

Energy consumption in MWh	2024	2023 [1]	2022 [1]	YoY 24/23	YoY 24/22
Total direct and indirect energy consumption	**9,443**	**8,837**	**11,252**	**6.9%**	**–16.1%**
Direct energy consumption	**2,902**	**2,781**	**3,745**	**4.3%**	**–22.5%**
Fuels for own consumption	2,814	2,693	3,657	4.5%	–23.0%
Natural gas	1,967	1,757	2,517	12.0%	–21.8%
Heating oil	403	413	599	–2.2%	–32.7%
Diesel	335	435	443	–23.1%	–24.5%
Petrol	109	88	98	24.3%	10.9%
On-site generation of renewable energy	88	88	88	0.0%	0.1%
Indirect energy consumption	**6,541**	**6,056**	**7,507**	**8.0%**	**–12.9%**
Purchased electricity	6,110	5,604	7,096	9.0%	–13.9%
District heating	431	452	411	–4.6%	5.0%

1) 2023 and 2022 have been restated to reflect increased scope and improvements to our GHG inventory accounting

Greenhouse gas (GHG) emissions in tonnes CO_2e	**2024**	**2023** [1]	**2022** [1]	**YoY 24/23**	**YoY 24/22**
Total GHG emissions (Scopes 1 & 2), market-based	**859**	**2,628**	**3,550**	**– 67.3%**	**– 75.8%**
Total GHG emissions (Scopes 1, 2 & 3), market-based	**9,823**	**11,391**	**13,449**	**– 13.8%**	**– 27.0%**
Total GHG emissions (Scopes 1, 2 & 3), location-based	11,879	11,482	13,480	3.5%	– 11.9%
Direct GHG emissions (Scope 1)	**667**	**646**	**857**	**3.2%**	**– 22.2%**
Transportation fuels	146	162	170	–9.8%	– 13.9%
Natural gas	397	355	508	12.0%	–21.8%
Heating oil	108	111	161	–2.2%	–32.7%
Fugitive Emissions	16	18	18	–9.2%	–9.2%
On-site generation of renewable energy	0	0	0	n/a	n/a
Indirect GHG emissions from energy (Scope 2)					
Market-based	**192**	**1,982**	**2,693**	**– 90.3%**	**– 92.9%**
Location-based	2,248	2,073	2,724	8.5%	– 17.5%
Other indirect GHG emissions (Scope 3)	**8,964**	**8,763**	**9,899**	**2.3%**	**– 9.4%**
3.1 Purchased goods and services	2,920	3,063	3,428	–4.7%	– 14.8%
3.2 Capital Goods [2]	n/a	n/a	n/a	n/a	n/a
3.3 Fuel- and energy-related activities not included in Scopes 1 and 2	558	505	616	10.4%	–9.5%
3.4 Upstream transportation and distribution [3]					
3.5 Waste generated in operations	3	3	2	2.1%	16.1%
3.6 Business travel	186	295	324	–36.9%	–42.5%
3.7 Employee commute [3]					
3.8 Upstream leased assets [2]	n/a	n/a	n/a	n/a	n/a
3.9 Downstream transportation and distribution	5,297	4,897	5,529	8.2%	–4.2%
3.10 Processing of sold products [2]	n/a	n/a	n/a	n/a	n/a
3.11 Use of sold products [2]	n/a	n/a	n/a	n/a	n/a
3.12 End-of-life treatment of sold products [3] [4]					
3.13 Downstream leased assets [2]	n/a	n/a	n/a	n/a	n/a
3.14 Franchises [2]	n/a	n/a	n/a	n/a	n/a
3.15 Investments	n/a	n/a	n/a	n/a	n/a
GHG intensity in gCO_2e / CHF revenue [4]					
GHG intensity Scopes 1 & 2, market-based	**0.8**	**2.4**	**3.1**	**– 69.3%**	**– 75.4%**
GHG intensity Scopes 1, 2 & 3, market-based	**8.6**	**10.6**	**11.6**	**– 19.0%**	**– 25.9%**
GHG intensity Scopes 1 & 2, location-based	2.6	2.5	3.1	0.8%	– 17.3%
GHG intensity Scopes 1, 2 & 3, location-based	10.4	10.7	11.6	–2.8%	– 10.6%

1) 2023 and 2022 have been restated to reflect increased scope and improvements to our GHG inventory accounting
2) Not relevant for DocMorris GHG inventory
3) Relevant for GHG inventory but reliable accounting methods are not yet available
4) While biogenic emissions are not generated in scopes 1 and 2, biogenic emissions in scope 3 have not yet been assessed.
5) External revenue calculated at constant foreign currency exchange rates

Direct GHG emissions (Scope 1)

Fuels — DocMorris facilities source heat from natural gas, heating oil or district heating depending on the location. Heating oil has newly been added to the reporting in 2024 due to the inclusion of the Hilter (Apotal) facility, which relies on heating oil. Heat consumption is largely dependent on building usage, order volume, and climate and weather variations. In early 2024, the heat pipes in Heerlen were insulated to improve energy conservation.

Diesel and petrol fuels are consumed in own operations mainly for transportation of goods between facilities as well as for employee vehicles.

Fugitive emissions — Domestic and industrial refrigeration as well air-conditioning equipment is used in distribution facilities to keep medication temperature-controlled and to regulate the building temperature. Cooling machinery can release harmful air pollutants into the environment. DocMorris works with specialised heating and cooling maintenance companies in each location to regularly inspect and maintain our equipment. Investments in new cooling cells at two distribution centres are being evaluated and environmental factors are being taken into consideration.

A new and improved CO_2e estimation model was developed for fugitive emissions. This model increases the accuracy of the estimation by shifting from a screening approach (an assumed annual percentage of cooling agent or fuel leakage) to a lifecycle stage approach (actual data according to maintenance protocols).

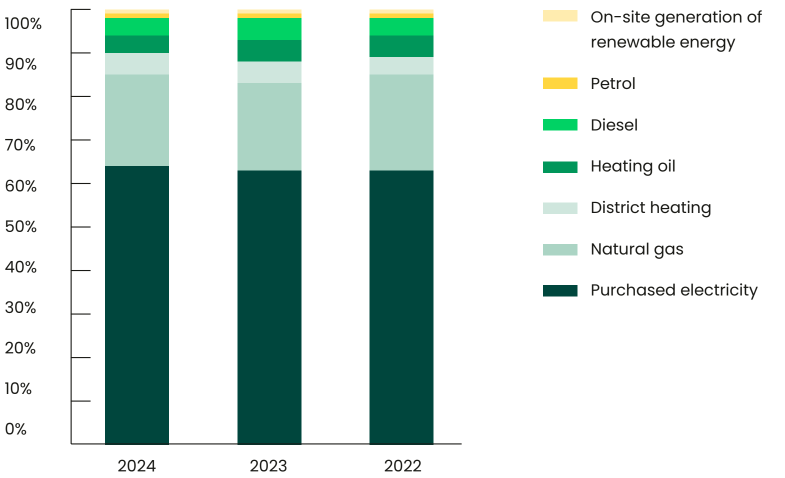
Since the topic of air pollution has been newly identified as material, DocMorris is working on determining how to increase the scope of reporting and how to best measure air pollutants beyond CO_2.

Indirect GHG emissions (Scope 2)

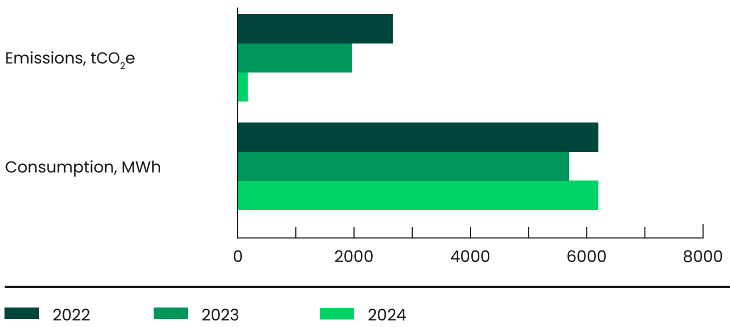
The proportional distribution of energy consumption has remained stable since 2022, with around two thirds of energy consumption generated from electricity and a third from combustible heating and fuels. While absolute electricity consumption increased in 2024 due to business growth, DocMorris was able to reduce market-based scope 2 emissions by 90% compared to prior year (93% versus the baseline year 2022[2]) through the shift to renewable energy within segment Germany.

Energy Consumption in tCO_2e

Scopes 1 & 2



Electricity: Market-based emissions vs. Consumption



DocMorris consumes energy from various sources depending on the region, available sources and physical facilities.

Purchased electricity for direct use

Starting in January 2024, DocMorris made a significant improvement in the company's carbon footprint by switching to carbon-neutral renewable electricity in Segment Germany. Local contracts were replaced by a strategic centrally-managed contract for certified renewable electricity. The electricity certificates offset scope 2 emissions in the upstream chain, such as those from the material production of the renewable energy plant, so that the electricity is carbon neutral.

On-site generation of renewable energy

In 2024, we newly added operations related to our Apotal business to the scope of GHG emissions accounting. In doing so, we now include consumption of electricity generated on-site in our GHG inventory.

At the Hilter distribution centre in Germany, electricity is partially sourced from on-site solar panels. The majority of the solar energy generated is used directly for own operations while a portion is delivered back into the grid in exchange for credits against electricity purchased from the grid.

Scope 3.1 Purchased goods and services

As an online pharmacy and marketplace whose speciality is the efficient delivery of thousands of packages across Europe each day, DocMorris' business goals are closely connected to reducing resource-intensity. In 2024, around one third of DocMorris' Scope 3 GHG emissions originated from packaging materials that are purchased from third party suppliers and used for shipping products to customers.

Resource Consumption in tonnes	2024	2023 1)	2022 1)	YoY 24/23	YoY 24/22
Total material consumption	**2,465**	**2,576**	**2,884**	**–4.3%**	**–14.5%**
Recycled Material in %	97.1%	93.2%	57.8%	4.1%	67.8%
Cardboard boxes	2,355	2,521	2,776	–6.6%	–15.2%
of which recycled	100.0%	94.9%	59.4%	5.4%	68.4%
Filling materials	38	16	46	136.2%	–17.3%
of which recycled	100.0%	58.6%	42.3%	70.8%	136.6%
Labels	53	16	30	234.7%	74.2%
LPDE bags	8	14	17	–41.7%	–50.1%
Stretch films	11	9	15	26.0%	–21.9%

1) 2023 and 2022 have been restated to reflect increased scope and improvements to our GHG inventory accounting

Business operations heavily rely on cardboard for packaging goods ordered by customers, on filling material to help avoid breakage, and on labels and adhesive tape. Products received from suppliers are also delivered in cardboard boxes, foil or other packaging materials. The proportion of cardboard used that is made from recycled raw materials increased from 95% in 2023 to 100% in 2024, while the proportion of filling materials made from recycled materials increased from 59% to 100% over the same period. In the two largest distribution centres in Segment Germany, more than 90% of packages are now sent without filling materials.

Significant achievements were made in 2024 to reduce the average size of shipping boxes in Segment Germany, resulting in fewer raw materials as well as less CO_2e per package and less space required in each delivery truck.

In 2024 DocMorris also significantly reduced the consumption of paper used for patient information letters, drug safety notes and invoices in shipped parcels. At the largest distribution centre in Heerlen, paper consumption was reduced by over 50% by transitioning orders to a printless workflow and minimizing paper usage per order. DocMorris continues to improve its processes and therefore expects to reduce paper consumption by a double-digit percentage in 2025.

DocMorris announced in January 2025 that it will expand its involvement in circular business practices by running a pilot project to test the feasibility of reusable packaging. In cooperation with the Hamburg-based company Ravioli, the provider's reusable packaging will be used on a trial basis for shipping health and care products at DocMorris' logistics location in Ludwigshafen starting early 2025.

Scope 3.3 Fuel and energy-related activities

Emissions from fuel and energy-related activities not included in Scopes 1 or 2 reflect emissions generated in the upstream value chain before heat, fuels are electricity are delivered to DocMorris facilities.

Scope 3.5 Waste generated in operations

Since DocMorris distributes pharmaceutical products but does not produce them, the focus of its waste and packaging reduction efforts is on shipping materials needed for these products. The most relevant materials and waste components include cardboard, plastics, electronic components and paper.

The company has implemented waste management protocols according to local regulations for packaging materials, logistics waste and domestic waste. DocMorris works with external waste management companies to develop effective processes for correctly separating and disposing waste. Packaging materials from inbound supplier deliveries as well as waste from operations are sorted to the extent possible at each location.

Additional Targets

Short-term (2025)
Run a pilot project to test the feasibility of reusable packaging

Further reduce paper consumption in Heerlen

Further increase the percentage of recycled material used in filling materials

Waste in tonnes	2024	2023 1)	2022 1)	YoY 24/23	YoY 24/22
Total waste	**1,034**	**972**	**790**	**6.4%**	**30.9%**
Non-hazardous waste	1,013	954	770	6.2%	31.5%
Incineration	217	208	197	4.6%	10.4%
Recycling	796	746	573	6.7%	39.0%
Hazardous waste	21	18	20	22.0%	7.0%
Incineration	19	17	8	13.4%	142.8%
Recycling	2	1	12	39.0%	–83.5%

1) 2023 and 2022 have been restated to reflect increased scope and improvements to our GHG inventory accounting

Hazardous waste

Hazardous waste poses a risk to the environment if improperly disposed. At DocMorris, hazardous waste largely comes from expired or damaged medication, and electronic waste (e.g. electrical items, batteries, toner). Local government policies and EU guidelines for hazardous waste management are followed to ensure that waste is managed with minimal risk to water, air or soil.

DocMorris' responsibility extends down the value chain up to the customer. In order to prevent incorrect disposal of medication and avoid pollution, patients and customers are informed, e.g. on the DocMorris blog website, about correct medication handling and disposal.

As operating expenditures related to hazardous waste incidents are minimal, no provisions have been made for environmental protection and remediation.

Scope 3.6 Business travel

Estimated emissions generated from business travel decreased by 37% in 2024 compared to 2023, and 43% compared to 2022. DocMorris operates in several countries across Europe and largely conducts its inter-location communication and cooperation virtually.

When business travel is deemed necessary, company travel policies require employees to consider sustainability criteria in their travel decisions with specific guidance depending on the distance travelled. Public transportation is the preferred and most sustainable mode of transportation when practical given timing and distance. If public transportation is not available, then alternative options like bicycle, e-scooter and carsharing are to be considered before car rental, taxi or air travel.

Scope 3.9 Downstream transportation and distribution

DocMorris works with third party transportation carriers to ship parcels from its various distribution centres to customers and centralised picking points. The vast majority of transportation is ground transport and the main carriers that DocMorris works with are continually making their vehicle fleet more sustainable. Management regularly evaluate the economic and environmental impact of investing in carbon offsets with transportation carriers. Customers can select the mode of delivery and preferred carrier at checkout.

DocMorris' main focus is on reducing emissions generated from downstream transportation through the influence that can be made within its own operations. In 2024, DocMorris was able to reduce emissions from downstream transportation by 4% compared to 2022, despite a comparable number of parcels, by reducing the box size of each parcel sent, the load capacity per pickup and the pick-up frequency. These improvements were partly offset by increased emissions per parcel due to customer preferences for a carrier that has slightly higher emissions.

In Segment Europe the Health Points loyalty programme continued to grow, encouraging customers to choose the more sustainable delivery option of picking up their parcels at pick-up locations, instead of door-to-door delivery.

ESRS E4 Biodiversity and ecosystem

Species-rich ecosystems are fundamentally important to produce active ingredients for medicines. The existence of biodiversity is therefore essential for DocMorris' business model and the loss of this biodiversity poses a risk.

At the same time, DocMorris is aware that there are also negative impacts on the ecosystem in the supply chain. We therefore encourage our suppliers to treat the environment with care and conserve natural resources with our Supplier / Partner Code of Conduct. We also minimise the impact on ecosystems in our own operations. For example, our largest operations in Heerlen were built on designated industrial estates where the environmental impact is kept to a minimum.

ESRS S1 Own Workforce

Approach and policies

The mission of DocMorris is to improve health and wellbeing. This applies not only to our customers but also to our employees, with whom we pursue our vision together.

It is therefore a fundamental concern of DocMorris to create a positive, inclusive and respectful working environment that goes beyond the legal requirements on human and labour rights. DocMorris cultivates a mindset of team spirit and ownership that inspires every individual to embrace challenges and deliver exceptional results by building a healthy, dynamic and united organisation.

DocMorris endeavours to comply with the highest standards of human and labour rights. This commitment is set out in the Group Code of Conduct and the Human Rights Policy.

The Code of Conduct aligns our business activities with the principles of integrity, transparency, fairness and mutual respect. It coverd the important topics of compliance, corruption, fair competition, health, safety, ban on discrimination, harassment and whistleblowing guidelines.

The Human Rights Policy outlines our commitment, impact, standards, governance and compliance mechanisms and responsibilities with respect to human rights. We have joined the United Nations Declarations to Human Rights, the United Nations Global Compact, where we publish our annual progress report. DocMorris also supports the United Nations Guiding Principles on Business and Human Rights.

DocMorris' employees receive information about the Code of Conduct, which sets out the binding principles of business conduct. Amongst other topics, the Code outlines that conflicts of interest must be avoided and that corruption and anti-competitive behaviour will not be tolerated. Employees must notify the legal department of any breaches of the Code of Conduct. Information on the whistleblowing system as well as the Code of Conduct and Human Rights Policy is available to all employees via the intranet and can be accessed at any time.

There are other policies, such as the Learning Policy, the Mobile Office Policy and the Absence and Time Tracking Policy, which have a positive impact on DocMorris employees and regulate the handling of its material topics.

Engagement and communication with employees

DocMorris has an open culture based on empathy, shared ownership and flat hierarchies. Communication and exchange between employees, but also between employees and managers, takes place daily.

In addition to this open exchange, there are a wide variety of offers that promote the exchange and give the company the opportunity to inform and involve employees on the one hand, but also to receive direct feedback on the other. Overall responsibility for dialogue with employees lies with the Chief People Officer.

An extended, company-wide onboarding program including pre-boarding for new employees was launched in 2023. Employees are familiarised with the company in discussions and meetings and get to know other new colleagues. In addition, there is a buddy programme in which new employees are given experienced colleagues who are available to exchange ideas and answer questions. In this way, the company wants to take new colleagues by the hand and provide them with close support right from the start, allowing them to experience the corporate culture directly and learn about processes and guidelines which are relevant for a smooth start.

There is regular communication from the Management Board to employees in digital town hall meetings, where not only the Management Board presents the latest developments in the company, but also departments present news and projects and employees can ask questions and make comments.

Another relevant opportunity to engage in dialogue is the employee dialogue approach #OurJourney, designed to support a cultural shift with a focus on supporting the alignment between shared objectives, ongoing dialogues about performance, development and priorities as well as forward-looking development measures to see and support talent.

Also, the Beekeeper communication platform, which was replaced by Viva Engage in December 2024, is a relevant engagement component for DocMorris. Colleagues from a wide range of departments can post their important milestones, news and developments here, giving them the opportunity to exchange ideas and receive feedback from all other employees.

There are also surveys on specific topics at irregular intervals, most recently on D&I or Employer Commute. These questionnaires are to be expanded over the next few years and used for other specific topics.

Remediation and channels to raise concerns

Employees can report concerns based on sufficient indications regarding potential compliance violations. The report can be submitted anonymously if preferred. Reports made based on sufficient indications of irregularities have no negative consequences of any kind for the person who submits them. DocMorris does not tolerate any action taken against employees who report concerns. Every complaint is accepted and reviewed by the Head of Compliance of DocMorris. For questions about corporate policies and practices, employees can contact the people or the legal department. External parties can contact the corporate communications department. Information on how to express concerns and who to contact can be found on the intranet and is always accessible.

Additional Targets

2025: Take on further employees from temporary employment on a permanent basis in logistics

Further reducing temporary workers in logistics

DocMorris workforce

On 31 December 2024 a total of 1,635 employees worked at DocMorris of which 729 had Dutch, 656 German, 31 Swiss, 210 Spanish and 9 Portuguese labour contracts. 388 more people were employed at organisations in Germany related to DocMorris.

General Data	**2024**		**2023**	
	Total	Percentage	Total	Percentage
Number of employees	1,635		1,577	
Fulltime	*1,137*	*69.5*	*1,079*	*68.4*
Part-time	*498*	*30.5*	*498*	*31.6*
*Temporary**	*87*		*n/a*	
*Contingent***	*77*	*4.7*	*225*	*14.3*
Employee turnover	258	15.8	395	25.0
Fluctuation of contigent workers	n/a		n/a	
Fluctuation of temporary workers	n/a		n/a	
Employees covered by collective labour agreements	706	43.2	705	44.7
Employees represented by a works council	706	43.2	705	44.7
Employees receiving an annual bonus	287	17.6	278	17.6
Number of disabled employees***	20	1.2	n/a	n/a
Male	*15*	*75.0*	*n/a*	*n/a*
Female	*5*	*25.0*	*n/a*	*n/a*
Number of nationalities	61		59	

* Employees with fixed-term contracts
** Contingent workers in logistics via contingent employment agencies
*** Only applicable for Segment DE

Secure employment

DocMorris attaches great importance to long-term and loyal employment relationships. However, in a competitive working environment, short-term contracts for temporary workers are sometimes unavoidable. DocMorris generally hires employees for an indefinite period, unless there are objective reasons such as maternity leave. There are also exceptions in the Netherlands, where most employees are taken on permanently after six months or one year at the latest.

In addition to these exceptions, DocMorris works with contingent labour in logistics. The company has set itself the goal of reducing the number of contingent workers and, in the long term, only using contingent employment agencies for short-term peak phases. In 2024, 216 logistics employees were taken on from contingent work and 17 employees were hired directly in logistics.

The same integration measures apply to employees with fixed-term contracts as to permanent employees. They take part in onboarding and have access to all systems and services. The same training and onboarding take place for contingent employees and is carried out by the respective partner. The representatives of the contingent workers are regularly on site, so that communication is as simple as possible.

Social dialogue

Social dialogue and the recognition of employees' concerns and aspirations are very important to DocMorris. A works council exists in the DocMorris company with the most employees, DocMorris N.V., as well as in DocMorris B.V. DocMorris maintains a good, trusting relationship with its works council and has maintained a constructive dialogue since its introduction in 2004.

The Dutch Works Constitution Act stipulates which topics the company must discuss and agree with the Works Council and the relevant trade union. However, DocMorris regards the works council as a partner and maintains an exchange beyond the specified topics. The negotiations, which are officially only binding for the Dutch companies, are also partially applied for the other DocMorris companies. The company is interested in establishing equity between the companies in the long term, considering the country-specific laws and circumstances.

DocMorris is interested in continuing this constructive dialogue and benefiting from the opinions and perspectives of the Works Council and the trade union.

Diversity and gender equality

At DocMorris, diversity means creating a working environment in which every employee feels comfortable and is accepted and respected in his or her uniqueness. It is DocMorris' responsibility to ensure that its workforce reflects the communities it serves. DocMorris values diversity and strives for inclusion and a sense of belonging across its subsidiaries alongside working actively to eliminate all forms of discrimination.

Embedding D&I in daily leadership behaviour is an ongoing pursuit and the People team is working with management board members on increased awareness of unconscious bias as well as the right policies to help expand diversity at all ranks.

The People team is responsible for managing the D&I topics. Together with the group of D&I promoters from all areas of the company, they develop actions and measures. To gain an even better insight into the diversity of employees, the People team also conducted a company-wide survey on D&I in 2024, the results of which form the basis for action. Apart from the continuation of existing measures and the continuous development of new measures within the D&I Promoter Group, there are no specific targets.

The D&I Round Table has become a key element to establish and deepen the D&I strategy and to create awareness. The Round Table provides a platform for employees at all levels to engage meaningful conversations.

There are also campaign weeks, months or days in which the company focuses on specific topics, organises workshops, provides information and allows experts to speak.

As a highlight in 2024, DocMorris took part in Christopher Street Day in Cologne together with Durex. Under the motto 'For human rights. Many. Together. Strong!' diversity and inclusion were celebrated.

Additionally DocMorris conducts workshops and training modules to strengthen intercultural competence within the company. As a company with employees spanning 61 nationalities, it is important to treat people from other cultures with respect, to accept differences and to work successfully and responsibly. These training sessions are not only intended to deepen the understanding of D&I but also the cultural understanding based on empathy, tolerance and the willingness to change perspectives.

Integration and belonging are another important aspect of DocMorris' strategy. This topic is not only reflected in the events mentioned above but is also supported by a local project in the Netherlands. Here, DocMorris is working with asylum seekers as part of a cooperation with other companies and supported 4 colleagues in obtaining an MBO1 diploma in logistics in 2024.

Additional Targets

Equalising inequalities in salaries as far as possible

Workforce diversity	**2024**		**2023**	
	Total	Percentage	Total	Percentage
Number of employees	1,635		1,577	
Male	*689*	*42.1*	*666*	*42.2*
Female	*818*	*50.0*	*783*	*49.7*
Unknown	*128*	*7.8*	*122*	*7.7*
Under 30 years	*192*	*11.7*	*223*	*14.1*
Between 30 and 50 years	*939*	*57.4*	*887*	*56.2*
Over 50 years	*366*	*22.4*	*342*	*21.7*
Unknown	*138*	*8.4*	*125*	*7.9*
Number of full-time employees	1,137		1,079	
Male	*594*	*52.2*	*580*	*53.8*
Female	*471*	*41.4*	*430*	*39.9*
Unknown	*72*	*6.3*	*69*	*6.4*
Number of part-time employees	498		498	
Male	*95*	*19.1*	*90*	*18.1*
Female	*347*	*69.7*	*355*	*71.3*
Unknown	*56*	*11.2*	*53*	*10.6*
Number of temporary employees	87		n/a	
Male	*47*	*54.0*	*n/a*	*n/a*
Female	*40*	*46.0*	*n/a*	*n/a*
Board of Directors	6		6	
Male	*4*	*66.7*	*4*	*66.7*
Female	*2*	*33.3*	*2*	*33.3*
Executive Board	5		5	
Male	*5*	*100.0*	*5*	*100.0*
Female	*0*	*0.0*	*0*	*0.0*
Top Management (C-suite)	9		12	
Male	*4*	*44.4*	*9*	*75.0*
Female	*5*	*55.6*	*3*	*25.0*
Senior Management	18		15	
Male	*12*	*66.7*	*8*	*53.3*
Female	*5*	*27.8*	*6*	*40.0*
Unknown	*1*	*5.6*	*1*	*6.7*
Management	129		139	
Male	*78*	*60.5*	*88*	*63.3*
Female	*47*	*36.4*	*48*	*34.5*
Unknown	*4*	*3.1*	*3*	*2.2*
Individual contributors	1,468		1,400	
Male	*586*	*39.9*	*556*	*39.7*
Female	*759*	*51.7*	*726*	*51.9*
Unknown	*123*	*8.4*	*118*	*8.4*

Gender pay gap

Gender pay gap*	**2024**	**2023**
Unadjusted gender pay gap (in %)	**27.8**	**19.1**
Segment Germany	*19.2*	*16.6*
Segment Europe	*38.2*	*34.1*
Adjusted gender pay gap (in %)	**4.5**	**3.4**
Segment Germany	*4.0*	*2.9*
Segment Europe	*4.7*	*4.8*

* Methodology described in Appendix Sustainability KPI accounting methodology

Even though the gender pay gap at DocMorris has increased, it remains very low. An analysis of the reasons for the increase has shown that there is no systematic challenge at DocMorris, but that individual new hires and a few salary increases are responsible for the rise. DocMorris continues to work on the representation of women in management and expert positions and the equalization of salaries.

Adequate wages

Adequate salaries are very important in the competitive working environment in which DocMorris operates to retain existing employees and attract talent. DocMorris naturally complies with the applicable statutory regulations on minimum wages. The company has a hiring policy in place that provides for the payment of fair salaries considering internal and external salary structures.

In each of DocMorris' subsidiaries, local salary benchmarks are used as guidance for hiring and promotion for the respective roles. Salary benchmarks are regularly reviewed and pay increases are benchmarked across subsidiaries.

Employment and inclusion of people with disabilities

DocMorris supports the employment of people with disabilities, but to date, there is no overarching strategy or goals for the inclusion of people with disabilities. DocMorris is aware that this topic must be given greater attention in the future.

Nevertheless, it has always been important to DocMorris to support local projects. In the Netherlands, DocMorris works with the Employer Service Point (WSP Werkgevers Service Punt). Employer Service Points offer support in the search for new staff, especially those employees who are far from the labour market. DocMorris has been working with the WSP for many years to enable people with disabilities to find work. In 2024 more than 40 colleagues worked in DocMorris logistics and helped with the processing of orders.

Training and skills development

The ability to retain high performers and knowledge carriers is a high priority for DocMorris' long-term success. In addition, DocMorris fosters the development of employees' strengths and potential and aims to provide them with the skills necessary for outstanding performance in their role. All forms of education and training, competence building, and career development are of utmost importance for DocMorris.

DocMorris has a Learning Policy that applies to all forms of learning opportunities and professional development programmes offered within the DocMorris companies. In the business areas and in the competitive environment of DocMorris, employees must regularly refresh their knowledge and learn new skills. This ensures adherence to regulatory requirements such as compliance specifications as well as the efficient utilisation of machines, software and processes. Professional learning and development are in the interests of both employees and the company. Employees expand their skills profile, qualify for higher-value positions within the company and thus maintain or increase their competitiveness on the external labour market.

Training and skills development	**LinkedIn**	**Workday**	**External Learning Requests**
Trained employees	344	934	134
Male	*146*	*415*	*63*
Female	*198*	*519*	*71*
Training Hours Total	*788*	*n/a*	*11.151*
Training hours per person	2.26	n/a	79.1
Male	*295*	*n/a*	*9.775*
Female	*493*	*n/a*	*1.375*
Temporary	*n/a*	*n/a*	*n/a*

Performance development reviews*	**2024**		**2023****	
	Total	Percentage	Total	Percentage
Participating employees	1.295	95.4	1.018	97
Male	*n/a*		*n/a*	
Female	*n/a*		*n/a*	
Participated non-employees	*n/a*		*n/a*	

* Employees on parental leave, maternity leave, long-term sick leave and employees who left the company before the reporting date were not included in the learning figures
** Swiss employees are not included in 2023

Health and safety

As a healthcare company, DocMorris values healthy relationships within the company. Consequently, employee safety and wellbeing are a high priority. DocMorris consistently complies with all national regulations for occupational health and safety. Due to the high level of occupational health and safety that DocMorris mandates, the company has a good reputation and is perceived as a responsible employer.

DocMorris has a management system for health and safety that is designed to follow regional laws (e.g. ArG) and industry guidelines (e.g. EKAS 6508). The system identifies aspects of the organisation that impact health and safety and lays the foundation for qualification and training, rules, hazard identification, risk assessment, action control, emergency organisation, involvement of the employees, health protection and audit controls.

Particularly worthy of emphasis are the following guidelines:

— Hazard identification is performed annually and actions are defined to minimise the identified risks. The company brings in outside resources to perform the analysis and assessments if necessary. The defined actions are assessed, addressed and implemented.
— Accidents, near-accidents and dangerous situations are reported as they happen and analysed immediately. Serious accidents are addressed immediately as prescribed by law.
— Reports of workplace risks must be sent to the safety officer or the relevant superior. If employees encounter an unsafe situation, they are required to report it. By following the above guidelines, DocMorris ensures continuous improvements to its health and safety protocols.

Safety officers address and continuously improve the security, safety and health of all units within DocMorris.

For the site in the Netherlands, DocMorris must undergo a risk inventory and evaluation that describes the risks employees could face at work. DocMorris continuously works to reduce these risks. They also deploy several functions that are relevant for occupational health like a safety officer, fire protection officer, a confidential person whom employees can turn to in case of discrimination or harassment and a company doctor that is a contact person for sick employees and health complaints related to the workplace.

Mental health is an increasingly important topic in society and thus for DocMorris. The Company is aware of this development and has already implemented preventative and reactive measures to support employees and managers. Managers are trained in awareness and appropriate conversation and the People department support managers and employees in arranging external assistance.

Health and safety	**2024**	**2023**
Percentage of people in its own workforce who are covered by health and safety management system*	50.8	50.9
Injuries own workforce	41	51
Incident rate (number of work-related injuries per employee in relevant department)	4.9	6.4
Fatalities	0	0
Sick days in general	22,073	n/a
Sick days due to accidents at work	n/a	97
Hours worked	2,146,581.8	2,424,090.5

* Employees from Logistics and Operations

Work-life balance

The wellbeing strategy that was implemented in 2023 covers vital topics such as mental health, physical health, financial wellbeing, social life and work life. There are information events and workshops on these topics.

To ensure a balance between work and private life, there is a Mobile Office Policy in place that offers many DocMorris employees increased flexibility. In addition, time recording has been introduced and fair regulations for reducing overtime have been implemented to allow compensation for overtime to the extent possible.

Work life balance		**2024**
	Total	Percentage
Employees entitled to take family-related leave	1,635	100
Entitled employees that took family-related leave	51	3.1
Male	*13*	*25.5*
Female	*38*	*74.5*

Privacy

DocMorris is acutely aware of its responsibility for people's privacy, not only for customers but also for employees. It is a matter of course that we have high standards for the protection of highly sensitive personal data. DocMorris adheres to the legally prescribed standards.

Equally important to employee data protection is the creation of a safe space for employees where each individual has the opportunity to develop freely. The culture, D&I measures, and work-life balance measures all contribute to this.

Human rights

DocMorris assumes its responsibility to enable sustainable development through its actions and is fully aware that entrepreneurial success is only possible in the long term in harmony with people and environment.

The Corporate Code of Conduct approved by the Board of Directors in December 2021 serves as the basis for compliance with internationally recognised human rights at DocMorris. The Supplier Code of Conduct implemented in 2023 is another building block for DocMorris' responsible behaviour regarding respecting human rights. For more information, see the Reliable Partnerships chapter.

DocMorris supports internationally recognised human rights, including their protection and observance. For example, DocMorris joined the United Nations Global Compact (UNGC) at the beginning of 2022 and actions are guided by globally recognised standards and agreements, such as the UN Charter of Human Rights (Universal Declaration of Human Rights of the United Nations) or the ILO Declaration on Fundamental Rights and Responsibilities at Work.

In this context, DocMorris pays particular attention to the requirements regarding working hours, protection against discrimination, fair income, respect for freedom of association, and occupational health and safety. DocMorris believes that risks related to the violation of workers' rights to exercise their freedom of association or collective bargaining can be considered low, as all sites are in countries with high standards towards workers' rights and operations are managed with a clear focus on providing good labour conditions. All employees are informed and educated about their rights as part of their onboarding. In addition, they are informed about the processes in place.

DocMorris' labour and human rights efforts are led by the management boards and implemented by the local management in partnership with the People department. Since one of DocMorris' largest sites is located in Heerlen, DocMorris maintains positive relationships with workers councils and workers unions in the Netherlands. As of 31 December 2024, 706 employees were covered by a collective bargaining agreement, which includes all employees of DocMorris N.V. and DocMorris Services B.V. Excluded from the coverage is the management level, which in the case of DocMorris N.V. are members of the Board and in case of DocMorris Services B.V. are the Executive Directors.

Discrimination, employee rights	**2024**	**2023**
Incidents of discrimination and harassment	0	0
Number of other complaints regarding human rights and social rights	0	0

ESRS S2 Workers in the value chain

Approach and policies

The healthcare sector affects many people, including those who are part of the supply chain for pharmaceutical or health and beauty products. As a responsible partner, DocMorris is aware of its responsibility and has committed to becoming more active in the supply chain in the future. As a Swiss company operating in Europe, we recognise and value the standard of working conditions and good, ethical cooperation that we want to see throughout the supply chain.

To take action, DocMorris joined the United Nations Global Compact (UNGC) at the beginning of 2022 and seeks guidance from globally recognised standards and agreements, such as the UN Charter of Human Rights (Universal Declaration of Human Rights of the United Nations) or the ILO Declaration on Fundamental Rights and Responsibilities at Work.

The Supplier Code of Conduct implemented in 2023 was another building block for DocMorris' responsible behaviour with regard to respecting human rights, working rights and environment in the supply chain. DocMorris expects all the companies we work with to conduct their business and supply chain in accordance with national law and with respect for international labour and human rights. It is important to us to ensure that the workers in the DocMorris supply chain – from pharmaceutical manufacturers to wholesalers and logistics companies – are treated with respect and that the risk of an impact is minimised as far as possible.

To get started, DocMorris set up a process in 2024 to check all suppliers for violations of human rights and child labour, which is to be further expanded in the future.

As a mail-order pharmacy that is legally obliged to offer a certain product range and therefore has little influence on supplying companies, the topic of supply chain conditions has not been a focus so far, even though DocMorris has already taken the above-mentioned measures.

For this reason, DocMorris currently has no direct engagement or direct communication with value chain workers. Apart from the official communication channels published on the website, there are also no channels to raise concerns. There is also currently no active engagement with the situation or improvement of conditions. There are no knowm human rights issues or incidents in the DocMorris value chain.

Additional Targets

Set up process to manage material topics within next 5 years

Note on the Swiss Code of Obligations

Article 964 a-c and j-l of the Swiss Code of Obligations (CO), arising from the counterproposal to the initiative "For Responsible Businesses – Protecting Human Rights and the Environment" ("Corporate Responsibility Initiative" or "Konzernverantwortungsinitiative"), provides reporting obligations and topic-specific due diligence as well as transparency obligations in relation to minerals and metals from conflict-affected areas and child labour. This sustainability report covers the reporting obligations on non-financial matters dealing with business activities in the areas of the environment, social issues, labour issues, human rights and anti-corruption as described in Article 964 b CO (for risks see Materiality Analysis). The report was approved and signed by the highest administrative body, the Board of Directors.

The company does not source any minerals or metals including minerals or metals that contain tin, tantalum, tungsten or gold and that originate from conflict or high-risk areas as listed in the "Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour" (Verordnung über Sorgfaltspflichten und Transparenz bezüglich Mineralien und Metallen aus Konfliktgebieten und Kinderarbeit; VSoTr) Appendix I, part A and part B. DocMorris sells medical, health and beauty products and therefore does not trade with minerals or metals.

DocMorris sources its goods from many direct suppliers as well as wholesalers. The products received are further distributed by DocMorris to end customers. Child labour cannot be ruled out in international trade in general. Although it can be expected that DocMorris is generally not exposed to a high risk of child labour in the supply chain, an extensive supplier-mapping and risk analysis for the suppliers is conducted to trace suppliers in high-risk countries or with high-risk products. Based on the analysis no high-risk suppliers were identified. Additionally, DocMorris obliges all their suppliers to sign a Suppliers Code of Conduct that sets out rules which address environmental standards, ethics, corruption and bribery as well as human rights, including a paragraph that excludes child labour. With their signature, the suppliers undertake to exclude child labour. If a supplier is flagged negatively for potential involvement in child labour through our analysis or for non-compliance with the Supplier Code of Conduct, the supplier is contacted and requested to provide a self-disclosure confirming the exclusion of child-labour in the supply chain. If no self-disclosure is provided, deliveries will be discontinued, and the contract will be terminated.

As described above, DocMorris is committed to fulfilling its responsibilities, which is why the company is constantly working to improve the risk identification process. The highest governance body (the Board of Directors) is responsible for these topics, together with the COO, the procurement department, the legal department and the sustainability department.

Apart from the above-mentioned measures about child labour and human rights, there are currently no actions or targets about the value chain.

ESRS S4 Consumer and end user

Approach and policies

DocMorris aims to always put the customer at the centre of its activities. Customer centricity is at the heart of everything we do, so the issues surrounding consumers and end users are highly material to us. DocMorris designs healthcare offers that are tailored to the needs of customers and go beyond the core business. In addition to the good and safe supply of medicines, information and education about chronic diseases is very important for DocMorris to achieve the best possible treatment results. DocMorris adheres to the usual standards when using highly sensitive customer data; here too, the customer and their interests are always the centre of attention.

To comply with these standards, DocMorris has implemented several policies and regulations for both customers and employees.

The data protection information regulates the processing of personal data when using the DocMorris website and the DocMorris app. It explains transparently how the data provided is utilised. There is also an explanation of how data is used in various ordering processes that do not necessarily take place via the channels listed above (e.g. sending in prescriptions).

The General Terms and Conditions of Use govern the contractual relationships between DocMorris Service, DocMorris Apotheke and the respective user of the DocMorris platform.

For employees, the Data Protection Policy sets out general principles for the management and protection of personal data. The Acceptable Use Policy outlines the approach, methodology and responsibilities for preserving the confidentiality, integrity, and availability of DocMorris data. There are also other policies that regulate the security and handling of DocMorris systems, such as the Access Control Policy, Badge Policy, Cryptography Policy, Information Classification Policy, Risk Management Policy, Secure Development Policy, Secure IT Operations Policy, Information Security Incidents Procedure, Security Engineering Principles.

Engagement and communication with consumers and end-users

DocMorris communicates daily with customers using a variety of channels and places high importance on maintaining excellent customer service. More than 6,500 direct customer contacts are processed every day. As an online pharmacy, DocMorris contacts customers in writing about their orders but will also phone if there are any queries or if an order requires further instructions. Customers contact DocMorris not only to place orders but also to ask questions, express criticism, raise concerns or give other feedback. The various communication channels are published on the DocMorris website and are included on written communication to the customer. These channels include phone, post, email, chat and live video chat. Depending on the type of communication or engagement with the customer, the Chief Pharmacist, Chief Operating Officer or Chief Marketing Officer is responsible.

DocMorris receives customer feedback via the above-mentioned channels, but also via common platforms such as Medizinfuchs or Trustedshops, which is regularly reviewed and taken seriously. Our online reputation is analysed monthly.

The daily survey of the Net Promoter Score (NPS) at various contact points is an additional, important source of customer feedback. In addition to the classic scoring on the numerical scale, customers can give detailed feedback on their experiences. The results are evaluated daily and communicated widely.

In order to gain an even deeper understanding of customer attitudes, preferences and behaviour, customer surveys are conducted several times a year on changing topics, to which customers are given access via newsletter or QR code, for example.

The user experience team also uses interviews and test runs with customers (or potential customers) to further develop the app and website.

Privacy

Data is very important for DocMorris to provide customers with the best possible and personalised advice and thus improve drug therapy. Thanks to the available data on customers' drug therapy. DocMorris is aware of how valuable and sensitive the data we work with is.

Working with such sensitive data is always a risk and a big responsibility. To minimise this risk, DocMorris has the above-mentioned policies about data privacy. In addition, regular risk assessments (DPIAs) are carried out to assess proposed changes.

To ensure that all employees are aware of data protection issues, they receive training on various data-related topics. Customer service agents are trained on a regular basis. There are also external and internal experts (DPOs) who advise DocMorris and ensure that the company fulfils all regulatory requirements and standards.

DocMorris is committed to protecting the privacy of its customers, particularly about their sensitive data.

Freedom of expression

As mentioned above, DocMorris customers have numerous ways of contacting the company. Whether by telephone, email, chat, live video chat or post, customers can express their opinion at any time, either directly to DocMorris or indirectly via the platforms available on the Internet.

As customer and patient centricity is one of the core themes of the DocMorris culture, feedback, whether positive or negative, is very important to the company. The company is therefore working to constantly improve availability for customers and to make the existing contact channels as accessible as possible.

At the same time, the opinions expressed by customers and patients on public platforms represent a reputational risk for DocMorris. Especially if these are characterised by negative experiences. However, DocMorris endeavours to accept opinions and to learn from their experiences to have a positive impact on customers.

Access to quality information

As an online pharmacy, valuable information that benefits the customer is extremely important to us. In addition, new services are constantly being created for customers, which represent opportunities for DocMorris and its business model. There are various approaches that provide the customer with high-quality information.

Customers receive written information about interactions of drugs, duplicate prescriptions for medical products with the same active ingredients or active ingredients from the same group, as well as important information on the use of the medication and on potential interactions between products and food (supplements). In 2024, DocMorris sent 16 million drug safety notes.

Additionally, information letters regarding medication that a DocMorris customer ordered for the first time are sent. Pharmaceutical services, for example advisory services for respiratory medication, complement the DocMorris services. With its own pharmaceutical teams (Clinical Services and Pharma Operations), DocMorris ensures and further enhances medication safety. For example, DocMorris also increased the number of information letters for patients who ordered products from specific groups for the first time, with 209 information letters compared to 176 in 2023, and 1.65 million patients who received a letter, compared with 1.31 million in 2023. These include important pharmaceutical advisory information on the delivered medication. DocMorris reviews the letters continuously and adjusts them if necessary.

DocMorris also created a lexicon of active ingredients in 2024, in which more than 160 active ingredients and their profiles can be found. Customers can obtain additional information about the mode of action of their medication.

Furthermore, dedicated, indication-specific landing pages (The DocMorris “Ratgeber”) accompany customers and patients from the awareness of a disease, symptom checks and self-tests, through convenient solutions for medical consultations via telemedicine, to support for therapy through e-prescription services and other health services, with the goal of raising awareness about the disease, supporting the diagnosis and making information accessible. The Ratgeber service offers a wide range of information on specific health conditions such as asthma, thyroid disease, obesity, and diabetes. This service allows individuals to educate themselves about

Additional Targets

Create new, indication-specific content

new therapy options, medical innovations, coexisting conditions or interrelated health topics. In 2024, five new Ratgeber sections were launched, increasing the number of Ratgeber sections available to chronically ill patients to nine. With the new sections, additional services for the consumer were launched such as availability checks, risk checks, a free self-test for kidney disease or special delivery services.

DocMorris also provides information about digital health applications (DiGA) or other apps that support therapy. The information on DiGA is for cardiovascular disease, tinnitus and sleep disorders.

The consistent aim is to make the best possible and comprehensive information easily accessible to the consumer. By conducting surveys and aligning the indications of the Ratgeber with prevalence rates in the population, consumers are partially involved in setting goals and planning new services.

Health, safety and security of customers

The health, safety and security of our customers and patients is always at the centre of everything we do. As a pharmacy, we are particularly interested in the safety of medicines and therapies and are constantly working to improve our services in this regard.

The DocMorris pharmacists check every individual order in terms of drug safety, e.g. dosage checks and interaction checks. Various databases support these checks and are updated on a regular basis, 2024 190 rulesets amendments were made. Potential medication errors, such as adverse interactions, are always a risk for chronically ill patients but can be identified and avoided. Depending on the urgency of the plausibility checks, the prescriber or customer will be contacted immediately. The pharmacies also apply maximum quantity restrictions for certain OTC medication (e.g. laxatives, nasal spray).

DocMorris conducts medication analyses as a pharmaceutical service with patients who are on at least 5 prescription drugs on a regular basis. About 120 medication analyses were conducted by four pharmacists with additional qualification in 2024.

To surther support safety and security, DocMorris applies high quality standards along its supply chain. Evaluating suppliers is an important way to determine safe sources of supply. DocMorris tracks the steps along the supply chain – from procurement to collection at its distribution centres – to ensure the quality and safety of pharmaceutical products. It also conducts visual inspections of packaging and monitors expiration dates.

Appropriate drug storage is maintained at all times to guarantee safety and special shipment service providers are used to transport medication that requires refrigeration. Customer contact information is carefully maintained in the event of a drug batch recall. DocMorris fulfils high quality standards and is ISO 9001 certified.

Teleclinic services contribute another key component to the health and safety of patients. Patients can receive medical care from diagnosis to treatment online, in the comfort of their own home. The aim is to make access to the doctor, the pharmacy and therefore also the medication as quick and easy as possible via the Teleclinic platform. With several thousand treatments per day, Teleclinic is an important building block for DocMorris' patient-centred approach.

Non-discrimination and access to products and services

DocMorris' core mission is to support customers in their healthcare and to provide them with the best possible care. DocMorris complies with the applicable regulations and guarantees non-discriminatory access to all products and services. There are no severe human rights issues or incidents connected to consumers and / or end-users.

Access to products and services

DocMorris has always had a special focus on easy access to the products, and the same applies to access to and use of the services.

These are generally available to every customer; there are no restrictions such as pay walls for services or similar. For DocMorris, 'Health in one click' means quick and easy access to healthcare. This vision is central to the design of our platforms and new services.

The DocMorris website has been focused on accessibility for some time now, and since the latest EU regulation, the Ux / Ui team and the product team have been working on making the DocMorris shop more accessible for people with disabilities. This includes checking colour contrasts, adjusting font sizes and enabling the use of screen readers. New content is already being made accessible, existing content is being reviewed and gradually redesigned.

The product teams are also working on the introduction of a third, neutral gender for registration in the shop. The team has been working together with the pharmacists to enable neutral genders to receive the best possible advice and to ensure the safety of drug therapy. This will further reduce barriers to discrimination.

The company uses inclusive language in accordance with the current guide to inclusive language and imagery. In visual language, it is particularly important to depict a diverse group of people and to consider skin colour, sexuality, gender and physical characteristics.

Teleclinic is also working on making access even easier. The application is already very accessible, but in 2025 Teleclinic wants to tackle the issue of language barriers and expand its offering to include new languages.

Customer demand for better accessibility has so far been low, and DocMorris is basing its development on best practices and business standards.

Additional Targets

For 2025: Introducing a third, neutral gender for shop-registration

Making the shop more accessible for people with disabilities

Responsible marketing

Ensuring fair and transparent marketing and sales practices is crucial for DocMorris.

DocMorris marketing is strictly separated in terms of content messages between marketing for non-prescription and prescription drugs. For prescription drugs, DocMorris concentrates on general statements and is interested in providing patients with relevant and helpful information such as The DocMorris Ratgeber. The above-mentioned pharmaceutical topics play a central role here.

When marketing non-prescription medicines, products may also be advertised. DocMorris is always interested in creating relevance for the customer and targeting the advertising as individually and precisely as possible.

All marketing activities are reviewed and approved by the legal and pharma department before they are released to the public. Employees from the Brand Team, Customer Relationship Management, Pharma and Legal Team, Category Management, Prescription Service Team and IT and Business Intelligence work on the marketing campaigns and actions.

DocMorris regularly conducts market research to assess the success of brand awareness and uses conversion KPIs to track and report on the performance of specific campaigns. DocMorris conducts advertising media tests to better understand and respond to the impact and influence of advertising campaigns. There are also customer surveys on specific topics to ensure the relevance of marketing campaigns for customers.

There were three incidents in the area of e-mail marketing communication in 2024. To prevent this in the future, processes were optimized and the dual control principle was introduced. There were also two incidents in the area of labeling in Spain.

ESRS G1 Business Conduct

Approach and governance

Good corporate governance is the basis for a healthy corporate culture and a successfully implemented strategy. It ensures a high level of integrity and guidance for the behaviour of employees and cooperation with stakeholders at DocMorris. The company is working to manage the material issues listed in the best possible way while ensuring an open and safe working environment.

Business conduct policies and corporate culture

DocMorris believes that a strong culture serves as the basis for effective strategy execution. Following an intensive process involving company-wide workshops, DocMorris has adopted five cultural principles that were communicated company-wide in 2022 and form the basis for the company culture:

— Customer and patient-centric
— Seeking consensus and sharing ownership
— Empathetic
— Binding and agile
— Caring and competent

These culture principles support the ongoing cultural transformation of DocMorris and ensure the establishment of a company-wide cultural core. As DocMorris continues its cultural transformation, the company is pushing forward to incorporate the cultural principles across employer branding, onboarding, leadership trainings, learning and development offerings, cultural artefacts and internal communication, selection and assessment criteria.

Good relationships and a healthy culture are also based on a high degree of integrity and ethical behaviour among employees and towards stakeholders. DocMorris encourage this behaviour with the help of various policies.

DocMorris' employees receive information about the Code of Conduct, which sets out the binding principles of business conduct. Employees must notify any breaches of the Code of Conduct. Information on the Code of Conduct is available to all employees via the intranet and can be accessed at any time.

There is also an Anti-Corruption Policy that regulates the handling of gifts and hospitality in more detail (see below), an AI Policy to ensure AI is only used in a manner that aligns with DocMorris policies, values, and legal requirements and a Data Protection Policy to ensure an appropriate common standard that adequately protects personal data (see also S4 Consumer and end user).

To encourage and enable employees to report concerns regarding possible incidents of non-compliance an online whistleblower platform is available, which also allows for anonymous reporting. Reports have no negative consequences of any kind for the person who submits them. Every complaint is reviewed by the Head of Compliance. For questions about corporate policies and practices, employees can contact human resources (HR) or the legal department. External parties can contact the corporate communications department.

Management of relationships with suppliers

Trusting and cooperative collaboration with suppliers and partners is very important to DocMorris. The company therefore endeavours to develop processes to regulate this cooperation and to further build trust with partners and suppliers.

A Contract Management Policy is in place to regulate cooperation with partners internally. This policy applies to the entire contract process – from application, review, approval, signing and the termination. It establishes binding rules for dealing with contracts.

The partner code of conduct regulates sustainability related matters and is an integral part of the agreements with our business partners, covering all suppliers, partners and service providers. DocMorris has set itself the goal that by 2030 all suppliers have agreed to the Code of Conduct or have comparable codes of conduct themselves that are acceptable. The company is strongly committed to the partner code of conduct by incorporating it into all contracts with business partners and suppliers. The development of the Partner code of conduct and risk management for child labour was the starting point for a responsible approach to the supply chain. In the future, DocMorris plans to establish a comprehensive risk management process to gain a deeper understanding of the risks in the supply chain.

In addition to suppliers, partners such as DiGA, Health Apps, pharmaceutical manufacturers and health insurance companies are very important for DocMorris to continuously improve healthcare. In 2024, there were more than 15 active partnerships, from which various services such as “Ratgeber” have emerged or have been further improved. DocMorris aims to continuously expand and strategically develop these partnerships.

Corruption and bribery

DocMorris is committed to the highest standards of integrity, ethics, and transparency in all aspects of business operations. DocMorris has an Anticorruption Policy and a process to declare and report gifts and hospitality. The Anticorruption Policy outlines our unwavering dedication to preventing corruption, bribery, and unethical practices within our organization and in our interactions with external stakeholders. This Policy is in line with the United Nations Convention against Corruption. In the case of a suspected violation reports can be made to the Head of Compliance or anonymously through the Whistleblowing platform. Information on the policy is available to all employees via the intranet and can be accessed at any time.

There were no incidents of corruption concerning DocMorris during the reporting period, there were also no fines. This also includes no incidents in which employees were dismissed or disciplined for corruption, no incidents where contracts with business partners were terminated or not renewed due to violations related to corruption, and no public legal cases regarding corruption brought against the organisation or its employees during the reporting period.

Political engagement

DocMorris operates in a highly regulated environment due to the sale of medicines and other business activities in the healthcare sector. It is therefore very important for the company to maintain a good and constructive dialogue with politicians and public authorities. This dialogue with members of Deutscher Bundestag and Ministries in Germany as well as the European Parliament, European Commission and others is coordinated by the Public Affairs team.

The Public Affairs team reports to the Director Communications and Public Affairs who is part of the Group Management Team. These colleagues cover both Berlin and Brussels. They constantly monitor important developments in legislation and regulation and liaise with decision-makers. In addition, some internal experts from specialist departments also work with the Public Affairs Team attending appointments or providing internal advice on specific topics.

In general, the Public Affairs team deals with healthcare in general, the supply of medicines and digitalisation. The most important topics in 2024 were a future-oriented legal framework for tele pharmacy, discussing the provision and reimbursement of pharmaceutical services (pDL) by telepharmacy and the access to electronic patient records by online pharmacies. Relevant positions and initiatives are shown in the lobby register of the German Bundestag and the transparency register of the European Parliament.

Total contributions	
Political contributions	35.000 EUR
Internal and external lobbying expenses	524.640 EUR
Internal	*164.000 EUR*
External	*360.640 EUR*
Membership to lobbying associations	164.401 EUR

This table provides an overview of DocMorris' total contributions in the field of political influence and lobbying activities.

List of industry and member associations and / or (inter)national organisations of which DocMorris is a member or plays an important role

Abbreviation	Association
SMG	Schweizer Management Gesellschaft (Swiss Management Association)
IIA	IIA The Institute of Internal Auditors Switzerland,
SVDGV	Spitzenverband Digitale Gesundheitsversorgung (Digital healthcare organisation)
Forum BGM	Forum BGM Ostschweiz
Global Compact	UN Global Compact Network Switzerland & Liechtenstein,
Bitkom e.V.	Bitkom e.V. (Bitkom Digital Association)
FoE	FoE Friends of Europe
SPD-Wirtschaftsforum	Wirtschaftsforum der SPD e.V. (Economic Forum SPD)
Wirtschaftsrat	Der Wirtschaftsrat der CDU e.V. (Economic Council CDU)
EAEP	EAEP European Association of E-Pharmacies
BEVH	BEVH Bundesverband E Commerce und Versandhandel (Federal Association for E-Commerce and Mail-Order Business)
BMC	BMC Bundesverband Managed Care e.V. (German Managed Care Association)
BVDVA	BVDVA Bundesverband Deutscher Versandapotheken (Federal Association of German Mail-Order Pharmacies)
bvitg	bvitg Bundesverband Gesundheits-IT bvitg e.V. (Federal Association for Health IT)
BVL	BVL Bundesvereinigung Logistik e.V. (Federal Association Logistics) Schlachte 31, 28195 Bremen, Germany
Ad Hoc Council	Ad Hoc Council – The European Government Business Relations Council, London, UK

Payment practices

DocMorris complies with the specifications of the respective suppliers and service providers regarding payment modalities. There have been no incidents or difficulties in the past, which is why there are no specific measures or targets in this area.

DocMorris has direct debit mandates with the majority of its suppliers who are mainly large suppliers such as pharmaceutical manufacturers. The invoice payments are collected automatically and therefore paid on time. For the other creditors, there is a fixed payment day in the week, which sometimes leads to a one or two day late payment. The weighted average lead time (time from invoice date to payment date) is 22 days. DocMorris generally adheres to payment deadlines; in exceptional cases, there are discrepancies with the suppliers or problems in the internal approval process. There is no differentiation between the creditors of larger companies and SMEs.

Appendix

Disclosure requirements in ESRS covered by the undertaking's sustainability statements

All ESRS disclosures in ESRS 2 are listed below. The standards ESRS E3 – Water and Marine Resources and ESRS S4 – Affected Communities are not listed, as none of the subtopics reached the threshold defined for materiality.

Disclosure requirement		Page
ESRS 2 General disclosures		
BP-1	General basis for preparation of the sustainability statement	22
BP-2	Disclosures in relation to specific circumstances	22, 23
	Datapoints that derive from other EU legislation	81 ff
GOV-1	The role of the administrative, management and supervisory bodies	102, 103, 107 – 115
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	26
GOV-3	Integration of sustainability-related performance in incentive schemes	122
GOV-4	Statement on sustainability due diligence	27
GOV-5	Risk management and internal controls over sustainability reporting	26, 28 ff
SBM-1	Strategy, business model and value chain	24, 36
SBM-2	Interests and views of stakeholders	37 – 39
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	29 – 36
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	28, 29
E1 Climate Change		
ESRS2, GOV-3	Integration of sustainability-related perfomance in incentive schemes	122
ESRS2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	29 ff
ESRS2, IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	28, 29
E1-1	Transition plan for climate change mitigation	42 – 44, 95 ff
E1-2	Policies related to climate change mitigation and adaptation	44, 45
E1-3	Actions and resources in relation to climate change policies	42 – 52
E1-4	Targets related to climate change mitigation and adaptation	40 – 52
E1-5	Energy consumption and mix	45 – 49, 87 ff
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	43, 46, 87 ff
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	44
E1-8	Internal carbon pricing	–
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	95 ff

Disclosure requirement		Page
E2 Pollution		
ESRS2, IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	28, 29
E2-1	Policies related to pollution	44, 45
E2-2	Actions and resources related to pollution	42 – 52
E2-3	Targets related to pollution	40, 41, 45
E2-4	Pollution of air, water and soil	45, 47
E2-5	Substances of concern and substances of very high concern	51
E2-6	Potential financial effects from pollution-related impacts, risks and opportunities	51
E4 Biodiversity and ecosystem		
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	95 ff
ESRS2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	29 ff
ESRS2, IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	28, 29
E4-2	Policies related to biodiversity and ecosystem	–
E4-3	Actions and resources related to biodiversity and ecosystems	53
E4-4	Targets related to biodiversity and ecosystems	53
E4-5	Impact metrics related to biodiversity and ecosystems change	–
E4-6	Anticipated financial effects from biodiversity and ecosystems-related risks and opportunities	95 ff
E5 Resource use and Circular Economy		
ESRS2, IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	28, 29
E5-1	Policies related to resource use and circular economy	44, 45
E5-2	Actions and resources related to resource use and circular economy	42 – 44, 49 – 51
E5-3	Targets related to resource use and circular economy	40, 41, 42 – 51
E5-4	Resource inflows	49, 50
E5-5	Resource outflows	49 – 52
E5-6	Anticipated financial effects from material resource use and circular economy-related risks and opportunities	95 ff
S1 Own Workforce		
ESRS 2, SBM-2	Interests and views of stakeholders	37 – 39
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	29 ff
S1-1	Policies related to own workforce	54
S1-2	Processes for engaging with own workers and workers' representatives about impacts	55
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	56
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	57 – 64
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	40, 41, 57 – 64

Disclosure requirement		**Page**
S1-6	Characteristics of the undertaking's employees	56
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	56, 57
S1-8	Collective bargaining coverage and social dialogue	56, 57
S1-9	Diversity metrics	58, 59
S1-10	Adequate wages	60
S1-11	Social protection	not material
S1-12	Persons with disabilities	56, 60
S1-13	Training and skills development metrics	61
S1-14	Health and safety metrics	62, 63
S1-15	Work-life balance metrics	63
S1-16	Compensation metrics (pay gap and total compensation)	60
S1-17	Incidents, complaints and severe human rights impacts	64
S2 Workers in the Value Chain		
ESRS 2, SBM-2	Interests and views of stakeholders	37 – 39
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	29 ff
S2-1	Policies related to value chain workers	65
S2-2	Processes for engaging with value chain workers about impacts	65
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	65
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	65
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	40, 41, 65
S4 Consumers and end user		
ESRS 2, SBM-2	Interests and views of stakeholders	37 – 39
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	29 ff
S4-1	Policies related to consumers and end-users	67
S4-2	Processes for engaging with consumers and end-users about impacts	67, 68
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	67, 68
S4-4	Taking action on material impacts on consumers and end-users and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users and effectiveness of those actions	68 – 72
S4-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	40, 41, 68 – 72

Disclosure requirement		Page
G1 Business Conduct		
ESRS 2, GOV-1	The role of the administrative, supervisory and management bodies	102, 103, 107 – 115
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	28, 29
G1-1	Business conduct policies and corporate culture	73, 74
G1-2	Management of relationships with suppliers	74
G1-3	Prevention and detection of corruption and bribery	74, 75
G1-4	Incidents of corruption or bribery	75
G1-5	Political influence and lobbying activities	75, 76
G1-6	Payment practices	76

Datapoints derived from other EU legislation

The table below includes all the data points that originate from other EU legislation as listed in ESRS 2 appendix B, indicating where the data points can be found in our report and which data points are assessed as 'not material'.

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Section or status	Page
ESRS 2, GOV-1 Board's gender diversity paragraph 21 (d)	Indicator n. 13 of Table #1 of Annex 1		Benchmark Regulation (25) reference		Sustainability statement	59
ESRS 2, GOV-1 Percentage of board members who are independent paragraph 21 (e)			Commission Delegated Regulation (EU) 2020 / 1816 (27), Annex II		Corporate Governance	107
ESRS 2, GOV-4 Statement on due diligence paragraph 30	Indicator n. 10 Table #3 of Annex 1		Delegated Regulation (EU) 2020 / 1816, Annex II		Sustainability statement	27
ESRS 2, SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575 / 2013; Commission Implementing Regulation (EU) 2022 / 2453 (28) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk			Not relevant	
ESRS 2, SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator n. 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020 / 1816, Annex II		Not relevant	
ESRS 2, SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator n. 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020 / 1816, Annex II		Not relevant	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020 / 1818 (29), Article 12(1) Delegated Regulation (EU) 2020 / 1816, Annex II		Not relevant	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021 / 1119, Article 2(1)	Sustainability statement, TCFD Report	42 ff 95 ff

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Section or status	Page
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575 / 2013; Commission Implementing Regulation (EU) 2022 / 2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020 / 1818, Article 12(1) Delegated Regulation (EU) 2020 / 1816, Annex II		Sustainability statement, TCFD Report	42 ff 95 ff
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator n. 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575 / 2013; Commission Implementing Regulation (EU) 2022 / 2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020 / 1818, Article12.1 (d) to (g), and Article 12.2		Sustainability statement	40 – 44 95 ff
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator n. 5 Table #1 and Indicator n. 5 Table #2 of Annex 1		Delegated Regulation (EU) 2020 / 1818, Article 6		Sustainability statement	45
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator n. 5 Table #1 of Annex 1				Sustainability statement	45
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator n. 6 Table #1 of Annex 1				Sustainability statement	46
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575 / 2013; Commission Implementing Regulation (EU) 2022 / 2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity			Sustainability statement	46
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575 / 2013; Commission Implementing Regulation (EU) 2022 / 2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020 / 1818, Article 5(1), 6 and 8(1)		Sustainability statement	46
ESRS E1-7 GHG removals and carbon credits paragraph 56			Delegated Regulation (EU) 2020 / 1818, Article 8(1)	Regulation (EU) 2021 / 1119, Article 2(1)	Sustainability statement	44

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Section or status	Page
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66					TCFD Report	97
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		Article 449a Regulation (EU) No 575 / 2013; Commission Implementing Regulation (EU) 2022 / 2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.	Delegated Regulation (EU) 2020 / 1818, Annex II Delegated Regulation (EU) 2020 / 1816, Annex II		TCFD Report	97
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).					Not stated	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575 / 2013; Commission Implementing Regulation (EU) 2022 / 2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			Not stated	
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020 / 1818, Annex II		TCFD Report	97
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator n. 8 Table #1 of Annex 1 Indicator n. 2 Table #2 of Annex 1 Indicator n. 1 Table #2 of Annex 1 Indicator n. 3 Table #2 of Annex 1				Sustainability statement	47
ESRS E3-1 Water and marine resources paragraph 9	Indicator n. 7 Table #2 of Annex 1				Not material	
ESRS E3-1 Dedicated policy paragraph 13	Indicator n. 8 Table 2 of Annex 1				Not material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator n. 12 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator n. 6.2 Table #2 of Annex 1				Not material	

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Section or status	Page
ESRS E3-4 Total water consumption in m³ per net revenue on own operations paragraph 29	Indicator n. 6.1 Table #2 of Annex 1				Not material	
ESRS 2 – SBM 3 – E4 paragraph 16 (a) i	Indicator n. 7 Table #1 of Annex 1				Sustainability statement	30
ESRS 2 – SBM 3 – E4 paragraph 16 (b)	Indicator n. 10 Table #2 of Annex 1				Sustainability statement	30
ESRS 2 – SBM 3 – E4 paragraph 16 (c)	Indicator n. 14 Table #2 of Annex 1				Sustainability statement	53
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator n. 11 Table #2 of Annex 1				Not relevant	
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator n. 12 Table #2 of Annex 1				Not relevant	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator n. 15 Table #2 of Annex 1				Not relevant	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator n. 13 Table #2 of Annex 1				Sustainability Statement	50
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator n. 9 Table #1 of Annex 1				Sustainability statement	51
ESRS 2- SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator n. 13 Table #3 of Annex I				Not stated	
ESRS 2- SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator n. 12 Table #3 of Annex I				Not stated	
ESRS S1-1 Human Rights Policy commitments paragraph 20	Indicator n. 9 Table #3 and Indicator n. 11 Table #1 of Annex I				Sustainability statement	54
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020 / 1816, Annex II		Sustainability statement	54
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator n. 11 Table #3 of Annex I				Not stated	
ESRS S1-1 Workplace Accident Prevention Policy or management system paragraph 23	Indicator n. 1 Table #3 of Annex I				Sustainability statement	54, 62

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Section or status	Page
ESRS S1-3 grievance / complaints handling mechanisms paragraph 32 (c)	Indicator n. 5 Table #3 of Annex I				Sustainability statement	56
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator n. 2 Table #3 of Annex I		Delegated Regulation (EU) 2020 / 1816, Annex II		Sustainability statement	63
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator n. 3 Table #3 of Annex I				Not stated	
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator n. 12 Table #1 of Annex I		Delegated Regulation (EU) 2020 / 1816, Annex II		Sustainability statement	60
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator n. 8 Table #3 of Annex I				Not stated	
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator n. 7 Table #3 of Annex I				Sustainability statement	64
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator n. 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020 / 1816, Annex II Delegated Regulation (EU) 2020 / 1818 Art 12 (1)		Sustainability statement	64
ESRS 2 – SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Sustainanility statement	65, 66
ESRS S2-1 Human Rights Policy commitments paragraph 17	Indicator n. 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Sustainanility statement	65
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator n. 11 and n. 4 Table #3 of Annex 1				Sustainanility statement	65
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator n. 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020 / 1816, Annex II Delegated Regulation (EU) 2020 / 1818, Art 12 (1)		Sustainanility statement	65
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020 / 1816, Annex II		Not stated	

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Section or status	Page
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator n. 14 Table #3 of Annex 1				Not stated	
ESRS S3-1 Human Rights Policy commitments paragraph 16	Indicator n. 9 Table #3 of Annex 1 and Indicator n. 11 Table #1 of Annex 1				Not material	
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator n. 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020 / 1816, Annex II Delegated Regulation (EU) 2020 / 1818, Art 12 (1)		Not material	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator n. 14 Table #3 of Annex 1				Not material	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator n. 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material	
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator n. 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020 / 1816, Annex II Delegated Regulation (EU) 2020 / 1818, Art 12 (1)		Not stated	
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator n. 14 Table #3 of Annex 1				Sustainability statement	68
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator n. 15 Table #3 of Annex 1				Sustainability statement	73, 74
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator n. 6 Table #3 of Annex 1				Sustainability statement	73, 74
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator n. 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020 / 1816, Annex II)		Sustainability statement	74, 75
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator n. 16 Table #3 of Annex 1				Sustainability statement	74, 75

Sustainability KPI accounting methodology

Overview

DocMorris has applied the principles and methods of the Greenhouse Gas (GHG) Protocol to ensure consistency, transparency and comparability in the reporting of emissions. Guidance from the European Sustainability Reporting Standards is aligned with the GHG Protocol. GHG emissions estimated are based on detailed calculations performed in-house using a bespoke model. Calculations incorporate activity data, emissions factors, and educated assumptions for data that is not available or that requires unreasonable effort to obtain.

Activity data refers to the source data for each activity as evidenced by third party invoices or reports or internal reporting systems. Data collection is coordinated centrally by the Sustainability Team, facilitated by the support of subject matter experts (e.g. Facility Management, Transportation & Logistics, Human Resources, Controlling, etc.) at each location, or at a segment or group level.

An emission factor is a calculated ratio (e.g. MWh per metric tonne (t) of CO_2) relating GHG emissions to a proxy measure of activity (e.g. tonnes of fuel consumed) at an emission source. Emission factors are sourced from supplier invoices and reliable third party sources to the extent possible. Any exceptions are noted below in the relevant KPI sections.

Defining the inventory

Scope 1 includes only direct energy consumption from fuels used for heating and transportation, for company vehicles, fugitive emissions from cooling machinery and on-site generation of renewable energy through solar installations.

Scope 2 includes only carbon emissions from indirect energy consumed on location including electricity and district heating. Electricity emissions were calculated using both the location-based and market-based approaches, as required by ESRS. Scope 1, scope 2 and scope 3.3 (fuel and energy related activites) emissions in this report have been calculated using the same underlying activity data.

Scope 3 emissions cover residual indirect emissions that are not covered in scopes 1 and 2 are occur outside of DocMorris' operational boundaries. The following scope 3 activites are relevant for the business: purchased goods and services, fuel and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commute, and downstream transportation and distribution.

Unlike operational emissions within scopes 1 and 2, scope 3 emissions cannot be measured in their entirety. They often involve a significant amount of estimated or modelled data based on company-specific assumptions, because these are emissions from third parties. Reliable estimation methods are still being developed for upstream transportation and distribution and employee commute, and emissions will be reported for the first time with the 2025 report. Data is not yet available to estimate end-of-life treatment of sold products.

Defining the organisational boundary

The operational control approach for GHG accounting has been applied. In general, a company is in scope when the financial performance of such company is consolidated in the financial statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The scope excludes associates, joint ventures and discontinued operations. Please refer to section 2.2 "Basis of consolidation" of the financial statements for a full list of legal entities.

In 2024, the scope of the sustainability reporting was expanded due to improved availability of data and further integration of Apotal. The 2023 and 2022 reporting periods have been restated accordingly. With this improvement, the scope of the sustainability reporting has been aligned to that of continuing operations in the financial statements. Activity data has been collected for all fully consolidated legal entities and excludes operational data from mail-order pharmacies that are supplied by DocMorris.

Any exceptions to this are described in individual KPI sections where relevant.

Classifying sources of emissions

Emissions have been classified according to the GHG Protocol with further sub categories that provide additional transparency specific to the operations of DocMorris.

Estimate, judgement and restatement principles

Some data points in our ESG reporting are subject to estimates, judgements or adjustments. DocMorris reviews the methodology and selected ESG KPIs on a regular basis to reflect developments in business priorities, regulatory requirements, industry best practices and standards, and stakeholder feedback. As the ESG reporting requirements and methodology continue to mature, we will continue to make judgement calls on whether restatements are meaningful and justified.. DocMorris is committed to transparently identifying restatements, explaining any changes in methodology and, when possible, applying the changes to the prior reporting period to facilitate comparability.

Updates

The main updates made in 2024 were:

1. The scope of the sustainability reporting was expanded due to improved availability of data and further integration of Apotal.
2. Sources for emission factors have been reviewed and some have been revised, in particular to ensure that they are based on the most reliable sources available and cover the correct scope (e.g. cradle-to-gate vs full life cycle).
3. Calculation methodologies have been reviewed and improved for several categories as outlined in more detail in the sections that follow.
4. The GHG intensity calculation has been revised to exclude exchange rate impacts and provide a more meaningful metric that is also more comparable between periods.

The 2023 and 2022 reporting periods have been restated accordingly to ensure comparability of data.

GHG emissions calculation methodology

For scopes 1 and 2, activity data are first converted into comparable units of measurement and then CO_2 emission factors are applied to the activity data to calculate the estimated tonnes of CO_2 equivalents. For activity where it is difficult to accurately measure activity data (e.g. downstream transportation), bespoke models are used to create a best guess using both known variables and assumptions.

Direct emissions accounted for in scope 1 are generated from transportation fuels (diesel and petrol), natural gas, heating oil and fugitive emissions.

Transportation and heating fuels Fuel-based method
$tCO_2e = \Sigma$ consumption per fuel type x average life cycle emission factors per energy type per unit of consumption
where:
upstream fuel emission factor = life cycle emission factor – combustion emission factor

Fuels contributing to direct emissions include diesel and petrol for transportation, and natural gas and heating oil for facility heating. Combustibles have been reclassified from scope 2 to scope 1 in 2024 since the direct emissions occur on-site and are under DocMorris' control. Additional transparency has been added to disclose the split between transportation fuels (diesel and petrol), natural gas and heating oil. Diesel and petrol currently includes direct emissions from all fuel purchased by DocMorris and the classification between scopes 1, 3.3 (fuel- and energy-related activities) and 3.7 (employee commute) is being reviewed.

Emissions are calculating by applying the fuel-based method which calculates emissions by multiplying the quantity of fuel used by the appropriate emission factor for that fuel type. Fuels are typically reported on supplier invoices in m^3 or liters. These are then converted into MWh using conversion factors provided on supplier invoices or by the Bundesamt für Wirtschaft und Ausfuhrkontrolle (BAFA). Emission factors to calculate from MWh to CO_2e are sourced from the European Commission's Joint Research Centre Data Catalogue.

Fugitive emissions Life cycle stage method
$tCO_2e = \Sigma$ cooling agent refilled x emission factor per type of cooling agent

In 2024 a new and improved CO_2 estimation model was developed for fugitive emissions. This model increases the accuracy of the estimation by shifting from a screening approach (an assumed annual percentage of cooling agent or fuel leakage) to a lifecycle stage approach (actual data according to maintenance protocols). Emission factors are sourced from the Öko-Recherche Büro für Umweltforschung und -beratung.

On-site generation of renewable energy

With the inclusion of the Hilter (Apotal) facility in the GHG inventory, DocMorris now also reports renewable energy that is generated on-site through a solar installation. The majority of the solar energy generated is used directly for own operations while a portion is delivered back into the grid in exchange for credits against electricity purchased from the grid. Electricity produced for own consumption is reported in scope 1 with zero emissions. Electricity delivered to the grid is excluded from both consumption and emissions calculations.

Indirect emissions accounted for in scope 2 are generated from electricity and district heating.

Electricity emissions Market-based method
$tCO_2e = \Sigma$ electricity consumption covered by a contractual instrument x emission factor for the instrument) + (residual electricity consumption x grid-based indirect emission factor) for each location
where:
grid-based indirect emission factor = IPCC (Intergovernmental Panel on Climate Change) approach for the national grid applicable to each location

DocMorris has applied the GHG Protocol's market-based method for calculating Scope 2 emissions, which involves using specific emission factors that reflect the emissions from the electricity purchased through contractual instruments. Contractual instruments can include Renewable Energy Certificates (REC), Guarantees of Origin (GO) and Power Purchase Agreements (PPAs).

Activity data (purchased electricity consumption in MWh) is collected by location and utility provider. Electricity consumption that is offset through contractual instruments is calculated with zero emissions. Residual emissions are calculated for each location using the indirect emissions factor based on the local grid mix of renewable energy. This represents the average emissions intensity of the electricity that remains after accounting for all contractual instruments.

In 2024 DocMorris improved the calculation by applying more granular emission factors based on each location. Data is sourced from the emission factors for national electricity published by the European Commission.

Electricity emissions Location-based method
$tCO_2e = \Sigma$ consumption of purchased electricity x corresponding grid-based indirect emission factor) for each location
where:
grid-based indirect emission factor = IPCC (Intergovernmental Panel on Climate Change) approach for the national grid applicable to each location

This location-based method was introduced in 2024 and provides a baseline for understanding the emissions associated with energy consumption based on the average grid mix, without considering specific contractual instruments or renewable energy purchases. DocMorris follows the GHG Protocol's method using average emission factors for the grid on which the energy consumption occurs. The emissions factors are sourced from the data for national electricity published by the European Commission.

District heating
$tCO_2e = \Sigma$ consumption x corresponding emission factor by location

District heating is classified as Scope 2 because it involves the consumption of purchased energy where emissions occur at sources that DocMorris does not own or control. The district heating plants produce and distribute the heat. Both consumption and emission factors are sourced from service provider invoices.

3.1 Purchased goods and services Average-data method
$tCO_2e = \Sigma$ consumption in tonnes per energy type x upstream emission factor per energy type unit of consumption
where:
upstream fuel emission factor = cradle-to-gate or closed-loop source emission factor

Purchased goods include packaging materials such as cardboard and paper, filling material, labels, plastic (LPDE) bags, and stretch films. Consumption data is collected per type of material based on a combination of supplier data and internal system data. Where consumption mass (i.e. tonnes) is not available, estimates are made using a combination of volumes purchased and supplier-provided product data. Emission factors are sourced from suppliers where possible and otherwise by Department for Environment Food & Rural Affairs (DEFRA) industry averages.

3.3 Fuel and energy-related activities Average-data method

$tCO_2e = \Sigma$
consumption per energy type x upstream emission factor per energy type unit of consumption

where:

upstream fuel emission factor = life cycle emission factor – combustion emission factor (IPCC)

Scope 3.3 accounts for upstream emissions related to the production of fuels and energy purchased and consumed during the reporting year, which are not included in scopes 1 or 2. This includes emissions from the extraction, production and transportation of fuels, natural gas and electricity consumed..

Emission factors for fuels and natural gas are sourced from the European Commission's Joint Research Centre Data Catalogue. Emissions factors for electricity are sourced from the European Commission and reflect the grid mix of renewable and non-renewable energy and are not affected by purchased energy contracts.

3.5 Waste generated in operations

$tCO_2e = \Sigma$
(incineration waste in tonnes x upstream emission factor) + (water consumed x upstream emission factor)

Waste generated in operations includes emissions from water usage and incineration waste. Emission factors are sourced from DEFRA industry averages.

3.6 Business Travel

$tCO_2e = \Sigma$
Business travel expenditure x weighted average emission factor associated with the travel services purchase

To estimate total GHG emissions, a weighted average emission factor is calculated by determining the amount of money spent on each mode of business travel (e.g., flights, trains, rental cars) and then applying emission factors based on the group's third-party travel tool. The travel tool sources emission factors from DEFRA and ICAO (International Civil Aviation Organization).

3.9 Downstream transportation and distribution

$tCO_2e = \Sigma$
(Average CO_2e emissions per parcel by carrier (tCO_2e / parcel) x number of parcels per carrier)

Downstream transportation includes emissions from purchased transportation and distribution of products to end customers after the point of sale. Emissions from downstream transport have been estimated using guidance from the Greenhouse Gas Protocol. Emission factors reflect Well-to-Wheel (WTW) values and consider the mass of goods sold, distance travelled and mode of transport.

DocMorris relies on third-party transport carriers for its outbound logistics. In 2024 the calculation methodology was improved by switching from a group-wide emissions factor based on average CO_2 per parcel to a more granular emissions factors based on CO_2 per parcel per transport carrier based on data provided by our carriers, where available. For carriers where emissions factors are not available, an average emissions factor per segment is applied.

GHG intensity

CO_2e emissions per CHF revenue generated

$tCO_2e = \Sigma$
(tCO_2e / CHF revenue)

GHG intensity is calculated for scopes 1 and 2 combined, as well as for all scopes combined using either the relevant market-based emissions or location-based emissions in the numenator.

Revenue reflects external sales as defined in the financial statements, recalculated at constant exchange rates using base year 2022 to make the KPI comparable over time. External revenue comprise the consolidated sales of DocMorris plus the mail-order sales of pharmacies supplied by DocMorris, less the consolidated sales for their supply.

Gender pay gap

The gender pay gap analysis was performed based on the total cash compensation (base salary and bonus) of all employees with an annual salary above CHF / EUR 15,000. Salaries below this threshold are typically due to employees working on an hourly basis and account for a low one-digit percentage of the overall employee population. For the statistical analyses DocMorris includes all employees with regular or fixed-term contracts, but excludes apprentices, working students and mini jobs. All salaries were normalised to a full-time employee (FTE) equivalent of 1.0, i.e. the salary of a worker working 50% was doubled for the purpose of the analysis. The unadjusted pay gap analysis is based on a linear model to explain total cash compensation. The gap was calculated taking into account the gender as well as different salary levels in the various countries (Germany, Switzerland, Netherlands, Rest of Europe). For the calculation of the adjusted gender pay gap, additionally the different job family groups and the different management levels were taken into account.

People data
The management levels were categorised as follows:

— Top management: all C-levels outside the Executive Board
— Senior management: all directors
— Management: all department heads and team leads

TCFD Report

Introduction

DocMorris supports the Paris Agreement and the objective of limiting global warming to 1.5°C relative to the preindustrial level. The consequences of climate change are impacting society and its need for healthcare. DocMorris welcomes the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to assess the impact of climate change on its business and to disclose related information. The 2024 TCFD Report follows the recommendations and ensures compliance with the Swiss Ordinance on Climate Disclosures.

Governance

Overall responsibility for the sustainable development of DocMorris lies with the Board of Directors and the Executive Board. Both are informed regularly about climate-related issues and progress. The Executive Board receives decision proposals for relevant projects and finally approves the Sustainability Report. Supervisory Board member Prof. Dr. Andréa Belliger is in charge of sustainability governance and has a regular, at least quarterly, exchange with the Head of Sustainability. The Sustainability Steering Committee comprising employees from different areas like sustainability, finance, controlling, operations, product, logistics, legal, people, tech and pharmacy acts as a Group-wide cross-sectional coordination body to link governance to business. The sustainability department drives the strategy, reporting and operational work and is led by the Head of Sustainability who directly reports to the CFO. As disclosed in the annual Compensation Report, Executive Board compensation is tied to the achievement of sustainability-related targets including greenhouse gas (GHG) reduction. In its Annual Report, DocMorris reports in detail on the main elements of its corporate governance structures and management compensation. DocMorris publishes its annual Sustainability Report since the financial year 2021. Please see section “ESRS 2 Sustainability governance” in the 2024 report for further details.

The climate risk scenario assessment has been conducted by the sustainability department, validated by employees from strategy, finance and operations departments, and approved by the Sustainability Steering Committee, the Executive Board and the Board of Directors.

Strategy

DocMorris has a sustainability strategy in place that considers environmental issues and climate change specifically within its sustainable planet pillar to work towards the UN's Sustainable Development Goal 13: Climate Action. Within this context and following TCFD recommendations, DocMorris conducted a climate risk assessment to evaluate the risks and opportunities stemming from the effects of climate change. The assessment is not only an important tool for identifying and managing risks but also for further developing the sustainability strategy and adapting the corporate strategy to climate risks.

Climate-related risks were identified by several means including web research on potential consequences of climate change, review of reports (e.g. IPCC, peers), and employee surveys in the context of risk management and double materiality assessment. Risks were rated based on DocMorris' level of exposure (e.g. via WWF risk filter for water and biodiversity), likelihood and severity of a potential consequence as well as potential mitigating actions. For estimating potential consequences, company-internal stakeholders provided data. To assess the overall business risk from a gross perspective, the risk ratings over different time periods and scenarios were combined with potential consequences.

Risks and opportunities were examined based on scenarios projecting temperature increases by 2100 compared to pre-industrial levels as in the Intergovernmental Panel on Climate Change (IPCC) reports. Physical risks and opportunities are more likely in a higher temperature scenario. Therefore, a 2°C scenario and a 4°C scenario, represented by representative concentration pathway (RCP) 2.6 and RCP 8.5, were chosen for these. A 1.5°C scenario and a 2°C scenario, represented by RCP 1.9 and RCP 2.6, were chosen for transitional risks and opportunities as they imply significant, but still reasonably assessable changes to political, legal, technological, market-related and reputational circumstances. 2025 was considered as short-term, 2030 as mid-term and 2050 as long-term time horizon since these years also display main milestones in Switzerland's climate targets. The scope was adapted to the 2024 sustainability report comprising all main entities as well as upstream and downstream value chain.

The risks outlined below potentially have a material negative gross impact on business operations and financial performance, whereas opportunities have a positive one. A likelihood-based potential for earnings impact above EUR 5 million per year is defined as major, between EUR 1 million and EUR 5 million as moderate and at or below EUR 1 million as minor.

Type	**Risk**	**Potential consequences**	**Likelihood-based potential for financial impact per term** scenario	short	mid	long	**Resilience & mitigation strategy**
Physical – Acute	Extraordinary weather events like cyclones or floods	Disruption of operations or supply chain	2°	minor	minor	minor	Protection by location, and infrastructure; diversification; inventory management; trainings
			4°	minor	mod.	mod.	
		Damage to assets or inventory	2°	mod.	mod.	mod.	
			4°	mod.	mod.	mod.	
Physical – Chronic	Periodic droughts	Price increases due to supply disruption	2°	minor	minor	minor	Protection by location, and infrastructure; diversification; inventory management; trainings
			4°	minor	minor	mod.	
Physical – Chronic	Biodiversity loss	Supply shortages of natural compounds	2°	minor	mod.	major	Diversified suppliers
			4°	mod.	mod.	major	
Transitional – Policy & legal	Enhanced emissions-reporting obligations	Regulatory obligations lead to legal risk	1.5°	major	major	major	Organisation; knowledge of and compliance with regulation
			2°	major	major	major	
Transitional – Technology	Substitution of existing products and services	Costs for implementation	1.5°	minor	minor	mod.	Steer by ROI via business case calculation
			2°	mod.	minor	mod.	
Transitional – Market	Shifts in consumer preferences	Consumers prefer not offered products / services	1.5°	major	major	major	Regularly adapt shop, operations and offering
			2°	major	major	major	
Transitional – Reputation	Stigmatisation of e-commerce sector	Bad reputation of e-commerce due to transportation & product returns	1.5°	major	major	major	Actively communicate: Car rides to local pharmacy avoided; return rates very low;
			2°	major	major	major	

Type	**Opportunity**	**Potential consequences**	**Likelihood-based potential for financial impact per term** scenario	short	mid	long	**Resilience & mitigation strategy**
Physical – Chronic	Hotter summers	New medication demand	2°	minor	mod.	mod.	Develop and actively communicate services
			4°	minor	mod.	major	
Technology	Sustainable tech advancement	Cost-efficient renewable energy	1.5°	minor	minor	mod.	Investment in sustainable technologies
			2°	minor	minor	mod.	
Market	Shifts in consumer preferences	Provide more sustainable products and services	1.5°	major	major	major	Increase amount of sustainable services
			2°	major	major	major	

Most identified risks and opportunities either have a low likelihood to materialise or a low financial impact. Potential major impacts are estimated to mostly result from public reputation and changing consumer behaviour, both of which are already general key priorities for and core competences of the company irrespective of climate change. A continuously active communication of the benefits of pharmaceutical delivery in terms of GHG emissions compared to local pharmacies as well as extending this advantage through further GHG reductions are crucial for addressing both points. Emissions are shown to be already by now two to three times lower for deliveries to rural and suburban areas.[1]

In general, DocMorris' resilience against risks is extensive and mitigation strategies are in place. Therefore overall, climate risks for DocMorris are under control, and business prospects as well as strategies are not foreseen to be severely affected from climate change. However, due to changing environmental conditions and regulatory landscape, continuous vigilance of climate risks is deemed necessary.

Risk management

Risk management is a joint effort of all levels of staff at DocMorris, for which the CFO is operationally responsible and that is overseen by the Board of Directors. A company-wide risk management system based on ISO 31000:2018 is in place to identify, analyse, evaluate, treat, report and monitor risks associated with DocMorris' business operations from individual units to Group level.

To specifically identify and evaluate climate-related risks, DocMorris conducted analyses such as a double materiality assessment, surveying multiple stakeholders within the organisation or the climate-risk-assessment. DocMorris plans to continue to conduct these analyses regularly, and integrate the findings, including the ones regarding climate change, in the overall company-wide risk management system.

To manage risks, including climate-related ones, a formal review of business risks is completed annually. Within this process, risk-mitigation measures are reported and evaluated, which may involve transferring risks, reducing impact or probability, and obtaining additional insurance. A mitigation decision is made by balancing the potential benefits derived in relation to the achievement of the objectives against costs, effort or disadvantages of implementation. After risk treatment actions have been implemented, the residual risk is estimated and documented in the risk register.

Metrics and targets

DocMorris adheres to the GHG Protocol for its GHG accounting. The key metric to measure climate impact are GHG emissions in tons of CO_2 equivalent (tCO_2e) and measurements is based on activity data as well as emissions factors per type of activity. DocMorris already made significant efforts for GHG reduction. The 2022 short-term target of reducing absolute combined scope 1 and 2 emissions by 4.2% per year has been exceeded both in 2023 and 2024.

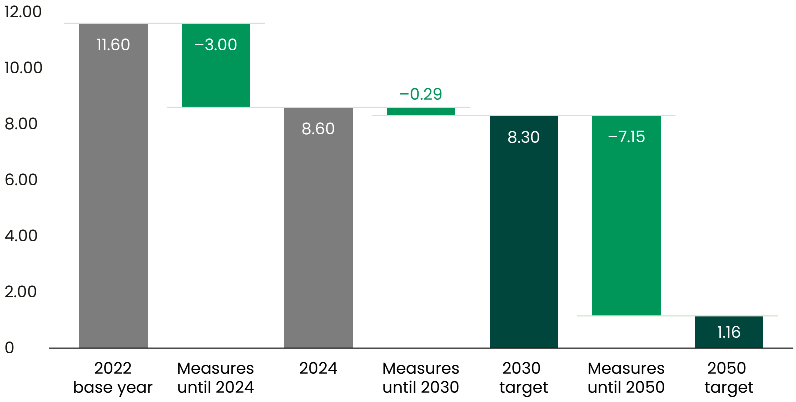
The strategy to achieve GHG-neutrality by 2050 is outlined in the net-zero plan. The plan includes scope 1, 2 and 3 emissions, and thus not only focuses on DocMorris' own emissions, but also the ones of suppliers, distributors and other stakeholders. According to DocMorris' supplier code of conduct, suppliers shall have guidelines in place to limit global temperature rise to 1.5°C. Scope 3 currently comprises the following five categories "purchased goods and services", "energy in business-related activities", "waste generated in operations", "business travel" and "downstream transportation". Estimated GHG emissions of other scope 3 categories are either not relevant for DocMorris or are not yet measurable. More may come into scope in the future as GHG measurement maturity and transparency across the value chain increases, which could then justify a restatement. Management will continue to judge whether restatements are meaningful and justified.

Since business volume is expected to increase over time due to technological changes like the electronic prescription in Germany, the resulting plan and targets reflect GHG intensity disclosed in tCO_2e per million CHF net revenue on a constant currency basis. For the short- to mid-term, the "Sustainability targets" section of the Sustainability Report contains additional absolute GHG reduction targets. The validity of introducing the GHG intensity approach is supported by Scherrer et al. whose publication indicates that pharmaceutical delivery volume reduces the industry's overall GHG emissions.[1] Due to fix prices in the Rx sector, revenue is strongly correlated with the amount of parcels delivered. The net zero plan was created by considering 2022 as a base year for both GHG emissions and revenue.

By analysing business processes including underlying activity data to find main emission sources and by researching carbon-neutral alternatives, different measures were deducted. Each measure was evaluated regarding its potential GHG reduction impact as well as financial effects by considering external sources and assuming linear progress towards targets and / or estimates. Finally, internal stakeholders involved in finance and operations reviewed targets and related data. The figure below outlines the estimated impact of GHG reduction measures on each evaluated emission source leading to further scope 1, 2 and 3 emission intensity decreases of 26% by 2030 and 64% by 2050.

[1] Scherrer et al., Zürcher Hochschule für angewandte Wissenschaften (ZHAW), "Was ist eigentlich nachhaltiger? Der Effekt von stationärem und Online Handel auf die Nachhaltigkeit im Medikamentenhandel", 2022

Impact of GHG reduction measures in tCO_2e per million CHF net revenue in constant currency



DocMorris commits to reduce scope 1 and 2 emissions per net revenue 85% by 2030 and 99% by 2050 from a 2022 base year. Additionally, DocMorris commits to reduce scope 3 emissions per net revenue 5% by 2030 and 87% by 2050 from a 2022 base year. This is according to the values provided in the table.

Impact of GHG reduction measures in tCO_2e per million CHF net revenue in constant currency

In tCO_2e per million CHF revenue	Total	Scope 1	Scope 2	Scope 3
2022 (base year)	11.60	0.74	2.32	8.54
Measures until 2024	−3 (−26%)	−0.15 (−21%)	−2.15 (−93%)	−0.69 (−8%)
2024	8.60	0.58	0.17	7.85
Measures until 2030	−0.29 (−3%)	−0.23 (−31%)	−0.06 (−3%)	0 (0%)
2030 target	8.30	0.35	0.10	7.85
Measures until 2050	−7.15 (−62%)	−0.32 (−43%)	−0.09 (−4%)	−6.73 (−79%)
2050 target	1.16	0.04	0.01	1.11

Further relevant information can be found in section “ESRS E 1, E 2, E 5 Climate Change, Pollution and Circular Economy” of the Sustainability Report.

Scope 1 emissions are to be reduced by including more electric vehicles in the company fleet as well as replacing combustibles with renewable energy sources and more energy efficient alternatives like e.g. heat pumps. Scope 2 emissions are tackled by sourcing renewable electricity at more sites. The largest impact is expected to result from scope 3 measures, especially switching to low emission cardboard material and less carbon intensive product distribution between 2030 and 2050. Assumed remaining GHG emissions in 2050 mainly result from flight travel as well as from risk buffers included in the calculation to cope for the possibility of stakeholders not achieving their set GHG reduction targets. Advanced technologies such as carbon capture can potentially be used to remove CO_2 from the atmosphere and thus neutralize remaining emissions to get to net zero by 2050. DocMorris scope 1 and 2 targets are therefore aligned with the 1.5° global warming target as well as Switzerland's goal of net zero greenhouse gas emissions by 2050. Considering scope 3, which is not under full influence of the company, DocMorris' plan is compatible with the goal of keeping global warming well-below 2°C and working towards 1.5°.

Corporate Governance

DocMorris applies the principles and rules of Corporate Governance set out in the "Swiss Code of Best Practice for Corporate Governance" of economiesuisse. The content and structure of this section comply with the Directive on Information relating to Corporate Governance issued by the SIX Swiss Exchange. Unless otherwise stated, all information relates to the reporting date of 31 December 2024. The key elements of Corporate Governance are defined in the Company's Articles of Association, Organisational Regulations and Terms of Reference of the Committees of the Board of Directors, as published on the Company's corporate website.

1 Corporate structure and shareholders

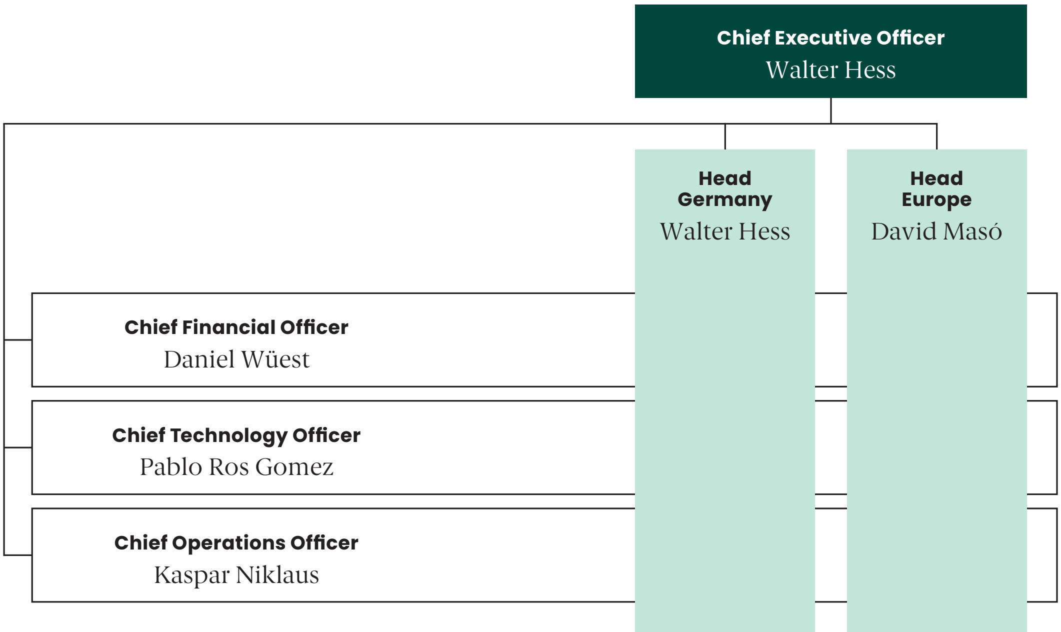
1.1 Corporate structure

DocMorris AG based in Frauenfeld is organised as a stock corporation under Swiss law. The registered shares with the security number 4261528 are listed on the SIX Swiss Exchange. The Board of Directors supervises DocMorris, while the Executive Board is responsible for the operational management. The CEO is responsible for managing the business. Under his leadership the Executive Board deals with all issues of relevance for DocMorris, takes decisions within its authority and submits motions to the Board of Directors. The corporate structure consists of the segment organisation, responsible for regions and revenue, and the Finance, Technology and Operations functions. The members of the Executive Board are responsible for devising and achieving their entrepreneurial objectives and running their units. People, Communications, Internal Audit and Strategic Initiatives report to the CEO; Finance, Legal and Investor Relations & Sustainability report to the CFO. These provide services for the Company and its subsidiaries.

The business model of DocMorris covers online distribution of prescription and OTC medications, health, beauty and personal care products and digital services (marketplace, ecosystem, technology and telemedicine). Information on segment reporting can be found in the management report starting on page 11.

The subsidiaries included in the Group consolidation, with details of their names and registered offices, share capital and the percentage interest held by Group companies, are listed in the Notes to the Consolidated Financial Statements on page 154. The consolidation does not include any companies whose equity securities are listed on a stock exchange, with the exception of DocMorris AG.

CORPORATE STRUCTURE



1.2 Significant shareholders

According to the disclosure notices to the SIX Swiss Exchange, the following shareholders held three per cent or more of the share capital on 31 December 2024:

Beneficial owner(s) / Person(s) entitled to exercise voting rights 1)	Direct shareholder	Issued shares Purchase / sale position	Shares on loan Purchase / sale position
BNP Paribas SA	BNP Paribas Financial Markets BNP Paribas Securities Services	8.089% / 2.412%	
UBS Fund Management (Switzerland) AG		5.611% / –	
Barclays PLC	Barclays Capital Securities Limited	5.251% / 0.001%	
Benjamin Levine	LMR Partners LP LMR Partners (Offshore) Limited LMR Management Services Limited LMR Partners LLP	4.34% / 2.89%	
Swisscanto Fondsleitung AG		3.056% / –	
David E. Shaw	D. E. Shaw Composite Portfolios, L.L.C. D. E. Shaw GSS Portfolios, L.L.C. D. E. Shaw Oculus International, Inc. D. E. Shaw Oculus Portfolios, L.L.C. D. E. Shaw Valence International, Inc. D. E. Shaw Valence Portfolios, L.L.C.	2.565% / 3.618%	

1) Compared to share capital at the time of disclosure (changes in capital see 2.3)

Changes in significant shareholders after the reporting date: Astaris Capital Management LLP 4.161 per cent (purchase), Lemanik Holding S.A. 3.033 per cent (purchase), JPMorgan Chase & Co. (shares on loan) 13.101 / 4.929 per cent and UBS Group AG (shares on loan) 27.142 / 1.041 per cent of the share capital at the editorial deadline of the Annual Report.

Treasury shares: As of 31 December 2024, DocMorris AG holds 2 treasury shares, which are dedicated to employee programs as per article 3b of the Company's Articles of Association. Furthermore, 3,018,579 treasury shares are held by DocMorris Finance B.V. These shares serve as a share lending facility to support the convertible bonds issued in 2022 and 2024. When shares are lent under the lending facility, the shareholding of DocMorris Finance B.V. remains in place for disclosure purposes.

The disclosure notifications published by DocMorris AG via the electronic publication platform of the SIX Swiss Exchange can be found here. The shareholdings of the members of the Board of Directors and Executive Board are shown in detail in the Compensation Report on page 139.

1.3 Cross-shareholdings

There are no cross-shareholdings with other companies.

2 Capital structure

Information on the capital structure can be found in note 30 to the consolidated financial statements.

2.1 Capital

The share capital of DocMorris AG as at 31 December 2024 was CHF 445,052,790.00, divided into 14,835,093 registered shares with a par value of CHF 30.00 each.

2.2 Capital band and conditional capital in particular

Capital band

The Board of Directors is authorised during the period until 30 September 2027 to (a) increase the share capital in one or more steps by a maximum of CHF 79,223,070.00 to CHF 485,673,840.00 (upper limit) by issuing a maximum of 2,640,769 fully paid up registered shares with a par value of CHF 30.00 each and (b) to reduce the share capital in one or more steps by a maximum of CHF 58,722,570.00 to not less than CHF 347,728,200.00 (lower limit) exclusively by cancelling registered shares with a nominal value of CHF 30.00 each, which were issued for the purpose of securities lending for convertible bonds of DocMorris AG and are (possibly for the time being) no longer required therefor. Increases in partial amounts are permitted. In the event of a capital reduction, the amount of the reduction shall be booked to the reserves.

Conditional share capital for employee participations

The share capital of DocMorris AG may be increased by an amount not to exceed CHF 6,997,980.00 through the issuance of up to 233,266 fully paid up registered shares with a par value of CHF 30.00 each through issuance of shares to employees, consultants and members of the Board of Directors of DocMorris AG and its subsidiaries.

Conditional share capital for financing, acquisitions and other purposes

The share capital of DocMorris AG may be increased by an amount not to exceed CHF 84,513,360.00 through the issuance of up to 2,817,112 fully paid up registered shares with a par value of CHF 30.00 each through the exercise or mandatory exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted to shareholders or third parties alone or in connection with bonds, notes, options, warrants or other financial market instruments or contractual obligations of DocMorris AG or any of its subsidiaries.

Further provisions on the capital band and conditional capital can be found in articles 3a, 3b, 3c, 3d and 3e of the Articles of Association.

2.3 Changes in capital

On 31 December 2023, the share capital of DocMorris AG was CHF 411,019,170.00. During 2024, DocMorris AG issued 14,454 new shares from conditional capital for employee participation programmes and 1,120,000 new shares from conditional capital for financing, acquisitions and other purposes, thereby increasing the share capital by CHF 34,033,620.00. On 31 December 2024, the share capital was CHF 445,052,790.00.

For previous years please refer to the Annual Report 2023, page 23, and the Annual Report 2022, page 39.

2.4 Shares and participation certificates

On 31 December 2024, the share capital was divided into 14,835,093 registered shares with a par value of CHF 30.00 each. The shares are fully paid up. DocMorris AG has not issued any participation certificates.

2.5 Dividend-right certificates

The Company has not issued any dividend-right certificates.

2.6 Limitations on transferability and nominee registrations

Persons acquiring registered shares shall be registered in the share register as shareholders with voting rights upon their request if they expressly declare to have acquired and to hold these registered shares in their own name and for their own account. The Board of Directors may register individual persons who do not expressly declare in their registration application to hold the registered shares for their own account (the Nominees) as shareholders with voting rights with regard to up to 3 per cent of the share capital recorded in the commercial register if the Nominee has entered into an agreement with the Company regarding its status and is subject to a recognized bank or financial market supervision. Beyond such registration limit, the Board of Directors may register Nominees as shareholders with voting rights if such Nominees disclose the first and last names (in the case of legal entities, the company names), addresses and nationality (in the case of legal entities, the registered office) and shareholdings of those persons for whose account they hold 0.5 per cent or more of the share capital recorded in the commercial register. The Board of Directors may enter into agreements with Nominees regarding reporting obligations.

The Nominees recorded in the share register are therefore registered without voting rights. There are no other transfer limitations and no statutory privileges. Any lifting or amendment of the limitations on transferability requires a shareholders' resolution by a voting majority of at least two thirds of the shares represented.

2.7 Convertible bonds and options

Convertible bond 2024 to 2029

In 2024, DocMorris Finance B.V., a full subsidiary of DocMorris AG, placed a convertible bond in the amount of CHF 200 million and listed it on the SIX Swiss Exchange. The bond has a term of five years (maturity 3 May 2029), a coupon of 3.00 per cent per annum, which is distributed semi-annually, and a conversion price of CHF 114.75. This represents a premium of 35 per cent over the reference share price of CHF 85.00, the offer price determined in an accelerated bookbuilding for a simultaneous capital increase. The bonds were issued and will be redeemed at par. The issuer has the right to redeem the bonds early at any time on or after 24 May 2027 at par, plus accrued interest if less than 15 per cent of the principal amount of the bonds is outstanding. In the event of a full conversion of the bonds, a total of 1,742,919 shares would be issued to the owners of the bonds, representing a share capital of CHF 52,287,570 and a ratio of 12.88 per cent to the share capital outstanding at the time of issuance (CHF 405,893,610), taking into account the simultaneous capital increase.

Convertible bond 2022 to 2026

In 2022, DocMorris Finance B.V., a full subsidiary of DocMorris AG, placed a convertible bond in the amount of CHF 94.972 million and listed it on the SIX Swiss Exchange. The bond has a term of four years (maturity 15 September 2026), a coupon of 6.875 per cent per annum, which is distributed quarterly, and a conversion price of CHF 49.725. This represents a premium of 27.5 per cent over the reference share price of CHF 39.00, the offer price determined in an accelerated bookbuilding for a simultaneous capital increase. The bonds were issued and will be redeemed at par. The issuer has the right to redeem the bonds early at any time after the payment date at par, plus accrued interest if less than 15 per cent of the principal amount of the bonds is outstanding. In the event of a full conversion of the bonds, a total of 1,909,945 shares would be issued to the owners of the bonds, representing a share capital of CHF 57,298,350 and a ratio of 15.06 per cent to the share capital outstanding at the time of issuance (CHF 380,549,310), taking into account the simultaneous capital increase.

Further details of the convertible bonds can be found in note 25 to the consolidated financial statements.

DocMorris AG has not issued any options.

3 Board of Directors

3.1 Members of the Board of Directors

The majority of the Board of Directors of DocMorris AG is independent. The Board applies the criteria set forth in the Swiss Code of Best Practice for Corporate Governance 2023 from economiesuisse to determine if its members are independent. This states that non-executive members who either never belonged to the Executive Board or did so more than three years ago and who have no or only relatively minor business relations with the Company are deemed independent. The term of office of members of the Board of Directors is not a criterion for judging their independence. No members of the Board of Directors act as an executive for DocMorris. Within the past three reporting years only the former CEO Walter Oberhänsli acted as an executive (until 30 April 2022). The members of the Board do not have any significant business relationships with DocMorris. There are no cross-involvements.

The Board of Directors consists of six members. When members are nominated, the emphasis is on experience in leadership and management roles, e-commerce, technology, digitalisation, law, regulatory issues, healthcare, marketing, finance and accounting, M&A, capital markets, risk management, compensation and sustainability, plus in particular international experience. The Board of Directors strives to make a balanced allowance for the skills and knowledge that reflect the strategic and operational focuses of DocMorris, the international outlook and the accounting requirements for listed companies. The skills and knowledge needed are broadly covered by the Board.

On 31 December 2024, the Board of Directors consisted of the following persons:

MEMBERS OF THE BOARD OF DIRECTORS

	Position	First elected	Term expires
Walter Oberhänsli	Chairman, non-executive	1993	2025
Prof. Stefan Feuerstein	Vice Chairman, non-executive, independent	2010	2025
Prof. Dr. Andréa Belliger	non-executive, independent	2021	2025
Rongrong Hu	non-executive, independent	2022	2025
Dr. Christian Mielsch	non-executive, independent	2019	2025
Florian Seubert	non-executive, independent	2019	2025

EXPERIENCE AND COMPETENCIES OF THE BOARD OF DIRECTORS

	represented proportionally
Capital markets	3 / 6
E-commerce	3 / 6
Finance / accounting	2 / 6
Healthcare	2 / 6
International experience	4 / 6
Leadership	5 / 6
Legal and regulatory	1 / 6
Marketing	2 / 6
Mergers and acquisitions	3 / 6
Remuneration	2 / 6
Risk management	2 / 6
Sustainability	2 / 6
Technology and digitisation	3 / 6

— **Walter Oberhänsli** (1958, Swiss national)
Chairman of the Board of DocMorris AG (formerly Zur Rose Group AG) since April 2022 as well as from 1996 to 2011. Walter Oberhänsli served as Executive Director and CEO of the Zur Rose Group from 2005 to 2022. He co-founded Zur Rose in 1993 while practising as an independent lawyer. He holds a master's degree in Law from the University of Zurich.

— **Stefan Feuerstein** (1955, German national, Prof.)
Chairman of the Board of Directors of Electronic Partner Handel SE, Düsseldorf, as well as holder of different directorships in various companies. Stefan Feuerstein served as Executive Director and CEO of Markant AG until 2010 and prior to this, he was a member of the Management Board of METRO AG, responsible for strategic group purchasing and food and retail. He holds a degree in Business Administration and has been an honorary professor at Worms University of Applied Sciences since 2001.

— **Andréa Belliger** (1970, Swiss national, Prof. Dr.)
Director of the Institute for Communication and Leadership IKF since 2003. Andréa Belliger is also Director of and an advisor to various companies and organisations in the healthcare, financial, IT and tourism sectors. As well as being an author and international keynote speaker on digital transformation – particularly in healthcare – she also holds a PhD in Theology, Philosophy and History from the universities of Lucerne, Strasbourg and Athens, and has a master's degree in International Business Administration from ZfU International Business School, Switzerland and United States.

— **Rongrong Hu** (1980, Chinese national)
Investor focusing on the technology sector. From 2013 to 2018, Rongrong Hu worked for eBay as Senior Director of Innovation, M&A and Business Development EMEA and earlier as Chief Strategy Officer Greater China. Previously, she worked for McKinsey & Company and CITIC Capital, and founded various businesses. She graduated with a dual bachelor's degree in Telecommunication Engineering and International Economics & Trading from Shanghai Jiao Tong University and holds a master's degree in Business Administration from Harvard Business School.

— **Christian Mielsch** (1962, German national, Dr. rer. nat.)
Currently active in various non-executive functions. Christian Mielsch was a member of the Management Board and CFO of the German REWE Group from 2012 to 2022. He previously held a number of management positions at Bertelsmann AG and METRO Group until 2012, including CFO of METRO Cash & Carry International and ultimately, COO of METRO Cash & Carry Central East Europe. Prior to that, he worked as a Consultant and Engagement Manager at McKinsey & Company. He earned a doctorate degree in Physics from the Technical University Dortmund and studied Business Administration at the University of Hagen.

— **Florian Seubert** (1973, German national)
Venture partner and private investor at the German Maxburg Capital Partners as well as AB1204 Capital since 2013. Florian Seubert was Co-founder and CFO of Zooplus AG from 1999 to 2013 and prior to this, worked in the Securities Division of JPMorgan. He earned a master's degree in Philosophy, Politics and Economics from Oxford University.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1 — Walter Oberhänsli
2 — Stefan Feuerstein
3 — Andréa Belliger
4 — Rongrong Hu
5 — Christian Mielsch
6 — Florian Seubert

3.2 Other activities and vested interests
Information on other activities and vested interests of the Board of Directors can be found in chapter 7 of the Compensation Report.

3.3 Number of permitted activities
Under the Articles of Association of DocMorris AG, no member of the Board of Directors may hold more than ten additional mandates and, in addition to those, no more than four in listed companies. Each of these mandates is subject to approval by the Chairman of the Board of Directors and, in case of a mandate of the Chairman of the Board of the Directors, by the majority of the other members of the Board of Directors. Any exceptions (e.g. mandates in companies which are held at the request of DocMorris or companies controlled by it or in charitable organisations) are defined in the Articles of Association.

3.4 Elections and terms of office
The General Meeting of Shareholders elects the members of the Board of Directors and the Chairman of the Board of Directors individually and for a term of office until the end of the next Annual General Meeting of Shareholders. They are eligible for re-election. If the office of the Chairman of the Board of Directors is vacant, the Board of Directors appoints a new Chairman from among its members for a term of office extending until the end of the next Annual General Meeting of Shareholders. The year in which the members of the Board of Directors were first elected to office is shown in the table in chapter 3.1. No restrictions on their terms of office have been set.

3.5 Internal organisational structure

3.5.1 Allocation of tasks within the Board of Directors
Except for the election of the Chairman of the Board of Directors and the members of the Compensation and Nomination Committee by the General Meeting of Shareholders, the Board of Directors constitutes itself. The Board of Directors may elect one or several Vice Chairmen. The Board of Directors also appoints a secretary, who need not be a member of the Board of Directors. Walter Oberhänsli serves as the Chairman of the Board. Prof. Stefan Feuerstein holds the office of Vice Chairman. The allocation of tasks between the Board of Directors and the CEO, as well as the duties and powers of the Chairman of the Board of Directors and the Committees, are set out in the Organisational Regulations and related Committee Terms of Reference.

3.5.2 Committees of the Board of Directors
The Audit Committee and the Compensation and Nomination Committee are standing committees of the Board of Directors. The Board of Directors may resolve to establish (and dissolve) additional committees and entrust them with certain responsibilities and project-related tasks.

AUDIT COMMITTEE
Dr. Christian Mielsch, Chairman
Prof. Dr. Andréa Belliger
Prof. Stefan Feuerstein

The Audit Committee is comprised of three non-executive members of the Board of Directors, who must all have business management skills. The members and the chairman are appointed by a resolution of the Board of Directors. The Audit Committee assists the Board of Directors in overseeing the management of the business, in particular in its non-delegable duties of ultimate supervision and financial control (Art. 716a CO), as well as in the preparation of the annual report and financial statements, by forming its own judgement of the organisation and operation of the internal and external control systems, as well as the financial report. The Audit Committee is established as a standing committee. Its role is exclusively advisory and supervisory, and includes the preparation of resolutions. The decision-making authority of the full Board of Directors remains unaffected. The Audit Committee does not appoint any subcommittees.

COMPENSATION AND NOMINATION COMMITTEE
Florian Seubert, Chairman
Rongrong Hu
Walter Oberhänsli

The Compensation and Nomination Committee comprises three members of the Board of Directors and constitutes itself. It supports the Board of Directors in establishing and reviewing the compensation strategy and guidelines, and in preparing the proposals to the General Meeting of Shareholders regarding the compensation of the Board of Directors and Executive Board. It may submit proposals to the Board of Directors on other compensation issues and assists it in matters relating to the nomination and promotion of members of the Board and Executive Board. The role of the Compensation and Nomination Committee is exclusively advisory and includes the preparation of resolutions. The decision-making authority of the full Board of Directors remains unaffected. The Compensation and Nomination Committee does not appoint any subcommittees.

3.5.3 Working methods of the Board of Directors and its committees

The Board of Directors meets as often as is deemed necessary or when requested in writing by a member. The meetings usually take place about every two months, taking up a full day. Meetings of the Board of Directors are convened by the Chairman or, should he be prevented from doing so, by the Vice Chairman or by the oldest member of the Board of Directors. Meetings of the Board of Directors and its Committees may also be held by telephone or video conference. Meetings are convened in writing, with details of the agenda items. The Board of Directors constitutes a quorum if the majority of its members are present. Participation by telephone or video equates to attendance in person. No quorum is required if solely the completion of a share capital increase or reduction is to be ascertained and the subsequent amendment to the Articles of Association is to be resolved. The Chairman's style of leadership and the way meetings are conducted promote an open, transparent and collegiate culture of discussion based on trust and respect. The Board of Directors passes its resolutions by a majority of the votes cast; unanimous decisions are normal. In the event of a tie, the Chairman has the casting vote. Resolutions may be passed by written consent unless a member requests a verbal deliberation.

In 2024, the Board of Directores came together for six meetings. In addition, eight video conferences were held. Meetings and video conferences of the Board are normally also attended by the CEO, the CFO and the General Counsel (as minute-taker) in an advisory capacity. The other members of the Executive Board are invited to meetings of the Board of Directors where the strategy and budget or market-specific agenda items are to be deliberated.

NUMBER OF BOARD MEETINGS	14
Average length (in hours and minutes)	4:41
Attendance	95.2%
Walter Oberhänsli	13 / 14
Prof. Stefan Feuerstein	13 / 14
Prof. Dr. Andréa Belliger	13 / 14
Rongrong Hu	13 / 14
Dr. Christian Mielsch	14 / 14
Florian Seubert	14 / 14

The Committees meet at least twice a year (spring and autumn) and at such other times as required and may be requested by any member of the Committees. The meetings usually last between one and three hours. The role of the Committees is restricted to the preparation of decision-making criteria for the attention of the Board of Directors. The composition, organisation, powers and roles of the individual Committees are defined by the Board of Directors in appropriate Committee Terms of Reference, to the extent that they are not prescribed by the Articles of Association or a resolution of the General Meeting of Shareholders. The chairmen of the Committees keep the Board of Directors informed of their activities at the next ordinary meeting of the Board of Directors or, in urgent cases, immediately. Both the Audit Committee and the Compensation and Nomination Committee met twice in the 2024 financial year, once in person and once by video conference. All Committee members attended all the meetings. Members of the Executive Board are also usually present at the Committee meetings in an advisory capacity, as well as individual specialist departments, when required.

NUMBER OF MEETINGS OF THE AUDIT COMMITTEE	2
Average length (in hours and minutes)	3:00
Attendance	100%
Dr. Christian Mielsch	2 / 2
Prof. Dr. Andréa Belliger	2 / 2
Prof. Stefan Feuerstein	2 / 2

NUMBER OF MEETINGS OF THE COMPENSATION AND NOMINATION COMMITTEE	2
Average length (in hours and minutes)	1:15
Attendance	100%
Florian Seubert	2 / 2
Rongrong Hu	2 / 2
Walter Oberhänsli	2 / 2

3.6 Definition of areas of responsibility

The Board of Directors is responsible for the ultimate management of the Company and the supervision of the management. It specifies the sustainable interests of the Company as part of its duties. In its decisions, in addition to the interests of shareholders, it also takes account of the interests of employees, business partners, customers, society and the environment. In doing so, it follows any requirements set out in the articles of association.

In particular, the Board of Directors has the following responsibilities:

a) ultimate management of the Company, including the definition of medium and long-term strategies and planning priorities as well as corporate policy guidelines, and the issuance of the necessary directives;
b) determination of the underlying organisation, in particular the issuance of these Organisational Regulations including the organisational chart in the appendix, which shall be determined in each case at the request of the CEO;
c) decisions on business of significant strategic importance;
d) appointment and dismissal of the persons entrusted with the management and the representation, namely the CEO, the other members of the Executive Board, the Head of Internal Audit as well as the granting of signatory powers at the level of the Company;
e) ultimate supervision of the corporate bodies entrusted with the management, in particular in terms of compliance with laws, the Articles of Association, regulations and directives;
f) preparation of the annual report, the compensation report and the report on non-financial matters;
g) preparation of the General Meeting of Shareholders of the Company and implementation of its resolutions;

h) filing of a petition for moratorium and the notification of the court in case of over-indebtedness of the Company;
i) adoption of resolutions on the increase or reduction of the share capital of the Company, to the extent that such power is vested in the Board of Directors (Art. 653u II CO), as well as the ascertainment of capital increases and capital reductions and the respective amendments to the Articles of Association;
j) approval of the annual budget.

The Board of Directors delegates all other areas of management in full to the Executive Board under the leadership of the CEO, unless otherwise provided by statutory legal provisions or the Articles of Association. The duties and powers of the Executive Board are set out in the Organisational Regulations.

3.7 Information and control instruments vis-à-vis the Executive Board

Each member of the Board of Directors receives the monthly, half-yearly and annual financial statements. The financial statements provide information such as details of the balance sheet, income statement, cash flow statement and the key financials of DocMorris and its segments. In addition, the Board of Directors receives the annual sustainability report, which describes the strategy, processes, risks and controls regarding ESG (environmental, social, governance). Furthermore, the CEO and the CFO report on the course of business and all matters of relevance for DocMorris at every ordinary meeting of the Board of Directors, which receives a forecast of the annual results at least twice a year. At these meetings, the chairmen of the Committees also report on the agenda items dealt with by their Committee, as well as the key findings and assessments, and they present the corresponding proposals. Each year, the Board of Directors discusses and adopts the budget for the following year. It defines the medium-term strategic plan and reviews it annually. The Chairman of the Board of Directors consults regularly with the CEO and other representatives of the Executive Board. In addition, the Board of Directors regularly receives a current status report on investor relations.

DocMorris has implemented three main information and control tools to support the Executive Board and the Board of Directors in running the Company: a risk management system, an internal control system and an internal audit function. The internal control system (ICS) covers all procedures and actions that ensure business operations run properly, in particular that the financial statements are accurate and reliable. For each process, key risks and controls are defined; these are carried out and checked on a regular basis. The external auditors also check that an adequate internal control system is in place.

DocMorris has a system in place to monitor and control the risks associated with its business operations. This process includes the identification, analysis, control and reporting of risks, plus risk reporting from the individual organisational units all the way up to the level of DocMorris. The Board of Directors and CEO are responsible for creating the necessary organizational framework for the operation of the risk management system. The CFO is operationally responsible for risk management control. He may delegate subtasks. The people responsible for these tasks take concrete measures to manage the risks and monitor their implementation.

Based on the Organisational Regulations and risk management, Internal Auditing conducts risk-based operational, process and systems reviews and assists DocMorris' organisational units in regulating, improving and assuring the effectiveness of their risk management and internal control processes. To preserve its independence, Internal Auditing reports directly to the CEO and the Audit Committee of the Board of Directors, which also approves the audit plan for Internal Auditing. Internal Auditing coordinates its work as far as possible with the external auditors. The Board of Directors may entrust Internal Auditing with special audits, internal investigations or other tasks extending beyond the regular activities of Internal Auditing.

4 Executive Board

4.1 Members of the Executive Board

On 31 December 2024, the Executive Board consisted of the following members:

— **Walter Hess** (1965, Swiss national), Chief Executive Officer and Head Germany
CEO of DocMorris AG (formerly Zur Rose Group AG) since May 2022 and Head Germany since November 2023. Prior to his current role, Walter Hess was Head Germany between 2020 and 2022 and Head Switzerland from 2015 to 2020. Previously he was Managing Director of Zur Rose Pharma in Halle for two years. From 2008 until 2013 he acted as an external consultant, among other roles, for the former Zur Rose Group. He previously held a number of management positions within Swiss and international industrial companies. Following a business education, Walter Hess graduated with a degree in Business Administration from FHS St. Gallen, University of Applied Sciences.

— **David Masó** (1971, Spanish national), Head Europe
Head Europe at DocMorris AG (formerly Zur Rose Group AG) since 2020 and CEO of PromoFarma by DocMorris since 2012. David Masó has co-founded several start-ups in the e-commerce and digital sectors in Spain, including PromoFarma, Qporama and Futurlink. Before this, he worked as a management consultant for web-based projects on a European level. He earned a degree in Engineering, Telecommunications and Microelectronics from UPC Barcelona, a master's degree in Business Administration from ESADE and completed the Executive Program at Stanford.

— **Kaspar Niklaus** (1968, Swiss national), Chief Operations Officer
COO of DocMorris AG (formerly Zur Rose Group AG) since November 2022. Kaspar Niklaus served as Chairman of the Executive Board of the Swiss pharmaceutical retailer Phoenix from 2015 to 2022 and was CEO of the De Sede Group from 2012 to 2014. Previously, he held management positions at Valora and Coop. He earned a degree in Agronomy from ETH Zurich and holds a master's degree in Business Administration and Informatics from the Rotterdam School of Management.

— **Pablo Ros Gomez** (1982, Spanish national), Chief Technology Officer
CTO of DocMorris since November 2024. Prior to this, he was CTO of PromoFarma by DocMorris since 2016, where he was responsible for Product Experience, Technology and Data Science, and led the Technical Service Layer for all DocMorris products from 2019. He previously held leadership positions in high-traffic e-commerce and marketplace companies with an international presence. He holds a degree in Computer Science from Ramon Llull University in Barcelona.

— **Daniel Wüest** (1970, Swiss national), Chief Financial Officer
CFO of DocMorris since October 2024. He served as Group CFO of the listed building supplier Arbonia from 2019 to 2024. Previously, Daniel Wüest held various investment banking positions at UBS for more than twenty years, most recently as Head of Mid-Market Advisory Switzerland from 2014 to 2019. He graduated with a master's degree in business administration from the University of Zurich.

Chief Financial Officer Marcel Ziwica and Chief Technology Officer Madhu Nutakki resigned in 2024. Daniel Wüest was appointed as the new CFO as of 1 October 2024 and Pablo Ros Gomez succeeded Madhu Nutakki as CTO as of 1 November 2024.


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1 — Walter Hess
2 — Daniel Wüest
3 — Kaspar Niklaus
4 — Pablo Ros Gomez
5 — David Masó

4.2 Other activities and vested interests
Information on other activities and vested interests of the Executive Board can be found in chapter 7 of the Compensation Report.

4.3 Number of permitted activities
No member of the Executive Board may hold more than four mandates and, in addition to those, no more than two in a listed company. Any exceptions (e.g. for mandates held on behalf of DocMorris or in charitable organisations) are defined in the Articles of Association.

4.4 Management contracts
There are no management contracts with third parties.

5 Compensation, shareholdings and loans

Information about the compensation and shareholdings of the Board of Directors and Executive Board, and about loans to them, can be found in the Compensation Report starting on page 119 of this report.

6 Shareholders' participation rights

6.1 Voting rights restrictions and representation
Restrictions only exist for Nominees (see 2.6 Limitations on Transferability and Nominee Registrations). No exceptions were granted during the reporting year, and no measures to lift restrictions are planned. A shareholder may only be represented at a General Meeting of Shareholders by the independent proxy, his or her legal representative or by any other proxy authorised in writing, who need not be a shareholder. All shares held by a shareholder may only be represented by one person.

6.2 Quorums required by the Articles of Association
The Company's Articles of Association do not provide for resolutions of the General Meeting of Shareholders that can only be passed by a majority greater than that required by the statutory legal provisions. The one exception is a resolution to convert registered shares into bearer shares, which requires at least two thirds of the votes represented and an absolute majority of the par value of shares represented.

6.3 Convocation of the General Meeting of Shareholders
The rules for the convocation of a General Meeting of Shareholders can be found in Article 9 of the Articles of Association.

6.4 Inclusion of items on the agenda
Shareholders who, alone or together, represent at least 0.5 per cent of the share capital or the votes may (jointly) request that an item be included on the agenda. Such request must be made in writing at least 45 calendar days prior to the General Meeting of Shareholders, specifying the agenda item and the proposals of the shareholders. Under the same conditions, shareholders may request that proposals regarding agenda items be added to the convocation notice. No resolutions may be passed at a General Meeting of Shareholders on proposals concerning agenda items for which proper notice was not given. This provision does not apply to proposals made during a General Meeting of Shareholders to convene an Extraordinary General Meeting of Shareholders, to elect an auditor or to initiate a special investigation. No prior notice is required to bring motions related to items already on the agenda or for the discussion of matters on which no resolution is to be taken.

6.5 Entries in the share register
No entries can be made in the share register within one week prior to the General Meeting of Shareholders. The date is published in the notice of the General Meeting of Shareholders. Shareholders who sell their shares before the General Meeting of Shareholders are no longer entitled to vote or receive dividends.

7 Changes of control and defence measures

7.1 Duty to make an offer
The Articles of Association do not contain any provisions relating to opting out (Art. 125 para. 3 and Art. 4 FMIA) or opting up (Art. 135 para. 1 FMIA).

7.2 Clauses on changes of control
The contracts and schemes of the Board of Directors and Executive Board as well as other members of the management of DocMorris AG do not contain any change of control clauses for their benefit.

8 Auditors

8.1 Duration of the mandate
The Auditors are elected annually by the General Meeting of Shareholders. Ernst & Young AG has served as Auditors since 2002. The function of Lead Auditor has held Jolanda Dolente since 2021 (for the first time for the annual report 2021). The term of office of the Lead Auditor is limited to a maximum of seven years.

8.2 Auditing fees
The total cost of the auditing services charged by Ernst & Young during 2024 was CHF 549,806. In addition, the audit firm charged fees of CHF 186,435 for audit-related services.

8.3 Additional fees
Fees amounting to CHF 78,069 were incurred during 2024 for tax advice and advice on sustainability reporting provided by the audit firm.

8.4 Information instruments pertaining to the external audit
Before each scheduled meeting, the external Auditors report to the Audit Committee in writing on relevant auditing activities and other important issues associated with the Company. Representatives of the external Auditors attend the meetings of the Audit Committee for specific agenda items, and to comment on their activities and answer questions. During 2024, the external Auditors attended both meetings of the Audit Committee. The Audit Committee assesses the performance, remuneration and independence of the auditors annually and submits a proposal to the Board of Directors for the nomination of the Auditors, for the attention of the General Meeting of Shareholders. The Audit Committee also reviews the scope of the external audit, audit plans and relevant procedures annually. The results of the audit are discussed with the external Auditors.

9 Information policy

The most important sources of information are the Annual Report, the Half Year Report, the Sustainability Report, the website (www.corporate.docmorris.com), press releases, press conferences, meetings for financial analysts and investors as well as the Annual General Meeting. DocMorris provides information about its annual and half-year results in the form of press releases and by holding analyst and media conferences. Quarterly revenue is announced in press releases. The Annual Report and Half-Year Report are available online as a PDF version. The Annual General Meeting for the registered shareholders is held in the first half of the year. DocMorris reports on key events by way of press releases, which are available in the Newsroom. This information can be subscribed to via News Service.

The financial calendar maps the regular reporting dates. Key dates in 2025 are:

13 March	2024 Full-year results and outlook 2025 (conference call / webcast)
10 April	First quarter trading update
8 May	Annual General Meeting of Shareholders
19 August	Half-year results (conference call / webcast)
16 October	Third quarter trading update

The address of the head office and contacts for specific questions are listed at the end of this Annual Report.

10 Quiet periods

General blocking periods start each 1 January and 1 July and end immediately after the public announcement of the corresponding financial statements by DocMorris AG, unless otherwise stipulated by the CFO. In the case of an advance publication of preliminary annual or half-year results, which includes the key figures, the general blocking period shall be interrupted immediately after the corresponding public announcement until two weeks before the publication of the corresponding financial statements. Furthermore, the CFO may determine – in individual cases or in general – that a general blocking period is to apply from two weeks before the publication of the ad hoc announcement of quarterly figures up to and including publication.

During blocking periods, all transactions in shares or bonds issued by the Company or its subsidiaries or in related financial instruments are forbidden for members of the Board of Directors and the Executive Board, the management teams and all employees who have access to material information that is included in the annual or half-year financial statements.

Compensation Report

Dear Shareholders

On behalf of the Compensation and Nomination Committee (CNC) and the Board of Directors, I am pleased to present the 2024 Compensation Report.

The Compensation Report outlines the principles, governance framework, and compensation systems of DocMorris AG (DocMorris) for the Board of Directors and the Executive Board. It provides detailed information on compensation awarded for 2024 (the year under review) and explains the current compensation policy as well as key decisions made during the year. The report complies with the revised Code of Obligations effective 1 January 2023 and Section 5 of the Annex to the Directive on Information relating to Corporate Governance (DCG), issued by SIX Swiss Exchange, dated 1 January 2023.

At the 2024 Annual General Meeting (AGM), the 2023 Compensation Report received a disappointing 42% shareholder support, emphasizing the need for greater alignment with shareholder expectations. In response, the Board of Directors and the Executive Board undertook a focused effort to identify and implement meaningful improvements. Three key areas were prioritized: strengthening communication regarding actions taken post-AGM, enhancing the disclosure of performance targets, and increasing transparency in the evaluation of individual performance.

This Compensation Report reflects these enhancements, including a comprehensive overview of shareholder outreach, clearer disclosure of tangible short-term incentive (STI) performance targets and achievements, including individual performance. These efforts have been shaped by the constructive input of many stakeholders, whose engagement played an important role in preparing this report.

While substantial progress has been made in enhancing transparency, the CNC is convinced that the current compensation framework effectively supports DocMorris' sustainable, long-term value creation. At the same time, we remain committed to regular reviews of the compensation system to ensure alignment with strategic objectives, share- and stakeholder expectations, and evolving market practices.

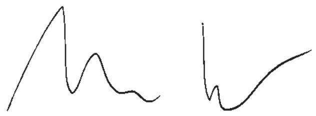
The CNC held 2 meetings during 2024 to fulfil its regular duties in compensation and nomination matters. These included successions and replacement of Executive Board positions, the annual review of compensation programs, setting performance targets under short-term and long-term incentive plans at the beginning of their respective cycles, and assessing performance at the end. The CNC also determined individual compensation amounts for the members of the Board of Directors and the Executive Board and prepared the Compensation Report as well as "say-on-pay" votes at the AGM.

At the 2025 AGM, we will seek your approval for

- the maximum aggregate amount of fixed compensation for the Board of Directors for the financial year 2026,
- fixed and long-term variable compensation for the Executive Board for the financial year 2026, and
- short-therm variable compensation for the Executive Board for the financial year 2024.

Additionally, this Compensation Report will be submitted for a non-binding advisory vote. We trust that the enhancements made to this report address your feedback and provide greater clarity and transparency. We thank you for your continued support and engagement.

Yours sincerely,



Florian Seubert
Chairman of the Compensation and Nomination Committee

1 Shareholder outreach post 2024 AGM

A representative group of investors and other market participants from various locations and investment styles were approached to provide feedback to the Investor Relations team as well as directly to members of the Executive Board and Board of Directors. This feedback was aggregated and compared to market standards, especially Proxy Voting Guidelines. The results were then compared to the company's compensation practices, leading to a gap analysis that resulted in the following amendments to the Compensation Report.

In particular, we have improved the disclosure of the pay-to-performance link by offering clearer insights into performance targets and achievements under the short-term variable compensation, including a more detailed explanation of individual performance contributions. Additionally, we have enriched the communication of achievements under the long-term incentive programe, offering stakeholders greater clarity on the alignment between executive compensation and shareholder value creation. These enhancements reflect our dedication to building trust and maintaining transparency in our executive compensation practices.

2 Compensation at a glance

2.1 Governance

Shareholders of DocMorris play a central role in shaping the company's compensation framework. Each year, they approve the maximum aggregate amounts for fixed compensation of the Board of Directors, as well as fixed and variable compensation for the Executive Board. Additionally, they also approve the compensation principles outlined in the Articles of Association and provide feedback on the Compensation Report.

The CNC assists the Board of Directors by reviewing compensation policies, preparing proposals for shareholder approval at the AGM, and providing guidance on the appointment of Board and Executive Board members.

2.2 Board of Directors compensation summary

Members of the Board of Directors are expected to exercise their supervisory responsibilities independently. Their compensation consists exclusively of fixed compensation for each term of office, which is delivered partly in cash and partly in blocked shares of DocMorris.

Board fees by role

In CHF 1,000	Board fees
Fixed fee for Board membership	
Chairman of the Board	340
Vice Chairman of the Board	180
Member of the Board	130
Additional committee fees	
Chairman of a Board committee	40
Member of a Board committee	20

The aggregate Board compensation for 2024 (CHF 1,267,000) was within the maximum amount (CHF 1,330,000) approved at the 2023 AGM.

Board compensation for 2024

In CHF 1,000	Total compensation
Awarded compensation amount	1,267
Approved compensation amount	1,330

Share ownership of members of the Board of Directors

By the end of 2024 three out of six members of the Board of Directors held DocMorris shares, valued at least at 100% of their 2024 Board compensation, demonstrating early alignment with the share ownership requirements to be met by 2027.

2.3 Executive Board compensation summary

DocMorris' compensation system for the Executive Board is designed to attract and retain top talent, drive exceptional performance, and align leadership actions with strategic goals and shareholders' long-term interests.

COMPENSATION STRUCTURE

Element		Purpose	Instrument	Determinants	Performance period	Forfeiture and clawback
Fixed compensation	Annual base salary	Compensates for the role and relevant experience	Cash compensation	Position, qualification, and external benchmarking	–	No
	Pension and fringe benefits	Protects against risks	Pension plan, insurance plans, fringe benefits	Legal require-ments and external bench-marking	–	No
Variable performance-based compensation	Short-term variable compensation	Rewards annual company and individual performance	Cash compensation	Group and seg-ment financial results (meas-ured by revenue and EBITDA), progress on ESG measures, and achievement of individual targets	1 year	No
	Long-term variable compensation	Recognises sustainable value creation and fosters alignment with sharehold-ers' interests	Performance Share Units	Achievement of share price targets and relative Total Shareholder Return (TSR) performance	3 years	Yes

The aggregate fixed and long-term variable compensation of the Executive Board for 2024 fell within the respective approved amounts. The aggregate amount for the short-term variable compensation for the financial year 2024 will be proposed for shareholder approval at the 2025 AGM.

Executive compensation for 2024

In CHF 1,000	Fixed compensation	Short-term variable compensation	Long-term variable compensation	Total compensation
Awarded compensation amount	3,085	1,245	1,600	5,930
Approved compensation amount	3,500	2025 AGM	1,600	

For the CEO, variable performance-based compensation represented roughly half of the total compensation for 2024 (49%), with a greater emphasis on long-term incentives. For the other members of the Executive Board, variable compensation accounted for 44% of their total compensation on an aggregate basis.

Realised variable compensation in 2024

Realised variable compensation reflects the outcome of short-term and long-term variable compensation elements at the end of their respective performance cycles. This includes actual payouts under the short-term variable compensation and the vesting of awards granted under the long-term variable compensation, based on the achievement of the respective plan performance targets.

For 2024, the outcome of the short-term variable compensation element was below target for current members of the Executive Board (excluding new joiners in 2024), ranging from 75% to 90%. The Performance Share Units granted in 2022 as long-term variable compensation did not vest in 2024, resulting in an overall LTI vesting level of 33% of target, reflecting the portion of Restricted Stock Units.

Share ownership of members of the Executive Board

By the end of 2024, one out of five members of the Executive Board met their share ownership requirements, which is 200% of the annual base salary for the CEO and 100% for the other Executive Board members. Three members have only been appointed to the Executive Board in the last five years and the share ownership requirments have to be met by 2027.

3 Governance

3.1 Role of shareholders and compensation provisions in the Articles of Association

Under Swiss "say-on-pay" provisions, shareholders of companies listed in Switzerland play a significant role in shaping the compensation of the Board of Directors and the Executive Board. Shareholders annually approve the maximum total amounts of compensation for both governing bodies. Additionally, the principles governing compensation are anchored in the Articles of Association, which also require shareholder approval.

The Articles of Association, available online, outline the framework for compensation governance, including voting rules at the General Meeting of Shareholders (Art. 25), the supplementary amount for changes in the Executive Board (Art. 26), principles of compensation and rules concerning the principles of performance-related compensation (Art. 27), and regulations on loans and credits (Art. 30). A summary of the relevant provisions is provided below:

Approval of compensation (Art. 25): The General Meeting of Shareholders approves the proposals of the Board of Directors regarding the total amounts for the maximum fixed compensation of the Board of Directors and for the maximum fixed, maximum long-term variable compensation as well as the short-term variable compensation of the Executive Board.

Supplementary amount for changes to the Executive Board (Art. 26): If the maximum aggregate amount of compensation already approved by the General Meeting of Shareholders is not sufficient to cover new members of the Executive Board, the Company may pay a supplementary amount, which may not in total exceed 50% of the last aggregate compensation amount approved.

Principles of compensation of the members of the Board of Directors and the Executive Board (Art. 27): The compensation of the non-executive members of the Board of Directors consists only of fixed compensation elements as well as further compensation elements and benefits. The compensation of the executive members of the Board of Directors and the members of the Executive Board consists of fixed and variable compensation elements as well as further compensation elements and benefits. Total compensation takes into account the position and level of responsibility of the recipient. Fixed compensation comprises the base salary or director's fees, as applicable, and may comprise other compensation elements and benefits. Variable compensation takes into account the achievement of specific performance targets and may be awarded in cash or equity-based instruments. The Board of Directors determines performance targets and other conditions such as grant, vesting, exercise, restriction and forfeiture conditions and periods.

Loans and credits (Art. 30): Loans and credits to members of the Board of Directors and the Executive Board may be granted on market conditions. The total amount of such outstanding loans and credits may not exceed the total annual compensation of that member.

Articles of Association: The Articles of Association can be found here.

3.2 Compensation and Nomination Committee (CNC)

The Articles of Association specify that the CNC consists of three members of the Board of Directors, each elected individually by the Annual General Meeting (AGM). The CNC supports the Board of Directors in establishing and reviewing the compensation strategy and guidelines and in preparing the proposals to the AGM regarding compensation of the Board of Directors and the Executive Board. Additionally, it provides recommendations to the Board of Directors regarding the appointment of members of the Board of Directors and Executive Board.

LEVELS OF AUTHORITY IN COMPENSATION DECISIONS

Decision on	Chief Executive Officer	Chairman of the Board	Compensation and Nomination Committee	Board of Directors	Annual General Meeting
Compensation policy, including the structuring of variable compensation			Recommends	Approves	
Performance criteria for the compensation of the Executive Board	Recommends		Proposes	Approves	
Maximum total compensation of the Board of Directors and Executive Board			Recommends	Proposes	Approves (binding vote)
Individual compensation of the Chairman of the Board			Proposes	Approves	
Performance assessment and individual compensation of the CEO		Recommends	Proposes	Approves	
Individual compensation of the members of the Board of Directors			Proposes	Approves	
Performance assessment and individual compensation of the Executive Board (excluding the CEO)	Recommends		Proposes	Approves	
Compensation Report			Recommends	Approves	Advisory vote

At the 2024 AGM, Florian Seubert (Chairman), Walter Oberhänsli and Rongrong Hu were re-elected as members of the CNC. Members of the CNC serve for a one-year term ending at the end of the next AGM and are eligible for re-election.

CNC meetings are generally held prior to the Board of Directors' meetings. After each meeting, the CNC Chairman reports to the Board of Directors on the committee's activities. Minutes of CNC meetings are shared with all members of the Board of Directors. Members of the Executive Board may attend CNC meetings in an advisory capacity upon invitation but are excluded from discussions and decisions regarding their own compensation.

The CNC meets at least twice annually and held two meetings in 2024, lasting on average one hour and 15 minutes. All members of the CNC attended all meetings in 2024, where they addressed recurring agenda items as outlined below.

CNC activities during 2024

AGENDA ITEMS		
Compensation framework and policies	Short-term variable compensation framework	
	Long-term variable compensation framework	
Board of Directors compensation	Benchmarking	
	Review individual compensation arrangements	
Executive Board compensation	Short-term variable compensation	Target achievement for 2023
		Target setting for 2024
	Long-term variable compensation	Target achievement for LTI vesting in 2024
		Individual grant amounts and target setting for grant 2025
	Benchmarking	
	Review individual compensation arrangements	
Communication	AGM invitation including compensation amounts for Board of Directors and Executive Board	
	Assessment "say-on-pay" voting results	
	Shareholder outreach	
	Compensation report	
Nomination and promotion matters	Successions at Executive Board	

The CNC may engage external consultants for advice on compensation matters. In 2024, the committee sought advice from HCM International Ltd. as an external, independent compensation consultant with no other appointments from DocMorris. Internal experts, including the Chief Executive Officer, the Chief Financial Officer and the Chief People Officer, may also be consulted on compensation issues.

Compensation benchmarking

The compensation of the Board of Directors and the Executive Board is regularly reviewed against standard practices at other Swiss listed companies. The most recent review was conducted in December 2024 and is currently under discussion by the CNC and the Board.

Performance management process

The compensation of each member of the Executive Board is directly linked to the success of DocMorris reflected in the Group or segment financial results, progress on environmental, social, and governance (ESG) measures, and individual achievements. Individual performance is assessed annually, considering the achievement of personal goals, adherence to corporate values, and demonstration of expected leadership capabilities. This comprehensive assessment, combined with the company's overall success, serves as a foundation for determining variable compensation.

Forfeiture and clawback provisions

Variable long-term compensation granted to members of the Executive Board is subject to forfeiture and also governed by clawback provisions. These provisions empower the Board of Directors to reclaim shares allocated within the long-term variable compensation framework in cases of financial restatements due to non-compliance with accounting standards, fraud, legal or regulatory breaches, or individual misconduct. The clawback can be enforced for up to three years following the vesting event.

Share ownership guideline for members of the Board of Directors and the Executive Board
Effective 2023, members of the Board of Directors and the Executive Board are required to build up and maintain a minimum shareholding in DocMorris, equivalent to a multiple of their annual Board fees or base salary, respectively, within five years of their appointment or the implementation of this guideline.

Minimum shareholding level required under the share ownership guideline

Role	Minimum shareholding
Members of the Board of Directors including the Chair of the Board	100% of total annual Board fees
CEO	200% of annual base salary
Other members of the Executive Board	100% of annual base salary

All owned shares, whether blocked or not, are considered when assessing compliance with the minimum shareholding requirement. However, unvested awards under the long-term variable compensation framework are excluded.

4 Compensation of the members of the Board of Directors

4.1 Principles

Members of the Board of Directors are expected to exercise their supervisory responsibilities independently. To support this independence, Board members receive only fixed compensation, with no variable components, for each term of office.

4.2 Compensation structure

The total compensation for the Board of Directors includes a fixed fee for Board membership, with differentiated levels based on roles such as Chairman, Vice Chairman, and Member of the Board, as well as an extra fixed fee for members serving on Board committees to reflect the additional responsibilities and efforts required for committee membership or chairmanship. The fixed fee for Board membership is paid 70% in cash and 30% in registered shares of DocMorris, subject to a three-year blocking period. An additional fixed fee for serving on Board committees is paid in cash. No changes were made to the Board compensation compared to the previous year. The compensation framework is as follows:

In CHF 1,000 (gross p.a.)	Board fees	of which in cash	of which in shares
Fixed fee for Board membership			
Chairman of the Board	340	238	102
Vice Chairman of the Board	180	126	54
Member of the Board	130	91	39
Additional committee fees			
Chairman of a Board committee	40	40	0
Member of a Board committee	20	20	0

Cash payments and share transfers are provided for the prior term following the respective AGM. Shares are subject to a three-year blocking period, with early unblocking permitted solely in the event of liquidation or a change of control, while remaining restricted under all other circumstances.

The company may reimburse members of the Board of Directors for expenses in the form of reimbursement of actual expenses incurred or an expense allowance within the amounts allowed for tax purposes. This reimbursement of expenses does not count as compensation.

Where legally required, individual Board members are enrolled in the DocMorris pension fund.

No additional outlays were incurred for individual members of the Board during the year under review.

4.3 Compensation to the Board of Directors for 2024

This section has been audited by the auditors in compliance with the requirements of the Code of Obligations.

For 2024, members of the Board of Directors received total compensation of CHF 1,267,000 (2023: CHF 1,312,000). This included fixed fees for Board membership of CHF 1,023,000 (2023: CHF 1,034,000), CHF 160,000 for committee services (2023: CHF 171,000), and CHF 84,000 (2023: CHF 107,000) in social security contributions. Of the fixed fees for Board membership, CHF 295,000 (2023: CHF 306,000) was awarded in shares with a three-year blocking period. The table below provides a detailed breakdown of the Board compensation for 2024 and 2023.

Name, function 1)	Fixed gross compensation in cash		Fixed gross compensation in shares		Committee fee in cash		Social security contributions 2)		Total 3) 4)	
1,000 CHF	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Walter Oberhänsli (Chair)	**238**	238	**96**	101	**27**	51	**18**	42	**379**	432
Prof. Stefan Feuerstein (Vice Chair)	**126**	126	**51**	53	**20**	27	**10**	11	**207**	217
Prof. Dr. Andréa Belliger (Director)	**91**	91	**37**	38	**20**	20	**18**	18	**166**	167
Rongrong Hu (Director)	**91**	91	**37**	38	**20**	20	**16**	15	**164**	164
Dr. Christian Mielsch (Director)	**91**	91	**37**	38	**40**	33	**22**	21	**190**	183
Florian Seubert (Director)	**91**	91	**37**	38	**33**	20	**–**	–	**161**	149
Total	**728**	728	**295**	306	**160**	171	**84**	107	**1,267**	1,312

1) As at 31 December 2024, six members of the Board of Directors were in office (31 December 2023: six members). Florian Seubert took over as Chairman of the Compensation and Nomination Committee from Walter Oberhänsli. There were no other changes in members or roles in 2024.
2) Includes social security contributions where they result in a benefit entitlement. Additional amounts that do not result in increased benefit entitlement are not included (additional amounts not included in the above amount in 2024: CHF 30,000; in 2023: CHF 34,000).
3) The relevant fair value on the day of allocation of CHF 82.05 (2023: CHF 38.94) per share is the closing share price of that day on the Swiss stock exchange; this may differ slightly from the contractually determined amount of the fee in shares because the number of shares allocated under the share-based fee is set using the volume-weighted average daily closing price for the 20 days prior to the allocation of the shares.
4) For disclosure in the Compensation Report, the accrual principle was applied to all compensation elements. Grants are reported in the Compensation Report for the year for which they are awarded.

The aggregate Board compensation for 2024 (CHF 1,267,000) was within the maximum amount (CHF 1,330,000) approved at the 2023 AGM.

Compensation to former members of the Board of Directors and loans
No compensation was paid to former members of the Board of Directors or to related parties during the reporting year.

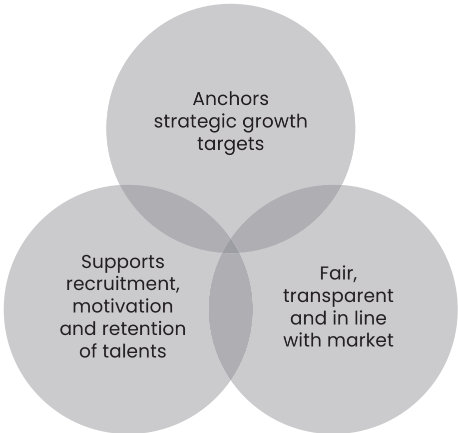
Walter Oberhänsli was granted a loan in 2023, with an outstanding balance of CHF 300,000 at the end of the reporting period. No loans were outstanding to other current or former members of the Board of Directors or their related parties that were not issued on market terms.

5 Compensation of the members of the Executive Board

5.1 Principles

The value and success of DocMorris relies heavily on the quality and dedication of its employees. The company's compensation policy aims to attract and retain qualified individuals, motivate them to excel, and align their actions with DocMorris' strategic goals. Variable performance-based compensation components are designed to align with shareholders' long-term interests while promoting market competitiveness.

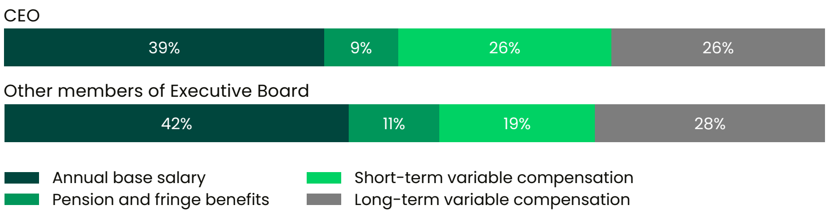
The compensation system is based on the following principles:



5.2 Compensation structure

The total compensation for the Executive Board includes annual base salary, pension and fringe benefits, short-term variable compensation and equity-based long-term variable compensation.

Executive Board target compensation mix



Annual base salary

Base salaries for the Executive Board are determined based on the scope and responsibilities for each role, the required qualifications, and the individual's experience, performance, and expertise. Salaries are benchmarked against market standards and reviewed regularly to remain competitive, taking into account factors such as the company's financial position, peer group analysis, market trends, economic conditions, and individual performance. Payments are made monthly in cash.

Pension benefits

Pension benefits aim to provide financial security for employees and their dependents in case of retirement, illness, disability to work, or death. Members of the Executive Board participate in social insurance and pension plans on the country of their employment contract, meeting at least the respective legal requirements and reflecting local market practices. Swiss-based members of the Executive Board are enrolled in DocMorris' pension plans, including the ALSA PK collective foundation for salaries up to CHF 132,300 per year and the PensFlex collective foundation (1e pension) for salaries above this threshold, up to the legally permitted maximum. Members with a foreign employment contract receive pension benefits aligned with their roles and local market standards.

Fringe benefits

Members of the Executive Board receive reimbursement of actual expenses or an expense allowance in line with company regulations, as well as a company car or car allowance as a fringe benefit. Additional benefits may be provided for international assignments. Gifts or fees from subsidiary Board memberships are also included in this category. All benefits are valued at their fair market value and included in the compensation tables.

Short-term variable compensation

Short-term variable compensation is a performance-based bonus reflecting the Group or segment financial results, progress on environmental, social, and governance (ESG) measures, and individual achievements during the financial year. This component allows employees to share in the Group's success while being rewarded for their personal contributions.

Performance measurement allocates 60% weight to financial targets, 10% to ESG measures, and 30% to individual goals:

Performance consideration	Measure	Weighting
Group and segment financial results	Revenue	30%
	EBITDA	30%
Progress ESG measures	Healthier people, sustainable planet, caring company, reliable partnerships	10%
Individual achievements	Individual scorecard covering financial objectives, corporate values, and qualitative performance	30%

The financial measures for the year under review remained focused on revenue and earnings targets, chosen as the company's main value drivers. These metrics capture business expansion and market share growth (measured by revenue), as well as operational profitability. Revenue contributes 30%, and the earnings target 30%, to the overall weighting of performance measures under the short-term variable compensation framework.

In alignment with the DocMorris' sustainability approach, four ESG measures have been incorporated into the short-term variable compensation framework in 2024, with a total weighting of 10%. These measures address the following priorities:

ESG priority	Aspiration
Healthier people	Launching care pathways and becoming a leading digital health ecosystem
Sustainable planet	Optimising logistics and achieving annual CO_2 emission reductions of 4.2%
Caring company	Promoting compensation equality and fairness, along with introducing cultural principle
Reliable partnership	Expanding the number of industry partners and securing supplier adherence to our supplier code of conduct

Individual performance includes both personal and collective measures, defined through the annual performance management process and incorporating financial and non-financial targets. Financial measures focus on specific key performance indicators, break-even goals, and related metrics, while non-financial measures are aligned with corporate values and reflect individual qualitative contributions.

Depending on performance achievements, bonus payout ranges from zero up to a maximum of 150% of the target value. The target value is set as a percentage of the annual base salary, amounting to 68% for the CEO (2023: 68%) and 31 to 66% for the other members of the Executive Board (2023: 34 to 66%).

At the end of the financial year, performance achievements are evaluated against the targets set by the Board of Directors at the start of the year, based on the CNC's recommendation. Each measure includes a defined performance target aligned with the company's budget and strategy, alongside minimum and maximum thresholds. Payouts between these thresholds are determined through linear interpolation. No bonus is paid for performance below the minimum threshold, while payout for achievements above the maximum is capped. The Board of Directors retains the discretion to adjust payouts, up or down, based on the qualitative performance of individual Executive Board members.

Performance targets are considered commercially sensitive, as their disclosure could reveal aspects of DocMorris' forward-looking strategy. Therefore, they are not detailed upfront. However, the chapter "Compensation to the Executive Board for 2024" provides a retrospective review of the targets set for the financial year under review, along with an evaluation of performance achievements that influenced the 2024 payout under the short-term variable compensation framework.

The short-term variable compensation for the reporting year will be paid in cash following the approval at the 2025 AGM.

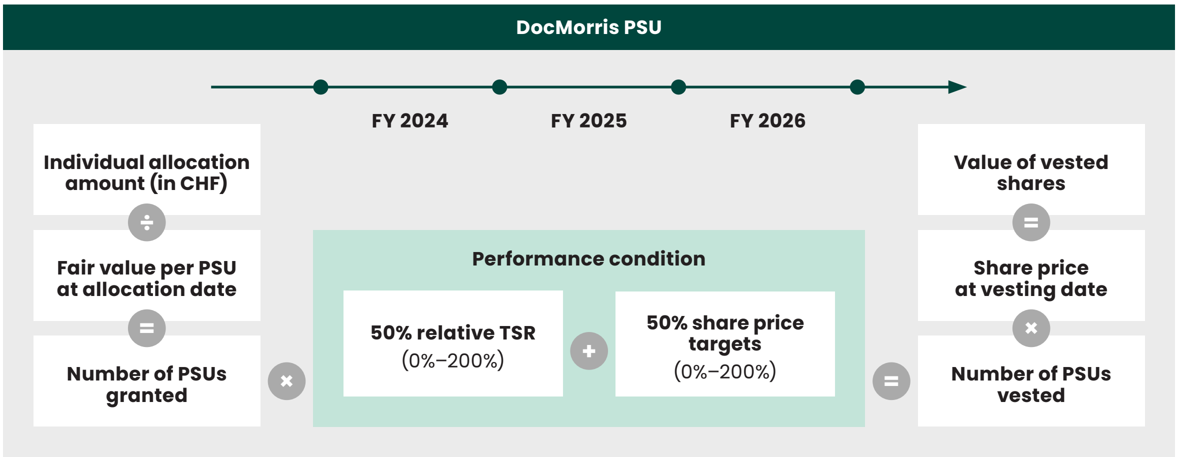
Long-term variable compensation

The long-term variable compensation is designed in the form of a Performance Share Units (PSU) plan, enabling members of the Executive Board and selected executives of DocMorris and its subsidiaries to participate in the company's sustainable, long-term growth.

Key features of the plan include:

a) complementing short-term variable compensation with a long-term performance consideration;
b) aligning executives' interests with those of shareholders;
c) embedding strategic growth objectives into compensation;
d) serving as a competitive and effective retention tool.

Mechanics of the PSU plan



PSUs granted under the plan are not tradable and may not be assigned, pledged or transferred. Hedging against price risks is also forbidden.

At the request of the CNC, the Board of Directors determines the value of individual allocation amounts or grants in Swiss francs for each financial year, considering the role's impact on the company's long-term success, individual performance, and various strategic factors. For 2024, the grant amounted to 67% of the annual base salary for the CEO (2023: 67%) and 33% to 117% for other Executive Board members (2023: 36% to 60%).

Vesting of the granted PSUs depends on DocMorris' future performance over a three-year period, with the achievement factor ranging from 0% to 200%. Starting from 2023, performance under the PSU plan is evaluated equally based on ambitious share price targets and relative Total Shareholder Return (TSR).

TSR is defined as share price performance combined with the notional reinvestment of gross dividends over the performance period. Target achievement is determined by comparing DocMorris TSR performance to that of the companies in the STOXX® Europe 600 Retail index and a designated peer group.

Designated peer group

AO World	ASOS	Boohoo	Delivery Hero	Delticom
Just Eat Takeaway	Ocado	Redcare	Scout24	Spotify Technology
Trivago	Zalando			

Each metric is accompanied by a defined target, as well as minimum and maximum thresholds. Achievement factors within these thresholds are calculated using linear interpolation. No vesting occurs for performance below the minimum threshold, and vesting is capped for performance exceeding the maximum threshold. Detailed information about the targets for 2024 grant is outlined below.

Performance measure	Weight	Minimum threshold (0% vesting)	Target (100% vesting)	Maximum threshold (200% vesting)
Share price	50%	<CHF 100	CHF 120	>CHF 140
Relative TSR positioning within STOXX® Europe 600 Retail	25%	25^{th} percentile	50^{th} percentile	100^{th} percentile
Relative TSR positioning within individual peer group	25%	25^{th} percentile	50^{th} percentile	100^{th} percentile

In addition to failing to meet the threshold performance level, PSUs may be forfeited under specific conditions, such as employment termination during the vesting period. Vested shares under the PSU plan are also subject to clawback provisions, allowing the Board of Directors to reclaim these shares in cases of financial restatements due to non-compliance with accounting standards, fraud, legal or regulatory breaches, or individual misconduct. These clawback provisions may be enforced for up to three years following the vesting event.

In the event of a delisting, acquisition of a majority shareholding, or winding up of DocMorris, the Board of Directors will terminate the plan. All outstanding PSUs will then vest and be converted into shares on a pro rata temporis basis relative to the grant year.

No changes were made to the plan for allocations during the reporting year.

Employment contracts

Members of the Executive Board are employed under permanent employment contracts with individual notice periods up to a maximum of 12 months. They are not entitled to any contractual sign-on or severance payments or special change of control provisions (if not subject to country-specific legislation), except for the early vesting of the long-term compensation plan as explained above. In accordance with the Articles of Association of DocMorris, employment contracts may include non-competition and non-solicitation clauses lasting up to one year, with respective compensation capped at one year's salary.

5.3 Compensation to the members of the Executive Board for 2024

This section has been audited by the auditors in compliance with the requirements of the Code of Obligations.

For 2024, members of the Executive Board received total compensation of CHF 5,930,000 (2023: CHF 6,554,000). This amount includes annual base salaries of CHF 2,409,000 (2023: CHF 2,775,000), short-term variable compensation of CHF 1,098,000 (2023: CHF 1,355,000), long-term compensation of CHF 1,600,000 (2023: CHF 1,568,000), fringe benefits of CHF 167,000 (2023: CHF 195,000) and pension benefits of CHF 656,000 (2023: CHF 661,000).

The table below provides a detailed breakdown of the Executive Board compensation for 2024 and 2023.

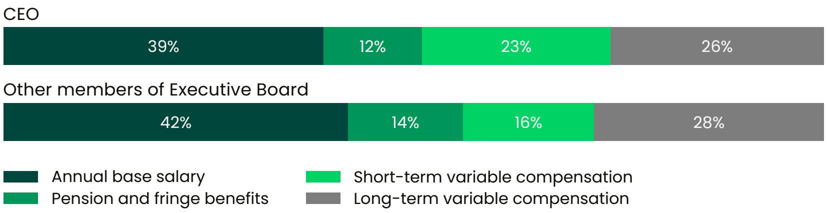
Executive Board [1]	Annual base salary in cash		Variable compensation: Short-term in cash [2]		Variable compensation: Long-term in shares [3] PSU		Fringe benefits [4]		Pension benefits [5]		Total	
CHF 1,000	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Total compensation of the Executive Board	**2,409**	2,775	**1,098**	1,355	**1,600**	1,568	**167**	195	**656**	661	**5,930**	6,554
Of which: CEO [6]	**700**	700	**424**	442	**470**	470	**30**	30	**195**	195	**1,819**	1,837

1) On 31 December 2024, five members of the Executive Board were in office. During the year under review two members of the Executive Board stepped down and were succeeded by two new members. The total compensation of the Executive Board includes contractual obligations during the notice period of the members who stepped down in 2023 and 2024.
2) For 2023 performance year, the members of the Executive Board received up to 33% of their target annual short-term variable compensation in form of DocMorris shares. These shares were allocated to the members of the Executive Board on 18 December 2023.
3) The nominal target value of the performance-based share plan granted in 2024 for the performance period 2024 to 2026 and in 2023 for the performance period 2023 to 2025.
4) Including all other compensation and benefits such as company cars, expenses in connection with assignments and gifts.
5) Includes social security contributions where they result in a benefit entitlement. Additional amounts that do not result in an increased pension entitlement are not included (additional amounts not included in the above amount in 2024: CHF 292,000, of which CHF 106,000 relates to the CEO; in 2023: CHF 279,000, of which CHF 108,000 relates to the CEO).
6) Highest total compensation: Walter Hess, CEO.

Executive Board compensation mix 2024

For the CEO, total variable compensation 2024 amounted to 128% (2023: 130%) of his annual base salary or 97% (2023: 99%) of his total fixed compensation. For other Executive Board members total variable compensation 2024 averaged at 106% (2023: 97%) of the respective annual base salaries or 78% (2023: 74%) of respective total fixed compensations.

Executive Board compensation mix



Changes to the Executive Board during 2024

As at 31 December 2024, the Executive Board consisted of five members, three of whom had been members for the whole year. During the year, Marcel Ziwica and Madhu Nutakki left DocMorris. Marcel Ziwica was succeeded by Daniel Wüest in October, Madhu Nutakki was succeeded by Pablo Ros Gomez in November.

Fixed compensation for 2024

The annual base salary in 2024 was lower than in the previous year due to the changes to the Executive Board. Fringe benefits and pension benefits were 3.8% lower than in the previous year.

Short-term variable compensation for 2024

The payout of short-term variable compensation for 2024 was largely determined by group and segment financials and individual achievements. This resulted in an effective payout ranging from 75% to 90% of target for the Executive Board (2023: 81% to 100%) and 90% for the CEO (2023: 93%). Expressed as a percentage of annual base salary for the year, payout of short-term variable compensation for 2024 was equivalent to 23% to 59% (2023: 35% to 62%) for other Executive Board members and 61% (2023: 63%) for the CEO.

SHORT-TERM VARIABLE COMPENSATION OUTCOME COMPARED TO TARGET (CHF 1,000)

Performance consideration	Measure	Weighting	Target (100%)	Actual	Award (% of target)	Weighted award
Group and segment financial results	Revenue [1]	30%	CHF 1,076,566 [3]	CHF 1,105,025 [4]	114%	34%
	EBITDA [2]	30%	CHF –23,018	CHF –48,590	0%	0%
Progress on ESG measures	Healthier people, sustainable planet, caring company, and reliable partnerships	10%	see below		104%	10%
Individual achievments	Individual scorecard covering financial objectives, corporate values, and qualitative performance	30%	see below		100%–150%	30%–45%
Total CEO						**90%**
Other members [5]						**75%–90%**

1) External Revenue
2) EBITDA adjusted
3) Due to delayed authorisation for the DocMorris CardLink solution (external factor) the planned eRx revenue has been adjusted on a pro rata basis for the period 1 January 2024 to 17 April 2024 accordingly.
4) The actual revenue has been converted using the budgeted EUR / CHF exchange rate.
5) For Executive Board members joined in the fourth quarter of 2024, the target achievement for short-term variable compensation has been set at 100%, due to the short period in office. The target short-term variable amount has been adjusted on a pro-rata basis for period accordingly.

PROGRESS ON ESG MEASURES

ESG priority	Aspiration	Assessment	Actual
Healthier people	Launching care pathways and becoming a leading digital health ecosystem	achieved	100%
Sustainable planet	Optimising logistics and achieving annual CO_2 emission reductions of 4.2%	over achieved	150%
Caring company	Promoting compensation equality and fairness, along with introducing cultural principles	partly achieved	67%
Reliable partnership	Expanding the number of industry partners and securing supplier adherence to our supplier code of conduct	achieved	100%
Total			**104%**

INDIVIDUAL SCORECARD COVERING FINANCIAL OBJECTIVES, CORPORATE VALUES, AND QUALITATIVE PERFORMANCE FOR THE CEO

Objective	Aspiration	Target (100%)	Assessment	Actual
Refinancing CB 20	Successful refinancing Convertible Bond 2020	CHF 175 Mio.	over achieved	150%
Introduction of CardLink solution	Introduction of technically flawless DocMorris CardLink solution with high value for customer	Seamless integration of CardLink solution	over achieved	150%
Total				**150%**

With the CB 2024 worth CHF 200 million, the refinancing of the CHF 175 million CB 2020 was successfully completed. The CardLink solution operates flawlessly and offers significant customer value. Furthermore, DocMorris was the first provider to bring the solution to market. In addition to the objectives above the CEO has also taken on the role of Head of Segment Germany in 2024.

Long-term variable compensation for 2024

For 2024, members of the Executive Board were awarded 22,574 PSUs (2023: 53,056), with a total value of CHF 1,600,000 (2023: CHF 1,568,000). The performance period for these PSUs runs from 1 January 2024 until 31 December 2026.

Vesting of PSUs and RSUs granted in previous years

In 2024, a total of 9,339 shares vested and will be transferred to members of the Executive Board, including the CEO after the AGM 2025. Of these, 9,339 originated from vested RSUs, and 0 from PSUs granted in 2022.

The vesting of PSUs was based on the achievement of equally weighted pre-defined revenue targets and relative TSR performance, resulting in an overall vesting factor of 0%. The table below provides a detailed breakdown of the performance achievements under the 2022 PSU grant.

LONG-TERM VARIABLE COMPENSATION OUTCOME COMPARED TO TARGET (IN CHF 1,000)

Performance measure	Weighting	Target (100%)	Actual	Award (% of target)	Weighted award
Revenue [1]	50%	CHF 1,413,807	CHF 1,085,048	0%	0%
Relative TSR positioning within STOXX® Europe 600 Retail	25%	50th percentile	0th percentile	0%	0%
Relative TSR positioning within individual peer group	25%	50th percentile	0th percentile	0%	0%
Total					**0%**

1) External revenue

Over the last four years the long-term variable compensation vesting factor has averaged at 70% of target.

RECENT LONG-TERM VARIABLE COMPENSATION VESTING OUTCOMES

Year of grant	Year of vesting	Overall vesting factor [1]
2019	2021	156%
2020	2022	45.5%
2021	2023	45.0%
2022	2024	33.3%
2023	2025	Outstanding [2]
2024	2026	Outstanding [2]

1) Allocation amount of the PSUs granted including RSU until 2024. Members of the Executive Board who join after the corresponding performance-based share plans have been granted are not entitled to take part in these allocations.
2) The performance period is not yet completed. The final amount to be allocated of the PSUs granted is available once the performance period is completed.

Compensation to former members of the Executive Board and loans

A former member of the Executive Board received CHF 419,000 in compensation for the notice period and non-compete obligations. No compensation was paid to related parties to the members of the Executive Board in the reporting year.

No loans were granted to members of the Executive Board in the reporting year. No loans were outstanding to current or former members of the Executive Board or their related parties that were not issued at market terms.

6 Shareholdings

This section has been audited by the auditors in compliance with the requirements of the Code of Obligations. As of 31 December 2024, the Board of Directors and the Executive Board held the shares listed below. Around 7% of the shares held by members of the Board of Directors have a remaining blocking period of up to three years. Shares held by the members of the Executive Board are not subject to a blocking period. No cash was paid for the allocated shares in the reporting year.

Shareholdings Board of Director and Executive Board [1)]

	31 December 2024	31 December 2023
	Number of shares	Number of shares
Board of Directors		
Walter Oberhänsli (Chairman)	**117,626**	115,452
Prof. Stefan Feuerstein (Vice Chairman)	**52,654**	54,232
Prof. Dr. Andréa Belliger (Director)	**4,466**	3,065
Rongrong Hu (Director)	**5,000**	3,009
Christian Mielsch (Director)	**11,886**	10,987
Florian Seubert (Director)	**5,352**	3,903
Total	**196,984**	**190,648**
Executive Board		
Walter Hess (CEO)	**39,349**	36,517
David Masó (Head Europe)	**36,057**	35,470
Kaspar Niklaus (Chief Operations Officer)	**1,344**	530
Daniel Wüest (Chief Financial Officer since 01.10.2024)	**175**	–
Pablo Ros Gomez (Chief Technology Officer since 01.11.2024)	**598**	–
Madhu Nutakki (Chief Technology Officer until 31.10.2024)	–	0
Marcel Ziwica (Chief Financial Officer until 30.09.2024)	–	45,421
Total	**77,523**	**117,938**

1) Includes shareholdings for related parties of the respective members.

7 External mandates

This section has been audited by the auditors in compliance with the requirements of the Code of Obligations. As of 31 December 2024, members of the Board of Directors and the Executive Board have the following external mandates according to Article 734e of the Code of Obligations.

Board of Directors

Name	Company	Function
Walter Oberhänsli [1)]	None	n/a
Prof. Stefan Feuerstein	Al Faisaliah Group's Electronics & Systems Company, Riyadh (SA)	Chairman of the Board
	Electronic Partner Handel SE, Düsseldorf (DE)	Chairman of the Board
	Haubrich Holding SE, Düsseldorf (DE)	Vice Chairman of the Board
	Kühnl + Schmidt Architekten AG, Karlsruhe (DE)	Chairman of the Supervisory Board
	UNIMO-Gerstner Group, Rotkreuz, Xanten (DE)	Member of the Shareholders' Council, including functions on the Executive Board and Board of Directors of various affiliated companies
	SINN GmbH, Hagen (DE)	Chairman of the Advisory Board
	Fondation E. et C. Renaud, Neuchâtel	Member of the Board of Trustees
	Worms University of Applied Sciences (DE), Worms	Member of the Research Advisory Board
	Wellnest GmbH, Essen (DE)	Member of the Board
Prof. Dr. Andréa Belliger [2)]	Aargauische Kantonalbank, Aarau	Board Member
	Association of the Institute for Communication & Leadership, Lucerne	Chairwoman
	Engadin Tourismus AG, St. Moritz	Board Member
	Gebert Rüf Foundation, Zurich	Board Member
	Institute for Communication & Leadership, Lucerne	Managing Co-Director
	Lernetz AG, Berne	Board Member
	OES Online Education Solutions GmbH, Geiss	Managing Director
	Spital Thurgau AG, Frauenfeld	Board Member
	thurmed ag, Frauenfeld	Board Member

Name	Company	Function
Rongrong Hu	Harvard Club of Switzerland, Zürich	Board Member
	People & Places AG, Baar	Board Member
	P&P Properties III AG, Baar	Board Member
Dr. Christian Mielsch [3)]	None	n/a
Florian Seubert	Attikon Finanz AG, Düsseldorf (DE)	Board Member
	AB1204 Capital GmbH, Brannenburg (DE)	Managing Partner
	AB1204 Verwaltungs GmbH, Brannenburg (DE)	Managing Partner
	Calibria Industrieholding GmbH, Gräfelfing (DE)	Chairman of the Advisory Board
	Electronic Partner Handel SE, Düsseldorf (DE)	Board Member
	Eviva Espana GmbH, Brannenburg (DE)	Managing Partner
	Haubrich Holding SE, Düsseldorf (DE)	Board Member
	Maxburg Capital Partners GmbH, München (DE)	Venture Partner

1) Former Mandate as of 31 December 2023: Co-Chairman - Foundation Ortsbild Steckborn, Steckborn
2) Former Mandates as of 31 December 2023: Member of the Health Policy Advisory Board - ApoBank – Deutsche Apotheker- und Ärztebank, Düsseldorf (DE); Member of the Executive Board - Lucerne University of Teacher Education; Board Member - WAS Wirtschaft Arbeit Soziales of the canton of Lucerne, Lucerne
3) Former Mandates as of 31 December 2023: Board Member - Electronic Partner Handel SE, Düsseldorf (DE); Board Member Electronic Partner Handel SE, Düsseldorf (DE)

Executive Board

Name	Company	Function
Walter Hess [1]	European Association of E-Pharmacies (EAEP), Berlin (DE)	President
	Praevmedic AG, Zurich	Chairman
	Sportsemotion AG, Gossau	Board member
	Sportsevision AG, Gossau	Board member
David Maso	ESADE and ISDI school for e-commerce and marketplace strategies, Barcelona (ES)	Associate teacher
	Lanjux10 SL, Barcelona (ES)	Administrator
Kaspar Niklaus [2]	Miseno AG, Zürich	Board Member
	Unternehmergruppe Wettbewerbsfähigkeit (Group of Entrepreneurs Competitiveness), Zurich	President (2023: Board Member)
Pablo Ros Gomez	none	n/a
Daniel Wüest	SwissHoldings, Verband der Industrie- und Dienstleistungsunternehmen in der Schweiz, Bern	Board Member
	Vereinigung Schweizerischer Finanzchefs ("VSF"), Zürich	Chairman of the Board
	KIWI.KI GmbH, Berlin (DE)	Board Member

1) Former Mandate as of 31 December 2023: Board member - Hohlflex AG, Abtwil
2) Former Mandate as of 31 December 2023: Board member - Neuroth Schweiz AG, Zug

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To the General Meeting of
DocMorris AG, Frauenfeld

Zurich, 12 March 2025

Report of the statutory auditor on the audit of the compensation report

Opinion
We have audited the compensation report of DocMorris AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked "audited" on pages 129, 135, 139 and 140-142 of the compensation report.

In our opinion, the information pursuant to Art. 734a-734f CO in the compensation report complies with Swiss law and the Company's articles of incorporation.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the compensation report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked "audited" in the compensation report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the compensation report
The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's responsibilities for the audit of the compensation report
Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

Jolanda Dolente Licensed audit expert (Auditor in charge)	**Michael Britt** Licensed audit expert

Financial Statements

Consolidated Financial Statements of DocMorris

Consolidated Income Statement

		1.1. – 31.12.2024		1.1. – 31.12.2023	
	Notes	CHF 1,000	%	CHF 1,000	%
Net revenue	6	**1,017,045**	**100.0**	969,462	100.0
Other operating income	7	**15,870**		6,909	
Cost of goods	8	**– 800,502**		–766,114	
Personnel expenses	9	**– 99,906**		– 108,849	
Other operating expenses	10	**– 176,361**		– 139,777	
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**– 43,854**	**-4.3**	–38,369	-4.0
Depreciation, amortisation and impairment	19 – 21	**– 45,902**		–44,857	
Earnings before interest and taxes (EBIT)		**– 89,756**	**-8.8**	–83,226	-8.6
Share of results of joint ventures and associates	18	**– 205**		–712	
Finance income	11	**7,160**		9,672	
Finance expenses	11	**– 19,957**		–44,390	
Earnings before taxes (EBT)		**– 102,758**	**-10.1**	– 118,656	-12.2
Income tax income / (expense)	12	**5,505**		1,091	
Net income / (loss) from continuing operations		**– 97,253**	**-9.6**	– 117,565	-12.1
Net income / (loss) from discontinued operations [1]		**0**		199,845	
Net income / (loss)		**– 97,253**	**-9.6**	82,280	8.5
Attributable to Doc Morris AG shareholders		**– 97,253**		82,280	

		CHF 1		CHF 1	
Basic loss per share from continuing operations	31	**– 8.25**		– 10.07	
Diluted loss per share from continuing operations	31	**– 8.25**		– 10.07	
Basic (loss) / income per share	31	**– 8.25**		7.05	
Diluted (loss) / income per share	31	**– 8.25**		7.05	

1) Due to disposal of the former Swiss business to Medbase AG in May 2023

Consolidated Statement of Comprehensive Income

	Notes	1.1. – 31.12.2024 CHF 1,000	1.1. – 31.12.2023 CHF 1,000
Net income / (loss)		**–97,253**	82,280
Exchange differences on translation of foreign operations		**2,972**	–10,663
Other comprehensive income to be reclassified in subsequent periods to the income statement		**2,972**	–10,663
Remeasurement pensions	29	**1,053**	864
Income tax	24	**–138**	–124
Other comprehensive income not to be reclassified in subsequent periods to the income statement		**915**	740
Other comprehensive income / (loss)		**3,887**	–9,923
Total comprehensive income / (loss)		**–93,366**	72,357
Attributable to DocMorris AG shareholders		**–93,366**	72,357

Consolidated Balance Sheet

ASSETS		**31.12.2024**		**31.12.2023**	
	Notes	CHF 1,000	%	CHF 1,000	%
Cash and cash equivalents	13	**95,371**		54,028	
Current financial assets	33	**0**		97,022	
Trade receivables	14	**54,005**		55,387	
Accrued income and prepaid expenses	15	**14,454**		12,546	
Other receivables	16	**9,990**		11,262	
Inventories	17	**37,076**		51,758	
Non-current assets held for sale	22	**2,671**		11,671	
Current assets		**213,567**	**27.4**	293,674	33.9
Investments in joint ventures and associates	18	**1,752**		1,541	
Property, plant and equipment	19	**25,287**		33,834	
Right-of-use assets	20	**25,314**		28,220	
Intangible assets	21	**494,556**		495,083	
Non-current financial assets	23	**11,636**		11,207	
Deferred tax assets	24	**6,022**		2,864	
Non-current assets		**564,567**	**72.6**	572,749	66.1
Total assets		**778,134**	**100.0**	866,423	100.0

Consolidated Balance Sheet

LIABILITIES AND EQUITY		31.12.2024		31.12.2023	
	Notes	CHF 1,000	%	CHF 1,000	%
Current bonds	25	**0**		90,665	
Current lease liabilities	25	**4,259**		3,878	
Other current financial liabilities	25	**3,237**		3,329	
Trade payables		**59,409**		38,470	
Other payables	26	**14,100**		11,854	
Tax liabilities		**166**		1,690	
Accrued expenses	27	**28,292**		26,614	
Short-term provisions	28	**7,015**		3,819	
Short-term liabilities		**116,478**	**15.0**	180,319	20.8
Non-current bonds	25	**285,816**		211,442	
Non-current lease liabilities	25	**22,133**		24,830	
Other non-current financial liabilities	25	**7,836**		10,778	
Pension obligations	29	**685**		1,575	
Long-term provisions	28	**511**		0	
Deferred tax liabilities	24	**4,561**		6,947	
Long-term liabilities		**321,542**	**41.3**	255,572	29.5
Total liabilities		**438,020**	**56.3**	435,891	50.3
Share capital	30	**445,053**		411,019	
Capital reserves		**658,902**		659,253	
Treasury shares	30	**– 90,558**		–58,638	
Retained earnings		**– 596,931**		–501,778	
Exchange differences		**– 76,352**		–79,324	
Equity attributable to DocMorris AG shareholders		**340,114**	**43.7**	430,532	49.7
Total equity		**340,114**	**43.7**	430,532	49.7
Total liabilities and equity		**778,134**	**100.0**	866,423	100.0

Consolidated Cash Flow Statement

	Notes	1.1. – 31.12.2024 CHF 1,000	1.1. – 31.12.2023 CHF 1,000 restated[1]
Net income / (loss) from continuing operations		**– 97,253**	– 117,565
Depreciation, amortisation and impairment	19 – 21	**45,902**	44,857
Finance expenses (net)		**12,381**	33,914
Share of results of joint ventures and associates		**205**	712
Income tax		**– 5,505**	– 1,091
Non-cash income and expenses		**– 10,354**	2,381
Income tax paid		**– 1,371**	– 1,066
Interest paid		**– 15,767**	– 16,545
Interest received		**2,587**	2,636
Change in trade receivables, other receivables and prepaid expenses		**1,071**	–4,547
Change in inventories		**15,517**	–4,260
Change in trade payables, other liabilities and accrued expenses [1]		**22,722**	– 15,866
Change in provisions		**3,267**	–5,843
Contingent consideration paid	33	**0**	–3,995
Operating cash flow from discontinued operations [1/2]		**0**	– 1,137
Cash flow from operating activities		**– 26,598**	–87,415
Acquisition of subsidiaries, net of cash acquired	33	**0**	–6,815
Purchase of property, plant and equipment	19	**– 1,361**	–4,988
Disposal of property, plant and equipment	19	**25,758**	142
Acquisition of intangible assets [1]	21	**– 27,248**	–26,350
Investment in current financial assets	33	**– 90,000**	–50,000
Investments in non-current financial assets	18 / 23	**– 396**	– 1,045
Repayment of financial assets	33	**140,007**	37,725
Dividends received		**119**	139
Net proceeds from disposal of Swiss business [2]	33	**47,000**	275,666
Investing cash flow from discontinued operations [1/2]		**0**	–4,655
Cash flow from investing activities		**93,879**	219,819
Net proceeds from capital increases		**0**	31
Allocation of treasury shares for share-based payments	30	**73**	0
Transaction costs of capital increases [3]		**– 351**	0
Issue of a convertible bond (net after transaction costs)	25	**195,227**	0
Repayment of financial liabilities	25	**– 220,954**	–202,290
Financing cash flow from discontinued operations [2]		**0**	–368
Cash flow from financing activities		**– 26,005**	–202,627
Increase / (decrease) in cash and cash equivalents		**41,276**	–70,223
Cash and cash equivalents at the beginning of the year		**54,028**	126,042
Foreign currency differences		**67**	– 1,791
Cash and cash equivalents at the end of the period		**95,371**	54,028

1) Reclassification of CHF 3,629 thousand due to incorrect allocation of paid investments in intangible assets between continuing and discontinued operations in prior year (see Note 5 Restatement of the prior year consolidated cash flow statement)
2) Due to disposal of the former Swiss business to Medbase AG in May 2023
3) Includes transaction costs paid related to the contingent capital increase in connection with the issuance of the convertible bond in May 2024 (see Note 25 Financial liabilities)

Consolidated Statement of Changes in Equity

	Share capital	Capital reserves	Treasury shares	Retained earnings	Exchange difference	Attributable to Group shareholders	Total equity
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
1 January 2023	**404,728**	**659,294**	**– 60,670**	**– 583,912**	**– 68,661**	**350,779**	**350,779**
Net income / (loss)				82,280		82,280	82,280
Other comprehensive income				740	– 10,663	– 9,923	– 9,923
Total comprehensive income				83,020	– 10,663	72,357	72,357
Share-based payments				3,487		3,487	3,487
Issue of new shares from capital band	1,723		– 1,723			0	0
Settlement of contingent consideration Apotal group			4,900	– 1,022		3,878	3,878
Transaction costs of capital increase		– 63				– 63	– 63
Issue of new shares for employees	4,568	22	– 1,145	– 3,351		94	94
31 December 2023	**411,019**	**659,253**	**– 58,638**	**– 501,778**	**– 79,324**	**430,532**	**430,532**
Net income / (loss)				– 97,253		– 97,253	– 97,253
Other comprehensive income				915	2,972	3,887	3,887
Total comprehensive income				– 96,338	2,972	– 93,366	– 93,366
Share-based payments				3,179		3,179	3,179
Issue of new shares from contingent capital	34,034		– 34,034			0	0
Equity component of issued convertible bond				1,669		1,669	1,669
Equity component of repurchased and redeemed convertible bonds				– 1,770		– 1,770	– 1,770
Conversion of convertible bonds			43	25		68	68
Transaction costs of capital increase		– 351				– 351	– 351
Allocation of treasury shares for share-based payments			2,071	– 1,918		153	153
31 December 2024	**445,053**	**658,902**	**– 90,558**	**– 596,931**	**– 76,352**	**340,114**	**340,114**

Notes to the Consolidated Financial Statements

1 General information

DocMorris operates several e-commerce pharmacies for medical and pharmaceutical products. In addition, it offers services in the field of professional health care. Sales are made to mail-order pharmacies and directly to private individuals.

DocMorris AG (the “Company”), a stock corporation under Swiss law based at Walzmühlestrasse 49, 8500 Frauenfeld (Switzerland), is the parent of DocMorris (the “Group”). The Company was established on 6 April 1993. The registered office of Group Management and the headquarters of business activities are based at Walzmühlestrasse 49, 8500 Frauenfeld (Switzerland).

The consolidated financial statements were authorised for issue by the Board of Directors on 11 March 2025 and are subject to approval of the Annual General Meeting on 8 May 2025.

DocMorris AG has been listed since 2017. The shares are traded on SIX Swiss Exchange under the International Reporting Standard (ISIN CH0042615283).

The amounts listed in the financial statements are rounded. If the calculations are performed with a higher numerical accuracy, small rounding differences can occur.

2 Accounting policies

2.1 Basis of preparation

The consolidated financial statements of DocMorris have been prepared in accordance with IFRS® Accounting Standards, as published by the International Accounting Standard Board (IASB).

The consolidated financial statements are prepared on a historical cost basis, with the exception of shares included in the financial assets and contingent consideration liabilities measured at fair value.

DocMorris has sufficient funds to maintain its operating business for the next 12 months from the date of publication of the consolidated financial statements 2024. To fund the organic growth including all planned business initiatives and to secure a potential refinancing of existing liabilities in 2026, external financing is required. The Board of Directors and the Group Executive Board will initiate and execute the necessary steps to secure the financing. Given the position of DocMorris in the fast growing online pharmacy market, the successful fundraisings to date, the current trading and the broad portfolio of available financing instruments, the Board of Directors and the Group Executive Board are convinced of the ability to finance.

The financial statements are presented in Swiss francs, and all values were rounded to the nearest thousand (CHF 1,000), unless specified otherwise.

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of DocMorris AG and its subsidiaries as at 31 December 2024.

An entity is included in the consolidation from the date on which control over the company is transferred to DocMorris until the date on which control over the company ceases.

The following companies were included in the group of consolidated companies of DocMorris AG:

	Share capital		Share of capital	
	31.12.2024	**31.12.2023**	**31.12.2024**	**31.12.2023**
	CHF 1,000	CHF 1,000	%	%
0800 DocMorris Ltd., London (GB)	**1**	1	**100.0**	100.0
AdBest Werbeagentur GmbH, Hilter am Teutoburger Wald (DE)	**27**	27	**100.0**	100.0
Centropharm GmbH, Aachen (DE)	**30**	30	**100.0**	100.0
Comventure GmbH, Forst (DE) [1]	**n / a**	28	**n/a**	100.0
D&W Mailorder Service B.V., Heerlen (NL)	**22**	22	**100.0**	100.0
DCMS Service AG, Frauenfeld (CH)	**100**	100	**100.0**	100.0
Dia Plus Minus Handelsgesellschaft mbH, Hilter am Teutoburger Wald (DE)	**28**	28	**100.0**	100.0
dmr Advertising GmbH, München (DE) [2]	**24**	n / a	**100.0**	n/a
DocMorris Finance B.V., Heerlen (NL) [4]	**0**	0	**100.0**	100.0
DocMorris Holding GmbH, Berlin (DE)	**6,085**	6,085	**100.0**	100.0
DocMorris N.V., Heerlen (NL)	**60**	60	**100.0**	100.0
DocMorris Services B.V., Heerlen (NL)	**22**	22	**100.0**	100.0
Doctipharma SAS, Paris (FR)	**618**	618	**100.0**	100.0
eHealth-Tec GmbH, Berlin (DE)	**27**	27	**100.0**	100.0
eHealth-Tec Services S.R.L., Bucharest (RO) [4]	**0**	0	**100.0**	100.0
Helena Abreu, Unipessoal, Lda, Montemor-o-Novo (PRT)	**108**	108	**100.0**	100.0
medpex wholesale GmbH, Ludwigshafen (DE) [3]	**n / a**	28	**n/a**	100.0
Promofarma Ecom, S.L., Barcelona (ES)	**15,004**	15,004	**100.0**	100.0
TeleClinic GmbH, München (DE)	**857**	857	**100.0**	100.0
Ultra Pharm Medicalprodukte GmbH, Bad Rothenfelde (DE)	**29**	29	**100.0**	100.0
Visionrunner GmbH, Mannheim (DE) [1]	**n / a**	28	**n/a**	100.0
Zur Rose Dutch B.V., Heerlen (NL) [4]	**0**	0	**100.0**	100.0
Zur Rose Pharma GmbH, Halle (DE)	**8,479**	8,479	**100.0**	100.0

1) Merged into eHealth-Tec GmbH in 2024
2) Established in 2024
3) Merged into Centropharm GmbH in 2024
4) Share capital of less than EUR 500

All intragroup balances, transactions, unrealised gains and losses from intragroup transactions and dividends are eliminated in full. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.3 Summary of material accounting policies

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at fair value at the acquisition date in addition to any non-controlling interests in the acquiree. Transaction costs incurred are recognised in profit or loss and reported within other operating expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and the prevailing conditions as at the acquisition date.

Goodwill is initially measured at cost, as the excess of the aggregate of the consideration transferred and the amount of non-controlling interests over the identifiable assets acquired and liabilities assumed by the Group.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the cash-generating units of the Group that are expected to benefit from the business combination. This applies regardless of whether other assets or liabilities of the acquiree are assigned to these cash-generating units.

Investments in associates and joint ventures
The Group's investments in associates and joint ventures are accounted for using the equity method. An associate is an entity over which the Group has significant influence (generally a share of voting rights of 20 per cent to 49.9 per cent). A joint venture is a jointly controlled entity.

Using the equity method, investments in an associate or joint venture are recognised at cost in the balance sheet plus the Group's share of changes in the net assets of the associates and joint ventures since the acquisition date.

The consolidated income statement includes the Group's share in the result of the associate / joint venture. Changes recognised outside profit or loss of the associate / joint venture are proportionately recognised and presented in the Group's other comprehensive income, if applicable. Unrealised gains and losses resulting from transactions between the Group and the associate / joint venture are eliminated to the extent of the interest in the associate / joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on its investment in the associate / joint venture. At the end of each reporting period, the Group determines whether there is any objective evidence that the investment in the associate / joint venture is impaired. If this is the case, the difference between the recoverable amount of the investment in the associate / joint venture and its carrying amount is recognised as an impairment loss in profit or loss.

Currency translation
Since the disposal of the former Swiss Business in May 2023, DocMorris operates mainly in Germany and in other European countries. The Group's presentation currency is the Swiss franc. Each Group company determines its own functional currency. Foreign currency balances exist in the form of bank accounts, accounts receivable and payable and loans. Foreign currency transactions are converted into the functional currency at the monthly rate at the transaction date. Gains and losses from foreign currency transactions and the adjustment of monetary foreign currency assets and liabilities at the end of the reporting period are recognised in profit or loss.

The financial statements of Group companies in foreign currencies are translated into Swiss francs as follows:

- balance sheet at year-end exchange rates, income statement and statement of comprehensive income at average rates for the year,
- cash flow statement at average rates for the year.

Exchange differences arising on translation are recognised in other comprehensive income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation and translated at the year-end rate.

Exchange differences resulting from a monetary item that is part of the net investment in a foreign operation (e.g. long-term loans which are not expected or likely to be settled in the foreseeable future) are also recognised in other comprehensive income and, in the event of a sale or loss of control over the foreign operation, are reclassified from equity to profit or loss.

The following exchange rates were used for currencies:

		2024		**2023**
Currency	Year-end rate	Average rate for the year	Year-end rate	Average rate for the year
EUR	**0.9400**	**0.9524**	0.9287	0.9714

Net revenue
Revenue is recognised when a performance obligation under a customer contract (promised goods or services) has been fulfilled by transferring control of the promised goods or services to the customer. Control is usually transferred at the time of shipment or as the services are rendered in accordance with the terms of delivery and acceptance agreed with the customer. The total of sales to be recognised (transaction price) is based on the consideration that DocMorris expects to receive in return for the goods and services, less the interests withheld for third parties, such as VAT.

Net revenue is recognised less discounts and goods returned. All deductions on product sales are determined at the time of sale.

Taxes
Current income tax
Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current taxes relating to items recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. If necessary, tax liabilities are recognised.

Deferred tax
Deferred tax is recognised using the liability method based on temporary differences between the carrying amount of an asset or liability on the balance sheet and the tax base at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences, with the exception of:

- deferred tax liabilities arising from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the transaction date, affects neither accounting profit nor taxable profit or loss, and
- deferred tax liabilities arising from taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax loss carryforwards and unused tax credits to the extent that it is likely that taxable profit will be available against which the deductible temporary differences and unused tax loss carryforwards and tax credits can be used, with the exception of:

- deferred tax assets arising from deductible temporary differences from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the transaction date, affects neither accounting profit nor taxable profit or loss, and
- deferred tax assets from deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures if it is probable that the temporary differences will not reverse in the foreseeable future or insufficient taxable profit will be available against which these temporary differences can be utilised.

The carrying amount of deferred tax assets is assessed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which all or part of the deferred tax asset can be utilised. Unrecognised deferred tax assets are assessed at the end of each reporting period and recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which an asset is realised or a liability is settled. Tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period are applied.

Deferred tax relating to items recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or directly in equity.

VAT
Revenue and expenses are recognised net of VAT. The amount of VAT recoverable from or payable to taxation authorities is recognised in other receivables or in other payables.

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation.

Cost includes the purchase price, customs duties, non-refundable taxes and levies in addition to directly attributable costs. Expenses for maintenance and repair are recognised in profit or loss when incurred.

Depreciation is charged to profit or loss using the straight-line or diminishing balance methods over the estimated useful lives as follows:

Asset category	Useful life	Method
Interior construction	5 years	Straight-line
Equipment	3 – 7 years	Straight-line
Office furnishings	3 – 5 years	Straight-line
IT systems	3 – 5 years	Straight-line
Vehicles	5 years	Diminishing balance method
Real estate	33 years	Straight-line

Gains or losses from the disposal of property, plant and equipment are included in other operating income or expenses.

Leases
Leases are recognised as a right-of-use asset and corresponding lease liability at the time the leased asset becomes available to DocMorris to use. The lease payment is divided into a repayment component and a financing component. The financing component is recognised in profit or loss over the term of the lease, so that the interest rate on the balance of the liability is constant for each period. Determining the lease term with options involves the use of judgement. Such options are individually assessed as to whether they are reasonably certain to be exercised.

Subsequent measurement of the lease liability is at amortised cost using the effective interest rate method. The liabilities are remeasured in the event of changes to the lease term, future lease payments or a reassessment of options. The right-of-use asset is generally depreciated on a straight-line basis over the shorter period of economic life or the lease term and adjusted by the amount of any remeasurement of the associated lease liabilities. An impairment test is carried out if there are indications of impairment.

Lease liabilities include the net present value of the following lease payments:

— fixed lease payments including any in substance fixed lease payments less any lease incentives accruing to the lessee;
— variable lease payments based on an index or rate, measured at the index or rate at the commencement date;
— the amount expected to be paid under residual value guarantees;
— the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option;
— penalty payments for early termination of the lease, provided the lessee is reasonably certain of being able to terminate the lease early.

At the commencement date of the lease, the carrying amount of right-of-use assets comprises the following:

— the amount of the initial measurement of the lease liability;
— any lease payments that have to be made on or before the commencement date, less any incentives received from the lessor;
— any initial direct costs incurred by the lessee. This means direct costs only incurred because the specific lease was entered into;
— estimated costs for dismantling the leased item at the end of the lease.

If the rate implicit in the lease cannot be readily determined, the Group uses incremental borrowing rates as discount rates which take into account foreign currencies, the term of the agreements and company and asset-specific risks.

No short-term lease agreements with a term of less than 12 months or where the underlying asset is of low value are recognised in the balance sheet.

Intangible assets
Intangible assets that are not acquired as part of a business combination are initially measured at cost. The cost of intangible assets acquired in a business combination corresponds to their fair value at the acquisition date. In subsequent periods, intangible assets are reported at cost less accumulated amortisation and accumulated impairment. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives and tested for impairment if there is any indication that the intangible asset may be impaired. The amortisation period and the amortisation method for intangible assets with finite useful lives are reviewed at the end of each reporting period. Changes to the amortisation method or amortisation period due to changes in the expected useful life or expected consumption of the future economic benefits of the asset are treated as changes in estimates.

Intangible assets with indefinite useful lives are not amortised but tested for impairment at least once a year, either individually or at the level of the cash-generating unit. The assessment of indefinite useful life is reviewed annually.

Gains or losses arising from the derecognition of intangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period in which the asset is derecognised.

The useful lives for the intangible assets of DocMorris can be summarised as follows:

Asset category	Useful life
Software	3 – 5 years
ERP system	5 – 10 years
Customer relationships	5 – 10 years
Trademarks	Indefinite or 5 – 10 years

Impairment of non-financial assets
At the end of each reporting period or if there is any indication that a non-financial asset is impaired, the Group estimates the recoverable amount of the respective asset or cash generating unit (CGU). The recoverable amount of an asset is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is impaired and written down to its recoverable amount. To determine the value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In order to determine fair value less costs of disposal, an appropriate measurement model is used.

Goodwill is tested for impairment at the level of the CGU to which it has been allocated at 31 December and whenever circumstances indicate that the value might be impaired. If the recoverable amount of the CGU is lower than its carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill cannot be reversed in subsequent periods.

Financial assets
Classification and measurement of financial assets

Trade receivables are initially recognised at the transaction price pursuant to IFRS 15. All other financial instruments are initially recognised at fair value and, in the case of financial assets not measured at fair value through profit or loss, plus transaction costs.

With regard to subsequent measurement, DocMorris distinguishes between the following two measurement categories:

— At amortised cost. Assets held for the purpose of collecting contractual cash flows consisting solely of interest and principal payments are accounted for at amortised cost less impairments. Interest income from these financial assets is recognised in the item "finance income" using the effective interest method. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Assets recognised at amortised cost mainly consist of cash and cash equivalents, term deposits, trade receivables, other receivables and loans.
— At fair value through profit or loss. This category includes financial assets recognised at fair value. Fair value changes are recognised in profit or loss. Assets measured at fair value through profit and loss mainly consist of equity instruments (securities).

Purchases and disposals of financial assets are recognised on the settlement date. Financial assets are derecognised when DocMorris loses control over the rights to cash flows comprising the financial asset.

At the end of each reporting period, DocMorris determines whether a financial asset is impaired. Impairments for expected credit losses are recognised using the expected credit loss model. The level of the impairment is the difference between the carrying amount of the asset and the present value of the expected future cash flows discounted at the original effective interest rate.

For trade receivables, DocMorris applies the simplified method for calculating expected credit losses. Consequently, an impairment loss is recognised initially and also at each subsequent reporting date for lifetime expected credit losses. The receivables are derecognised provided they are qualified as irrecoverable.

Financial liabilities
Classification and measurement of financial liabilities

All financial liabilities are initially measured at fair value, and in the case of public bonds and loans at fair value less directly attributable transaction costs. The subsequent measurement depends on the classification. DocMorris divides its financial liabilities into the following two measurement categories:

— At amortised cost. After initial recognition, measurement is at amortised cost using the effective interest rate method. Gains and losses are recognised through profit or loss when the payable is amortised or derecognised. Financial liabilities at amortised cost include, in particular, trade payables, other liabilities and public bonds.
— At fair value through profit or loss. This includes financial liabilities that were initially designated at fair value through profit or loss, or financial liabilities that must be recognised through profit or loss at fair value. The financial liabilities of DocMorris recognised through profit or loss include contingent consideration liabilities agreed in the context of business combinations.

All purchases and disposals of financial liabilities are recognised on the settlement date. A financial liability is derecognised when the underlying obligation is discharged, cancelled, or expired. If an existing financial liability is replaced with another financial liability of the same lender with substantially different terms or conditions, or if the terms of an existing liability are substantially changed, such replacement or change is treated as derecognition of the original liability and as recognition of a new liability.

If a financial instrument meets the definition of an equity instrument, it is initially measured at fair value and recognised directly in equity. Equity instruments are not remeasured. Any gains or losses and transaction costs associated with an equity instrument are also recognised in equity.

Fair value of financial instruments

The fair value of financial instruments traded on active markets is determined using the quoted market price or publicly quoted price (bid price quoted by the buyer in a long position and ask price in a short position) at the end of the reporting period without deducting transaction costs.

The fair value of financial instruments that are not traded on active markets is determined using suitable measurement methods. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing and unrelated parties, referring to the current fair value of another instrument that is substantially the same, using discounted cash flow methods and other measurement models.

Inventories
Inventories include goods purchased and held for resale only and are measured at the lower of cost or net realisable value.

The lower net realisable value corresponds to the expected selling price within normal business activities less expected costs of disposal.

Payments from suppliers that are not payments for distinct goods or services are recognised as a reduction in the purchase cost of goods held in inventory respectively deducted from the cost of goods.

Goods that can no longer be sold are written down in full.

Cash and cash equivalents
Cash and cash equivalents include cash on hand and cash at banks in addition to fixed-term deposits with a maturity of no more than three months. These are reported at nominal value.

Treasury shares
When DocMorris acquires treasury shares, these are recognised at cost and deducted from equity. The purchase, sale, issue, or cancellation of treasury shares are recognised outside profit or loss. Any differences between the carrying amount and the consideration received are recognised directly in equity.

Provisions
Provisions are recognised only if DocMorris has a legal or constructive obligation towards third parties as a result of a past event, if the obligation can be reliably estimated and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the period until payment is significant, the present value of the payment is determined.

Restructuring provisions are recognised only if there is a detailed formal plan, the associated costs can be determined reliably and a valid expectation has been raised in those affected either as a result of communication or implementation of the plan.

Pension assets and liabilities
Contributions to defined contribution plans are recognised in personnel expense on an accrual basis.

For defined benefit plans, the obligation is determined every year by external experts using the projected unit credit method. The pension benefits and years of services of the employees up to the balance sheet date are taken into account, and assumptions are made regarding discount factors and further salary development, withdrawal and mortality probabilities, etc.

The present value of the defined benefit obligation (DBO) is compared with the fair value of the plan assets for funded plans and recognised as a net pension liability or net pension asset. A surplus is recognised only to the extent that DocMorris is entitled to future benefits in the form of future contribution reductions or refunds.

The pension costs of defined benefit plans are recognised as follows:

— Service cost (current and past from plan amendments) in personnel expenses in profit or loss,
— Net interest on net pension liability or asset in finance expenses in profit or loss, and
— Actuarial gains and losses from the remeasurement of the pension obligation and return on plan assets (less interest income recognised in profit or loss) and the effects from a potential asset ceiling are immediately recognised in other comprehensive income.

2.4 Changes in accounting policies

Introduction of amended or new IFRS and new interpretations
The accounting policies applied are the same as those used in the previous financial year, with the exception of the following revised standards which the Group has applied since 1 January 2024. However, they have no material impact on the net assets, financial income and results of operations of the Group:

— IAS 1 – Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants
— IFRS 16 – Lease Liability in a Sale and Leaseback transaction
— IAS 7, IFRS 7 – Statement of Cash Flows, amendments regarding supplier finance arrangements

3 Significant judgements, estimates and assumptions

In preparing these financial statement management has made judgements in applying accounting policies as well as estimates and assumptions regarding the future that affect the carrying amounts of reported assets and liabilities and may result in adjustments in future reporting periods. Such estimates and assumptions are based on experience and other factors considered to be reasonable in the circumstances. By their very nature, estimates will very rarely correspond to the actual outcomes. Areas with key assumptions concerning the future results and other sources of estimation uncertainty are:

Impairment testing for goodwill and indefinite life intangibles
Every year, the Group tests goodwill (carrying amount CHF 364.8 million) and its other indefinite-life intangibles (carrying amount CHF 20.3 million) for impairment. See Note 21 for a description of the significant assumptions and uncertainties.

Pension obligations
Pension assets and liabilities are calculated in accordance with IAS 19 on the basis of assumptions, such as the discount rate, salary increases and pension adjustments. These assumptions are assessed and adjusted on an annual basis. Changes in assumptions can have a significant impact on the amount of pension assets and liabilities and amounts recognised in other comprehensive income, which are to be reported in future periods. See Note 29.

Deferred tax assets
Deferred tax assets are recognised for all tax loss carryforwards that can be utilised to the extent that it is probable that taxable profit will be available against which the tax loss carryforwards can be utilised. Significant management judgement is required to determine the amount of deferred tax assets, based on the expected timing and amount of future taxable profits and future tax planning strategies. Further information can be found in Note 24.

4 Standards issued but not yet effective

The IASB has published new standards and interpretations as well as amendments to standards and interpretations before the publication date of these consolidated financial statements. The Group intends to adopt the following amendments when they become effective. The following changes potentially relevant for the Group are

— IAS 21 – Lack of Exchangeability (applicable as of January 1, 2025)
— IFRS 9, IFRS 7 – Classification and Measurement of Financial Instruments (January 1, 2026)
— IFRS 18 – Presentation and Disclosure in Financial Statements (applicable as of January 1, 2027)

While the Group does not currently expect any material effects of the amendments to IAS 21, IFRS 9 and IFRS 7, the Group is currently working to identify all impacts of IFRS 18 on the consolidated financial statements.

5 Restatement of the prior year consolidated cash flow statement

Due to an incorrect allocation of paid investments in intangible assets between continuing and discontinued operations, a reclassification of CHF 3.6 million in the prior year consolidated cash flow statement was required. The error has been corrected by restating each of the affected line items in the consolidated cash flow statement. The restatement has no impact on the total cash flow from operating activities respectively on the total cash flow from investing activities.

	1.1. – 31.12.2023	Restatement	1.1. – 31.12.2023
	CHF 1,000	CHF 1,000	CHF 1,000
			restated
Change in trade payables, other liabilities and accrued expenses	–19,495	3,629	**–15,866**
Operating cash flow from discontinued operations	2,492	–3,629	**–1,137**
Cash flow from operating activities	–87,415	0	**–87,415**
Acquisition of intangible assets	–22,721	–3,629	**–26,350**
Investing cash flow from discontinued operations	–8,284	3,629	**–4,655**
Cash flow from investing activities	219,819	0	**219,819**

6 Operating segments

DocMorris manages its activities by geographical regions. With the disposal of the former Swiss business on 4 May 2023, the Group reports its continuing operations in the Germany and Europe segments. The heads of the segments are members of the Group Executive Board. The Group Executive Board is the highest operational management body that measures the success of the operating segments and allocates resources. The profitability of the segments is determined at the level of EBITDA adjusted which represents the development of the operating result adjusted for special items, i.e. effects that are special in their nature and magnitude for the management of the Group. This includes, in particular, expenses and income related to acquisitions, restructuring, integration and legal cases. For the calculation, EBITDA is increased or decreased by such expenses and income from special effects. As a result of the IFRIC agenda decision, DocMorris has added the cost of goods as a material expense item. The disclosure for the financial year 2023 has been adjusted accordingly. Assets and liabilities are not allocated to the operating segments in the management reports. Cost of group-wide functions of DocMorris AG (Corporate) such as strategic management, technology development and financing are allocated to the segments corresponding to their relative size to the Group (in terms of net revenue with external customers).

The following tables show the operating segments of the Group (continuing operations) for the year ending 31 December 2024 and the previous year as at 31 December 2023.

1.1. – 31.12.2024	Germany	Europe	Group (continuing operations)
	CHF 1,000	CHF 1,000	CHF 1,000
Income statement			
Net revenue with external customers	**953,948**	**63,097**	**1,017,045**
Cost of goods	–755,918	–44,584	**–800,502**
EBITDA adjusted	–47,195	–1,395	**–48,590**
Adjustments [1]			**4,736**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)			**–43,854**
Depreciation and amortisation			**–45,902**
Earnings before interest and taxes (EBIT)			**–89,756**
Share of results of joint ventures and associates			**–205**
Finance result, net			**–12,797**
Earnings before taxes (EBT)			**–102,758**

1) Includes expenses and income related to acquisitions and disposals of CHF -13,478 thousand, restructuring and integration of CHF 5,611 thousand and other exceptional items of CHF 3,131 thousand

1.1. – 31.12.2023 (restated)	Germany	Europe	Group (continuing operations)
	CHF 1,000	CHF 1,000	CHF 1,000
Income statement			
Net revenue with external customers	**907,382**	**62,080**	**969,462**
Cost of goods	–722,483	–43,631	**–766,114**
EBITDA adjusted	–31,842	–3,037	**–34,879**
Adjustments [1]			**–3,490**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)			**–38,369**
Depreciation and amortisation			**–44,857**
Earnings before interest and taxes (EBIT)			**–83,226**
Share of results of joint ventures and associates			**–712**
Finance result, net			**–34,718**
Earnings before taxes (EBT)			**–118,656**

1) Includes expenses and income related to acquisitions and disposals of CHF -234 thousand, restructuring and integration of CHF -4,844 thousand and other exceptional items of CHF 1,588 thousand

Net revenue by customer location	Germany	Other	Group (continuing operations)
	CHF 1,000	CHF 1,000	CHF 1,000
2024	**953,948**	**63,097**	**1,017,045**
2023	907,382	62,080	969,462

Non-current assets by registered office of the company[1]	Switzerland	Netherlands	Germany	Other	Group
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
2024	**62,809**	**329,036**	**149,050**	**4,262**	**545,157**
2023	65,880	330,392	155,951	4,914	557,137

1) Non-current assets excluding investments in joint ventures and associates, non-current financial assets and deferred taxes

The Germany segment consists of the B2C business, which is further divided into Rx and Non-Rx business (the previous year was adjusted accordingly).

The Europe segment contains the Marketplace business, through which pharmacy-type products in health, cosmetics and personal care are traded.

The breakdown of net revenue with external customers by segment is shown in the following tables.

Net revenue		1.1. – 31.12.2024	1.1. – 31.12.2023 (restated)
Segment	Type of goods or service	CHF 1,000	CHF 1,000
	Rx	**171,055**	169,653
	Non-Rx	**782,893**	737,729
Germany	Retail Business (B2C)	**953,948**	907,382
Europe	Marketplace	**63,097**	62,080
Total net revenue with external customers		**1,017,045**	969,462

7 Other operating income	2024	2023
	CHF 1,000	CHF 1,000
Rental income from third parties	**1,133**	1,380
Gain on disposal of property, plant and equipment [1]	**13,657**	0
Other income [2]	**1,080**	5,529
	15,870	6,909

1) Includes in 2024 the gain on disposal of the administration and logistics building, including the land, used by the Group's former Swiss business in the amount of CHF 13,535 thousand (see Note 22 Non-current assets held for sale)
2) Includes in 2023 the fair value adjustment of the earn-out receivable resulting from the disposal of the former Swiss business in the amount of CHF 2,350 thousand (see Note 33 Financial instruments)

8 Cost of goods	2024	2023
	CHF 1,000	CHF 1,000
Goods purchased and held for resale (net)	**– 797,699**	–762,530
Packaging materials / waste	**– 2,803**	–3,584
	– 800,502	–766,114

9 Personnel expenses	2024	2023
	CHF 1,000	CHF 1,000
Wages and salaries	**– 67,480**	–73,132
Pension expenses	**– 1,187**	– 1,357
Other social security expenses	**– 17,163**	– 17,098
Other personnel expenses	**– 14,076**	– 17,262
	– 99,906	– 108,849

The decrease in personnel expenses is mainly due to cost reductions in connection with integrations and reorganizations and due to fewer temporary workers for the logistics site in Heerlen.

10 Other operating expenses	2024	2023
	CHF 1,000	CHF 1,000
Distribution expenses	**– 54,733**	–47,791
Office and administrative expenses	**– 24,024**	–25,528
Marketing expenses	**– 79,718**	–48,781
Expenditure on premises	**– 4,102**	–4,797
Fair value adjustment of contingent consideration	**0**	–618
Other	**– 13,784**	– 12,262
	– 176,361	– 139,777

The increase in other operating expenses is mainly due to higher distribution and marketing expenses in connection with the introduction of e-prescriptions in Germany.

11 Financial result	2024	2023
	CHF 1,000	CHF 1,000
Finance income		
Interest income	**2,343**	2,911
Interest income from joint ventures and associates	**37**	112
Dividends	**149**	188
Gain on repurchased bonds [1]	**438**	6,459
Income from securities	**5**	2
Foreign exchange gains, net	**4,188**	0
	7,160	9,672
Finance expenses		
Interest expenses	**–18,626**	–18,109
Bank charges and fees	**–416**	–804
Foreign exchange losses, net	**0**	–24,448
Interest expenses on leases	**–915**	–1,029
	–19,957	–44,390
Financial result (net)	**–12,797**	–34,718

1) See Note 25 Financial liabilities

12 Income tax income / (expense)	2024	2023
	CHF 1,000	CHF 1,000
Current income tax of the current period	**–259**	6
Deferred income tax	**5,764**	1,085
	5,505	1,091

Pillar Two legislation has been enacted in all jurisdictions in which the Group operates. The legislation is effective for the Group's financial year beginning 1 January 2024. The Group has performed an assessment of the Group's exposure to Pillar Two income taxes. Based on the assessment performed, the transitional safe harbour relief is applicable in 2024 in all countries in which the Group operates and therefore, the Pillar 2 rules did not have an impact on the tax position of the Group in 2024. The transitional safe harbour relief might not be applicable in all countries in which the Group operates in 2025. However, the Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions where the transitional safe harbour relief may no longer apply in 2025. The Group has applied the mandatory exception to recognise and disclose information about deferred tax assets and liabilities arising from Pillar Two income taxes.

Analysis of tax expenses	2024	2023
	CHF 1,000	CHF 1,000
Earnings before taxes (EBT) (continuing operations)	**– 102,758**	– 118,656
Tax rate of the parent company	**13.2%**	13.2%
Expected income / expenses from income tax	**13,578**	15,674
Effect of unrecognised tax losses	**– 30,867**	– 27,809
Effect of tax losses not recognised in previous periods	**231**	492
Effect of non-deductible expenses and income [1]	**3,722**	2,094
Effect of differing tax rates at foreign subsidiaries	**12,977**	9,663
Tax effects from previous periods	**– 154**	478
Effect of valuation adjustment on deferred tax assets	**5,513**	1,741
Effect of tax rate changes	**– 106**	– 1,557
Other effects	**611**	315
	5,505	1,091

1) In 2024, the effect of non-deductible expenses and income is mainly due to impairments on investments

Additional information on deferred taxes can be found in Note 24.

13 Cash and cash equivalents	31.12.2024	31.12.2023
	CHF 1,000	CHF 1,000
CHF	**41,960**	18,978
EUR	**53,410**	35,034
RON	**1**	16
	95,371	54,028

Cash at financial institutions bears variable interest rates for balances callable on demand. Short-term deposits are made for varying periods of between one day and three months, depending on the respective cash requirements. Short-term deposits earn interest at the respective short-term deposit rates.

14 Trade receivables	31.12.2024	31.12.2023
	CHF 1,000	CHF 1,000
From third parties	**54,428**	57,633
From joint ventures and associates	**141**	511
Bad debt allowance	**– 564**	– 2,757
	54,005	55,387

Due to the diversified customer base, there are no significant concentrations of credit risk. Most payments are made by direct debit and are thus generally recoverable before their due date. The receivables are settled by the customers in the local currency of their home market.

The aging schedule of trade receivables is as follows:

	31.12.2024			31.12.2023		
CHF 1,000	Gross	Expected credit losses	Net	Gross	Expected credit losses	Net
Total receivables	54,569	564	**54,005**	58,144	**2,757**	**55,387**
not due	29,440	47	**29,393**	26,385	2	26,383
less than 30 days overdue	19,959	18	**19,941**	24,374	11	24,363
31 – 60 days overdue	2,265	44	**2,221**	2,938	22	2,916
61 – 90 days overdue	985	14	**971**	374	5	369
91 – 180 days overdue	1,348	145	**1,203**	2,752	1,731	1,021
181 – 360 days overdue	492	227	**265**	1,231	896	335
> 360 days overdue	80	69	**11**	90	90	0

The value adjustment on trade receivables (bad debt allowance) has developed as follows:

Bad debt allowance	**2024**	**2023**
	CHF 1,000	CHF 1,000
1 January	**– 2,757**	–6,910
Additions	**– 1,156**	–3,378
Utilisation	**2,299**	5,298
Reversals	**1,098**	105
Disposal of Swiss business	**0**	2,288
Exchange differences	**– 48**	– 160
31 December	**– 564**	–2,757

15 Accrued income and prepaid expenses

	31.12.2024	**31.12.2023**
	CHF 1,000	CHF 1,000
Accrued income from joint ventures and associates	**66**	29
Accrued income and prepaid expenses	**14,388**	12,517
	14,454	12,546

16 Other receivables

	31.12.2024	**31.12.2023**
	CHF 1,000	CHF 1,000
Payments on account and creditors with debit balances	**891**	323
VAT	**7,293**	8,475
Tax receivables	**685**	1,097
Security deposits	**626**	681
Other	**495**	686
	9,990	11,262

17 Inventories

	31.12.2024	31.12.2023
	CHF 1,000	CHF 1,000
Goods purchased and held for resale	**37,851**	52,344
Inventory allowance	**–775**	–586
	37,076	51,758

The decrease in the inventory is mainly due to improvement of purchase and logistic processes respectively optimization of stock levels.

18 Investments in joint ventures and associates

The following companies were measured using the equity method in the consolidated financial statements of DocMorris AG:

		Carrying amount		Share of capital
	31.12.2024	**31.12.2023**	**31.12.2024**	**31.12.2023**
Joint Ventures and associates	CHF 1,000	CHF 1,000	%	%
WELL Gesundheit AG, Zürich (CH)	**0**	0	**18.6**	18.6
König Gesellschaft für Image- und Dokumentenverarbeitung mbH, Gottmadingen (DE)	**1,077**	968	**50.0**	50.0
König IT-Systeme GmbH, Gottmadingen (DE)	**390**	392	**50.0**	50.0
DatamedIQ GmbH, Köln (DE)	**285**	181	**37.5**	37.5
Total investments	**1,752**	1,541		

The König companies offer a comprehensive service to mail-order pharmacies for all matters related to the prescription invoice.

DatamedIQ GmbH helps pharmaceutical companies manage their mail-order activities with innovative analyses and exclusive databases.

WELL Gesundheit AG operates an integrated digital healthcare platform. Despite holding less than 20 per cent of the voting rights, DocMorris AG has significant influence due to contractual agreements and accounts for WELL Gesundheit AG as an associate. DocMorris's share of losses of WELL Gesundheit AG amounts to CHF 417 thousand in 2024 and CHF 737 thousand in 2023. In prior year DocMorris accrued CHF 558 thousand of unrecognised losses because of its financing obligations, whereas CHF 7 thousand were unrecognised financing liabilities. In 2024, the outstanding financing obligations were contractually increased by CHF 558 thousand and DocMorris granted a loan to WELL Gesundheit AG of CHF 279 thousand, whereby the loans granted to the associate are considered part of the net investment. While this loan of CHF 279 thousand was offset against the previous year's accrued losses of CHF 558 thousand, the Group's share of losses of CHF 417 thousand not recognised using the equity method was recognised as accrued expenses due to the increased financing obligations, resulting in accrued expenses of CHF 696 thousand as at 31 December 2024 (see Note 27). In addition, there are unrecognised financing liabilities of CHF 427 thousand (2023: CHF 7 thousand).

19 Property, plant and equipment

	Real estate	Interior construction and equipment	Office furnishings and IT systems	Vehicles	Total
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
Cost					
1 January 2023	**20,552**	**74,511**	**30,224**	**921**	**126,208**
Additions	150	3,673	900	52	4,775
Disposals	0	–567	–272	0	–839
Non-current assets held for sale [1]	–9,773	–5,232	0	0	–15,005
Disposal of Swiss business [2]	0	–26,680	–13,624	–735	–41,039
Exchange differences	–455	–3,243	–485	–6	–4,189
31 December 2023	**10,474**	**42,462**	**16,743**	**232**	**69,911**
Additions	199	[3] 854	594	73	1,720
Disposals	–315	–73	–118	–74	–580
Non-current assets held for sale [1]	–7,879	–249	0	0	–8,128
Exchange differences	85	561	127	1	774
31 December 2024	**2,564**	**43,555**	**17,346**	**232**	**63,697**
Accumulated depreciation and impairment					
1 January 2023	**6,976**	**38,063**	**20,109**	**785**	**65,933**
Additions	324	7,224	1,386	13	8,947
Additions from discontinued operations [2]	0	135	89	3	227
Disposals	0	–496	–229	0	–725
Non-current assets held for sale [1]	–2,150	–1,184	0	0	–3,334
Disposal of Swiss business [2]	0	–21,313	–11,067	–579	–32,959
Exchange differences	–143	–1,356	–507	–6	–2,012
31 December 2023	**5,007**	**21,073**	**9,781**	**216**	**36,077**
Additions	190	6,405	1,025	12	7,632
Disposals	0	–37	–48	–65	–150
Non-current assets held for sale [1]	–5,223	–234	0	0	–5,457
Impairment losses	0	[4] 1	[4] 2	0	3
Exchange differences	26	170	108	1	305
31 December 2024	**0**	**27,378**	**10,868**	**164**	**38,410**
Net carrying amount as at					
31 December 2023	5,467	21,389	6,962	16	33,834
31 December 2024	**2,564**	**16,177**	**6,478**	**68**	**25,287**

1) See Note 22 Non-current assets held for sale
2) Due to disposal of the former Swiss business to Medbase AG in May 2023
3) Of which CHF 365 thousand of additions yet to be paid
4) Includes an impairment loss on Interior construction and equipment and Office furnishings and IT systems in the Germany segment in connection with mergers

As of 31 December 2024, no property, plant and equipment is pledged (previous year: CHF 0).

20 Right-of-use assets and leases

DocMorris mainly leases various office and warehouse buildings, equipment and vehicles. The terms of lease agreements are negotiated individually and ranges from one to fifteen years. Leases are generally entered into for a fixed period, but may include renewal options.

In the Consolidated Cash Flow Statement, principal payments on lease liabilities are shown under cash flow from financing activities. Cash flow from operating activities includes interest payments on lease liabilities, reported under interest paid. During the year under review, the total cash outflow relating to lease activities of the Group was CHF 5.5 million (previous year: CHF 6.2 million).

The following expenses relating to the leasing activities of the Group were charged through the income statement:

Leasing activities	2024	2023
	CHF 1,000	CHF 1,000
Expense for short-term lease contracts	467	534
Expense for equipment of low value	6	6
Expense recognised in other operating expenses	**473**	**540**
Depreciation of right-of-use assets	5,037	5,346
Interest expense on lease liabilities	915	1,029
Total expense recognised in the income statement	**6,425**	**6,915**

Right-of-use assets

	Real estate	Interior construction and equipment	Office furnishings and IT systems	Vehicles	Total
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
Net book values 2023					
1 January 2023	33,941	1,971	38	583	36,533
Additions	308	5	0	308	621
Reassessments	1,441	0	0	–19	1,422
Depreciations	–4,701	–480	–29	–136	–5,346
Depreciation from discontinued operations [1]	–39	–3	0	–18	–60
Disposal of Swiss business [1]	–2,429	–220	0	–458	–3,107
Exchange differences	–1,741	–85	–2	–15	–1,843
31 December 2023	**26,780**	**1,188**	**7**	**245**	**28,220**
Net book values 2024					
1 January 2024	26,780	1,188	7	245	28,220
Additions	77	0	0	29	106
Reassessments	2,107	16	0	–39	2,084
Disposals	–426	0	0	0	–426
Depreciations	–4,453	–452	–8	–124	–5,037
Exchange differences	343	19	1	4	367
31 December 2024	**24,428**	**771**	**0**	**115**	**25,314**

1) Due to disposal of the former Swiss business to Medbase AG in May 2023

21 Intangible assets

	Goodwill	Software and development costs	Trademarks, customers	Total
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
Cost				
1 January 2023	**417,892**	**246,413**	**94,255**	**758,560**
Additions	0	44,279	0	44,279
Disposal of Swiss business [1]	–17,656	–97,718	–2,161	–117,535
Exchange differences	–24,821	–7,910	–4,370	–37,101
31 December 2023	**375,415**	**185,064**	**87,724**	**648,203**
Additions	0	[2/5] 27'576	0	27,576
Other movements	0	[7] –213	0	–213
Disposals	0	–553	0	–553
Exchange differences	4,315	1,325	747	6,387
31 December 2024	**379,730**	**213,199**	**88,471**	**681,400**
Accumulated amortisation and impairment				
1 January 2023	**17,112**	**137,902**	**31,640**	**186,654**
Additions	0	22,159	6,984	29,143
Additions from discontinued operations [1]	0	996	14	1,010
Impairment losses	0	[6] 1,421	0	1,421
Disposal of Swiss business [1]	–772	–55,388	–122	–56,282
Exchange differences	–1,298	–5,317	–2,211	–8,826
31 December 2023	**15,042**	**101,773**	**36,305**	**153,120**
Additions	0	26,146	6,764	32,910
Disposals	0	–553	0	–553
Impairment losses	0	[6] 320	0	320
Exchange differences	–89	856	280	1,047
31 December 2024	**14,953**	**128,542**	**43,349**	**186,844**
Net carrying amount as at				
31 December 2023	360,373	[3] 83,291	[4] 51,419	495,083
31 December 2024	**364,777**	[3] **84,657**	[4] **45,122**	**494,556**

1) Due to disposal of the former Swiss business to Medbase AG in May 2023
2) Of which CHF 573 thousand of additions yet to be paid
3) Includes development costs for business enabling technologies (e. g. webshop / app, marketplace) and software (e. g. ERP systems). The development costs that are in use and the software are amortised over 3 to 5 years and the ERP systems are amortised over 5 to 10 years.
4) Of which CHF 20,323 thousand (previous year CHF 20,323 thousand) for the DocMorris trademark (strategic trademark with high trademark awareness) with an indefinite useful life, and in particular for the Apotal trademark of CHF 0.6 million (previous year CHF 1.5 million) and for the Apotal customers of CHF 9.4 million (previous year CHF 10.9 million) with a remaining term of 0.5 years respectively 5.5 years as well as for the medpex trademark of CHF 3.4 million (previous year CHF 4.3 million) and for the medpex customers of CHF 6.0 million (previous year CHF 7.4 million) with a remaining term of 4 years.
5) Of which CHF 17,513 thousand own work capitalised (previous year CHF 19,166 thousand)
6) Includes in 2024 an impairment loss on development costs of CHF 320 thousand in the Germany segment in connection with integrations and mergers. In 2023, an impairment loss of CHF 1,421 thousand was recognised on development costs in Corporate in connection with changing market conditions and customer needs.
7) Includes a revaluation of the rights and obligations from the multi-year technology contracts due to a reduction in payments and extension of the term.

Impairment testing of intangible assets with indefinite useful lives

Based on the five-year plan approved by the Board of Directors (consisting of one budget year and four plan years), DocMorris tests intangible assets with indefinite useful lives for impairment at the end of the financial year (or earlier if there are indications of impairment). The test is carried out using the value in use method, which is based on the cash flows derived from the five-year plan and the cash flows extrapolated with a growth rate after the fifth year of the plan. The intangible assets (goodwill and trademarks) acquired as part of business combinations were allocated to the cash generating units (CGUs) Germany and Europe, which are the operating and reportable segments of the Group. The DocMorris trademark is tested for impairment at the level of the DocMorris trademark CGU, which is included in the Germany CGU.

Cash-generating units and intangibles	Germany [1]		Europe	
	2024	**2023**	**2024**	**2023**
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
Goodwill	**361,939**	357,569	**2,838**	2,804
Trademarks	**20,323**	20,323	**0**	0
	382,262	**377,892**	**2,838**	**2,804**

1) The CGU Germany comprises the CGU trademark DocMorris, at the level of which the impairment test for the DocMorris trademark is performed.

The following tables illustrate the pre-tax discount rates and the EBITDA margin for residual value.

Discount rates	2024	2023
	%	%
Germany	**12.7**	10.8
Europe	**14.1**	13.1
Trademark DocMorris	**13.6**	10.4

EBITDA margins for residual value	2024	2023
	%	%
Germany	**7.7**	7.3
Europe	**4.1**	8.2
Trademark DocMorris	**7.1**	6.9

The growth rates for the residual values for Germany, Europe and the DocMorris trademark are 2.0% in 2024 (previous year: 2.0%).

Underlying assumptions to determine value in use
The value in use is based on the following significant assumptions, which are subject to estimation uncertainty and for reasons of materiality are disclosed only for the CGU Germany:

— Online penetration of prescription medicine (Rx) in Germany as main driver for sales growth
— Development of EBITDA margin
— Discount rates

Online penetration of prescription medicine (Rx) in Germany as main driver for sales growth
The sales development of the CGU is based on a budgeted year and a business plan for the following years. Sales planning is based on historical values per customer group and takes into consideration the planned marketing budget. The business in the CGU Germany focuses on over-the-counter medicines and healthcare products (OTC / BPC) in an established market and prescription medicines (Rx) in a digitalizing market. The main driver for sales growth of the CGU Germany is the expected online penetration of Rx where a broad range of outcomes with a high volatility is conceivable. As per January 2024, electronic prescriptions were mandatorily introduced. The value in use of the CGU Germany is significantly dependent on the assumption of how many customers will switch to the online channel (Rx online penetration). This also depends on the acceleration of the digitalization in the healthcare sector in general and specifically the convenience of the online ordering process.

When determining the expected Rx online penetration, management reviewed the planning against available external market research data and assessed how its own market position could change in comparison to its competitors during the forecast period. Management believes that a leading market position could be maintained also in a stronger competitive environment. Since 1 January 2024, e-prescriptions have been mandatory for publicly insured residents in Germany, which is why the electronic prescription process has quickly become the new standard. In 2024, around 1.0% of prescription medicines were purchased online via mail-order in Germany. In Sweden, the most comparable market, around 10% of all prescriptions were filled online within five years and the rate continued to increase thereafter. Management also considered the current online penetration of the OTC / BPC business in Germany of around 25%.

Based on these considerations, management expects a significant shift from the offline to the online channel for prescription medicine in Germany in the planning years, with an Rx online penetration of 8% in the residual value (previous year: 10%). The lower expected Rx online penetration in the planning years is due to the lower ramp-up of Rx online penetration, which delayed the 10% penetration rate. Achieving a lower Rx online penetration would have a significant impact on the value in use of the CGU Germany.

Management has performed the following sensitivity analyses for the assumption of the Rx online penetration. The calculations assume that the projected EBITDA margin remains stable at around 8% (previous year: around 7%) in the terminal value calculation despite the lower penetration rate.

	Rx online penetration after 5 years		Headroom (EUR million)		Headroom in % to value in use	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Base Case	**8%**	10%	**547**	1,023	**50%**	64%
Low Case	**4%**	5%	**150**	501	**21%**	47%

An Rx online penetration after 5 years of 2.9% (previous year: 1.7%) would reduce the headroom of the CGU Germany to EUR 0 millions as at 31 December 2024.

Development of the EBITDA margin

The EBITDA margin is based on a bottom-up analysis of the current profitability, future income streams and the associated economies of scale as well as further efficiency gains and cost savings from measures introduced. Expected inflation and future market growth projections are also taken into account. The current EBITDA margin is –5% (previous year: –2%). Based on this, an average annual increase in profitability of 2.6 percentage points (previous year: 1.9 percentage points) is estimated up to an EBITDA margin of 7.7% (previous year: 7.3%) in the final planning year and in the residual value. A lower increase in volume, or unrealised synergy and efficiency gains may lead to a reduction in the planned EBITDA margin. An EBITDA margin increase to just 5.5% (previous year: 3.9%) within the next five years and for the residual value calculation, would lead to the value in use being equal to the carrying amount of the CGU Germany and thus the erosion of the headroom of EUR 547 million (previous year: EUR 1,023 million).

Discount rates

The discount rates represent the current market assessment of the specific risks of the CGU, taking into account the time value of money and the individual risks of the underlying assets that are not included in the cash flow estimates. The calculation of the discount rate is based on the specific circumstances of the Group and its business segments and is derived from the weighted average cost of capital (WACC). An increase in the pre-tax discount rate of 6.1 percentage points (previous year: 10.5 percentage points) to 18.8% (previous year: 21.3%) would lead to an impairment in the CGU Germany.

22 Non-current assets held for sale

On 9 August 2024, the Group has sold the administration and logistics building, including the land, used by the former Swiss business but not sold to Medbase AG in 2023. The sales price was CHF 25.6 million (excluding VAT) and resulted in a gain on disposal of CHF 13.5 million. In addition, the sales process for the building and land in Steckborn (Switzerland) was initiated in the fourth quarter of 2024. The building and land is used by the local pharmacy of the former Swiss business, among others, but was not sold to Medbase AG. In the consolidated balance sheet as of 31 December 2024, the building and the land are reported as non-current assets held for sale (book value as of 31 December 2024: CHF 0.6 million). No depreciation has been made on the building since the end of October 2024.

Due to the closure of the Zur Rose Pharma logistics site in Halle (Germany), the sales process for the administration and logistics building, including the land, was initiated in the fourth quarter of 2024. On 13 January 2025, the Group signed the sale of the building including the land for CHF 3.5 million (excluding VAT). The closing is expected in March 2025. In the consolidated balance sheet as of 31 December 2024, the building and the land are reported as non-current assets held for sale (book value as of 31 December 2024: CHF 2.1 million). No depreciation has been made on the building since the end of October 2024.

23 Non-current financial assets	**31.12.2024**	**31.12.2023**
	CHF 1,000	CHF 1,000
Equity securities	**334**	68
Loans granted	**11,302**	11,139
	11,636	11,207

The position Loans granted include a loan to WELL Gesundheit AG of CHF 1,396 thousand (previous year: CHF 1,396 thousand), a loan to the sellers of the Apotal Group of CHF 9,606 thousand (previous year: CHF 9,443 thousand) and loans to board members and employees of CHF 300 thousand (previous year: CHF 300 thousand).

24 Deferred tax

Net carrying amounts	Balance sheet 31.12.2024	Balance sheet 31.12.2023	Income statement 2024	Income statement 2023
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
Deferred tax due to temporary differences and tax loss carryforwards				
Deferred tax assets				
Non-current assets	**401**	1,252	**–853**	221
Pension obligations	**38**	164	**18**	30
Tax loss carryforwards	**28,309**	20,590	**7,536**	9,753
	28,748	22,006	**6,701**	10,004
Deferred tax liabilities				
Intangible assets	**–26,821**	–25,431	**–1,124**	–16,418
Provisions	**–466**	–70	**–401**	7,305
Convertible bond	**0**	–588	**588**	230
	–27,287	–26,089	**–937**	–8,883
Net deferred tax liabilities	**1,461**	–4,083		
Deferred tax expense (income)			**5,764**	1,121
of which discontinued operations [1]			**0**	36

1) Due to disposal of the former Swiss business to Medbase AG in May 2023

Deferred tax reported in the balance sheet	31.12.2024	31.12.2023
	CHF 1,000	CHF 1,000
Deferred tax assets	**6,022**	2,864
Deferred tax liabilities	**–4,561**	–6,947
	1,461	–4,083

Movement of deferred tax	2024	2023
	CHF 1,000	CHF 1,000
1 January	**–4,083**	–2,073
Recognition / reversal of deferred tax in income statement	**5,764**	1,121
Recognition / reversal of deferred tax in other comprehensive income	**–138**	–124
Disposal of Swiss business [1]	**0**	–3,071
Exchange differences	**–82**	64
31 December	**1,461**	–4,083

1) Due to disposal of the former Swiss business to Medbase AG in May 2023

Unrecognised deferred tax assets

Deferred tax assets on loss carryforwards and expected tax credits are recognised only if it is probable that future taxable profits will be available, against which the tax losses or credits can be used for tax purposes.

Tax loss carryforwards	31.12.2024	31.12.2023
	CHF 1,000	CHF 1,000
Total tax loss carryforwards	**871,187**	736,341
Of which loss carryforwards recognised in deferred income tax	**109,066**	81,163
Unrecognised tax loss carryforwards (total)	**762,121**	655,178

Deferred tax assets from loss carryforwards changed as follows:

Movement in tax assets from loss carryforwards	2024	2023
	CHF 1,000	CHF 1,000
1 January	**20,590**	13,031
Recognition of deferred tax assets from loss carryforwards	**7,536**	17,258
Remeasurement of deferred taxes capitalised in previous year	**0**	–6,342
Use of deferred tax assets from loss carryforwards	**0**	–955
Disposal of Swiss business [1]	**0**	–2,125
Exchange differences	**183**	–277
31 December	**28,309**	20,590

1) Due to disposal of the former Swiss business to Medbase AG in May 2023

	31.12.2024	31.12.2023
	CHF 1,000	CHF 1,000
Unrecognised loss carryforwards expire as follows:		
In two to five years	**63,169**	0
In more than five years	**26,969**	63,203
Unlimited	**671,983**	591,975
	762,121	655,178
Tax effect on unrecognised tax loss carryforwards	**185,062**	162,526

In addition to the unrecognised loss carryforwards, DocMorris has further unrecognised deferred tax assets of CHF 1.4 million as of 31 December 2024, which expire pro rata each year until 2029.

Explanations on income tax and the analysis of tax expenses can be found in Note 12.

25 Financial liabilities	31.12.2024	31.12.2023
	CHF 1,000	CHF 1,000
Current financial liabilities and bonds		
Current lease liabilities	**4,259**	3,878
Bond 2.5% 2019 – 2024, nominal CHF 200 million	**0**	90,665
Other current financial liabilities	**3,237**	3,329
	7,496	97,872

Non-current financial liabilities and bonds	31.12.2024	31.12.2023
	CHF 1,000	CHF 1,000
Convertible Bond 2.75% 2020 – 2025, nominal CHF 175 million	**0**	121,670
Convertible Bond 6.875% 2022 – 2026, nominal CHF 95 million	**91,476**	89,772
Convertible Bond 3.00% 2024 – 2029, nominal CHF 200 million	**194,340**	0
Non-current lease liabilities	**22,133**	24,830
Other non-current financial liabilities	**7,836**	10,778
	315,785	247,050

On 18 April 2024 the Group placed a senior unsecured convertible bond in the amount of CHF 200 million maturing in 2029. The issue price on the settlement date of 3 May 2024 was 100 per cent. The convertible bond has a coupon of 3.00 per cent per annum and a conversion price of CHF 114.75. The shares to be delivered upon conversion will be delivered from existing treasury shares or by issuing new shares from contingent capital. If not previously converted, redeemed or repurchased and cancelled, the bond will be redeemed at 100 per cent at maturity, expected on 3 May 2029. The convertible bond is split into a debt and an equity component for accounting purposes. The debt component corresponds to the fair value of a comparable bond without conversion rights and is accounted for at amortised cost. The equity component is calculated as the difference to the amount of the issue proceeds. The equity component is not remeasured. Transaction costs have been allocated proportionately to the debt and equity components. The net cash inflow of CHF 195.3 million is composed of the debt and equity components.

	CHF 1,000
Liability component upon issue at fair value	198,290
Proportionate transaction costs	–4,732
Net liability component upon issue	**193,558**
Equity component	1,710
Proportionate transaction costs	–41
Net equity component upon issue	**1,669**

In connection with the issuance of the convertible bond, DocMorris AG created 1,120,000 new shares, which were added to the existing share lending facility (“Securities Lending”) concluded with a financial institution. As the risks and rewards of the shares remain with the Group, the shares lent continue to be treated as treasury shares. The purpose of this agreement is to facilitate the hedging activities of the investors. As consideration for this arrangement, DocMorris receives a lending fee, which is recognised in profit or loss.

On 18 April 2024 the Group made a repurchase offer to its bondholders for the 2.75 per cent convertible bond due on 31 March 2025. The repurchase price was CHF 5,037.50 per bond or 100.75 per cent of the nominal value, plus accrued and unpaid interest of CHF 17.57 (0.35 per cent). The convertible bonds in the total nominal amount of CHF 113.9 million tendered until 13 May 2024 and accepted for purchase by the Group were paid on 16 May 2024. The resulting payment including interest was CHF 115.4 million and the repurchase gain was CHF 0.4 million. The remaining outstanding amount of CHF 8.6 million was redeemed on 25 June 2024 at par plus accrued interests by excercising the early redemption option. The resulting payment including interest was CHF 8.6 million and the repurchase gain was CHF 0.1 million.

In 2024, a total of CHF 70 thousand (nominal value) of the 6.875 per cent convertible bond maturing in 2026 was converted into 1,404 shares at a conversion price of CHF 49.73 and delivered from existing treasury shares. In addition, a total of CHF 2 thousand (nominal value) of the 3.00 per cent convertible bond maturing in 2029 was converted into 17 shares at a conversion price of CHF 114.75 and delivered from existing treasury shares.

On 21 November 2024, the Group repaid in full the remaining balance of CHF 90.8 million on the bond 2.5% 2019–2024 (original nominal CHF 200 million).

Due to obligations and rights arising from multi-year technology agreements, CHF 11.1 million (of which CHF 3.2 million is current) is reported in other financial liabilities and CHF 9.8 million in intangible assets.

Changes in liabilities arising from financing activities	Bonds	Lease liabilities	Deferred and contingent consideration liabilities [1]	Other financial liabilities	Total
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
1 January 2023	**490,432**	**38,204**	**25,714**	**0**	**554,350**
Proceeds from financial liabilities	0	0	0	15,533	15,533
Repayment of financial liabilities	–185,109	–5,005	–11,118	–1,426	[3] –202,658
Change in financial liabilities (non-financing cash flow, non-cash movements)	3,243	899	618	0	4,760
Changes in fair values and other changes	0	1,422	0	0	1,422
Gain on repurchased bonds	–6,459	0	0	0	–6,459
Disposal of Swiss business [2]	0	–4,950	0	0	–4,950
Payment of purchase price	0	0	–11,178	0	–11,178
Settlement of Apotal contingent consideration liability in shares	0	0	–3,878	0	–3,878
Currency translation effects	0	–1,862	–158	0	–2,020
31 December 2023	**302,107**	**28,708**	**0**	**14,107**	**344,922**
1 January 2024	**302,107**	**28,708**	**-**	**14,107**	**344,922**
Proceeds from financial liabilities	193,558	0	-	0	193,558
Repayment of financial liabilities	–214,189	–4,433	-	–2,332	–220,954
Change in financial liabilities (non-financing cash flow, non-cash movements)	4,778	–337	-	[4] –702	3,739
Changes in fair values and other changes	0	2,105	-	0	2,105
Gain on repurchased bonds	–438	0	-	0	–438
Currency translation effects	0	349	-	0	349
31 December 2024	**285,816**	**26,392**	**-**	**11,073**	**323,281**

1) See Note 33 Financial instruments
2) Due to disposal of the former Swiss business to Medbase AG in May 2023
3) Of which CHF 368 thousands are repayments of lease liabilities allocated to discontinued operations
4) Includes a revaluation of the rights and obligations from the multi-year technology contracts due to a reduction in payments and extension of the term

Average interest	2024	2023
	%	%
Bonds	–	2.64
Convertible Bonds	**5.47**	5.89
	5.47	4.93

26 Other payables

	31.12.2024	31.12.2023
	CHF 1,000	CHF 1,000
Social security	**2,907**	2,357
Debtors with credit balances	**75**	393
VAT	**9,179**	8,317
Other	**1,939**	787
	14,100	11,854

27 Accrued expenses

	31.12.2024	31.12.2023
	CHF 1,000	CHF 1,000
Goods purchased	**40**	122
Personnel expenses	**9,350**	10,680
Marketing expenses	**2,629**	793
Other operating expenses	**15,577**	14,461
Share of results of joint ventures and associates [1]	**696**	558
	28,292	26,614

1) See Note 18 Investments in joint ventures and associates

28 Provisions

	Other	Restructuring	Total
	CHF 1,000	CHF 1,000	CHF 1,000
1 January 2024	**3,819**	**0**	**3,819**
Recognition	2,579	2,441	5,020
Utilisation	−951	0	−951
Reversal	−364	0	−364
Foreign currency differences	31	−29	2
31 December 2024	**5,114**	**2,412**	**7,526**
of which short-term	4,603	2,412	7,015
of which long-term	511	0	511

The other provisions include mainly a risk position from a VAT case of approximately CHF 2.9 million (previous year: CHF 3.0 million) related to bonuses granted on prescriptions, provisions in connection with proceedings against suppliers of approximately CHF 1.1 million (previous year: CHF 0.3 million) and CHF 1.1 million (previous year: CHF 0 million) for potential risks resulting from VAT tax audits. In 2024, CHF 0.5 million of the above mentioned risk position from a VAT case was utilised and CHF 0.4 million relating to VAT risks resulting from closed tax audits was reversed. In addition, the provision of CHF 0.2 million related to onerous contracts was fully utilised. The restructuring provisions is related to the closure of the Zur Rose Pharma logistics site in Halle (Germany).

29 Pension obligations

There are pension plans in Switzerland and Germany which qualify as defined benefit plans in accordance with IAS 19. The German pension plan is unfunded. All other pension plans are defined contribution plans.

DocMorris AG is part of a semi-autonomous solution provided by a pension fund. This pension fund is a legally independent institution subject to the Swiss Federal Law on Occupational Old Age, Survivors' and Disability Pension Plans (Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge – BVG). The board of trustees of the fund is responsible for its management, the preparation of plan rules, the determination of the investment strategy and the financing of benefits. This board is made up of employee and employer representatives.

The pension fund's significant risks include investment risk, interest rate risk, disability risk, death risk and longevity risk. The semi-autonomous pension fund fully bears the risk of longevity and the interest and investment risk itself, with the risks of disability and death covered by Swiss insurance companies. An adverse development of the risks borne by the semi-autonomous pension fund may, according to the BVG, lead to an underfunding of the relevant fund. In such cases, the law requires restructuring measures (e.g. additional contributions or lower interest credited to savings accounts) to be implemented by the affiliated companies and their policyholders until the coverage ratio returns to 100 per cent.

Beneficiaries are insured against the financial consequences of old age, death and disability. Benefits for beneficiaries are determined in the pension plan rules and go beyond the minimum benefits of the BVG. Retirement benefits are based on the retirement savings of each insured individual, which increase as a result of annual employer and employee contributions and interest credited. Annual contributions are determined in the pension plan rules. Their amount is based on the insured salary, age and seniority of the plan participant.

Upon retirement, plan participants can choose between a lump-sum payment and a lifelong pension. In the event of a withdrawal from the pension fund, the assets of the insured individual are transferred to a new pension solution.

The net pension obligations of all defined benefit plans are derived as follows:

Net pension obligations of all defined benefit plans	**2024**	**2023**
	CHF 1,000	CHF 1,000
Present value of obligations (DBO)	**9,427**	14,123
Plan assets at fair value	**8,742**	12,548
Net pension liabilities	**685**	1,575
of which Switzerland	**289**	1,241
of which Germany	**396**	334

Net pension obligations developed as follows:	**2024**	**2023**
	CHF 1,000	CHF 1,000
Net pension obligations as at 1 January	**1,575**	7,323
Pension cost recognised in profit or loss	**549**	1,703
Pension cost recognised in other comprehensive income	**–1,053**	–864
Employer contributions	**–390**	–1,471
Disposal of Swiss business [1]	**0**	–5,094
Foreign exchange differences	**4**	–22
Net pension obligations as at 31 December	**685**	1,575

Present value of obligations (DBO)	2024	2023
	CHF 1,000	CHF 1,000
Present value of obligations as at 1 January	**14,123**	66,609
Interest cost	**185**	708
Current service cost	**509**	1,609
Employee contributions	**210**	1,006
Benefits paid / transferred	**– 5,545**	–264
Administrative costs	**7**	15
Actuarial (gains) / losses	**– 66**	73
Disposal of Swiss business [1]	**0**	–55,611
Foreign exchange differences	**4**	–22
Present value of obligations as at 31 December	**9,427**	14,123
of which Switzerland	**9,027**	13,788
of which Germany	**400**	335
of which active	**9,427**	14,123
Average duration	**16.2 years**	13.1 years

Development of fair value of plan assets	2024	2023
	CHF 1,000	CHF 1,000
Fair value of plan assets as at 1 January	**12,548**	59,286
Interest income from plan assets	**152**	629
Employer contributions	**390**	1,471
Employee contributions	**210**	1,006
Benefits paid / transferred	**– 5,545**	–264
Actuarial gain (loss)	**987**	937
Disposal of Swiss business [1]	**0**	–50,517
Fair value of plan assets as at 31 December	**8,742**	12,548

In the period under review, DocMorris recognised the following costs for defined benefit plans in profit or loss:	2024	2023
	CHF 1,000	CHF 1,000
Current service cost (employer)	**509**	1,609
Administrative costs	**7**	15
Net interest expense	**33**	79
Total pension cost	**549**	1,703
of which personnel expense	**516**	1,624
of which finance expense	**33**	79
of which discontinued operations [1]	**0**	1,030

The remeasurement of pensions recognised in other comprehensive income is made up of the following:	2024	2023
	CHF 1,000	CHF 1,000
Changes in financial assumptions	**–565**	–824
Changes in demographic assumptions	**–2**	44
Experience adjustments	**633**	707
Subtotal remeasurement pension obligations gain / (loss)	**66**	–73
Actuarial gain / (loss) on plan assets	**987**	937
Total remeasurement pensions	**1,053**	864
of which discontinued operations [1]	**0**	985

1) Due to disposal of the former Swiss business to Medbase AG in May 2023

The remeasurement of pensions recognised in other comprehensive income is based on the following key assumptions for the Swiss plan:

Assumptions	2024	2023
	%	%
Discount rate	**1.00**	1.50
Salary increases	**1.5**	1.5
Mortality tables	**BVG 2020 GT, CMI (1.5%)**	BVG 2020 GT, CMI (1.5%)

Changes to these key actuarial assumptions would have the following estimated impact on the present value of the defined pension obligation:

An increase / decrease in the discount rate by 0.25 per cent would lead to a decrease / increase in DBO of 4.1 per cent. An increase / decrease in the salary growth rate by 0.25 per cent would lead to an increase / decrease in DBO of 0.5 per cent.

The individual sensitivities were calculated separately and reflect the changes deemed reasonably possible as at the end of the relevant reporting period. Interdependencies are not taken into account, and the actual outcome may differ from these estimates.

The fair value of the plan assets of all plans is entirely made up of the asset allocation of the pension fund.

The pension funds do not hold any DocMorris shares, and no Group companies make use of the assets of the pension funds.

For the fiscal year 2025, DocMorris anticipates employer contributions to defined benefit plans of CHF 366 thousand (Switzerland).

30 Share capital

		31.12.2024	31.12.2023
Issued and paid share capital	Value in CHF 1,000	**445,053**	411,019
	Number of shares	**14,835,093**	13,700,639
Capital band (upper limit)	Value in CHF 1,000	**79,223**	79,223
	Number of shares	**2,640,769**	2,640,769
Capital band (lower limit)	Value in CHF 1,000	**– 58,723**	– 58,723
	Number of shares	**– 1,957,419**	– 1,957,419
Contingent capital	Value in CHF 1,000	**91,511**	125,545
	Number of shares	**3,050,378**	4,184,832

The increase in the number of issued and paid share capital by 1,134,454 shares includes 1,120,000 shares in connection with the conditional capital increase and the placement of the convertible bond in May 2024 (see note 25) as well as 14,454 shares created for employee participation programs. Furthermore, the position includes 3,018,579 treasury shares from the stock lending facility (SLF) offered to the investors of the convertible bonds.

Treasury shares	2024	2024
	Number	CHF 1,000
1 January	**1,938,184**	**58,638**
Issue of new shares	**1,134,454**	**34,034**
Conversion of convertible bonds	**– 1,421**	**– 43**
Allocations	**– 52,636**	**– 2,071**
31 December	**3,018,581**	**90,558**

Treasury shares	2023	2023
	Number	CHF 1,000
1 January	1,940,643	60,670
Issue of new shares	95,602	2,868
Settlement of contingent consideration Apotal group	–98,061	–4,900
31 December	1,938,184	58,638

Allocations mainly relate to shares granted to participants under the Group's share-based payment plans.

The Board of Directors proposes to the Annual General Meeting no dividend payment to the shareholders for 2024 (2023: CHF 0.00).

31 Earnings per share

In prior year, potential shares were excluded from the weighted average number of shares outstanding for the calculation of diluted earnings per share, as they are antidilutive due to the loss from continuing operations.

Net income / (loss) per share		**31.12.2024**	**31.12.2023**
Net (loss) / income attributable to DocMorris AG shareholders	CHF 1,000	**– 97,253**	82,280
Net loss from continuing operations	CHF 1,000	**– 97,253**	– 117,565
Net income from discontinued operations	CHF 1,000	**0**	199,845
Basic (loss) / income per share	CHF 1	**– 8.25**	7.05
Diluted (loss) / income per share	CHF 1	**– 8.25**	7.05
Basic loss per share from continuing operations	CHF 1	**– 8.25**	– 10.07
Diluted loss per share from continuing operations	CHF 1	**– 8.25**	– 10.07
Basic income per share from discontinued operations	CHF 1	**0.00**	17.12
Diluted income per share from discontinued operations	CHF 1	**0.00**	17.12
Average number of outstanding shares – basic	Number	**11,792,549**	11,673,661
Average number of theoretically outstanding shares – diluted	Number	**11,792,549**	11,673,661

32 Commitments and contingent liabilities

There are no contingent liabilities as of 31 December 2024 (31 December 2023: CHF 0 million).

33 Financial instruments

Carrying amount of financial instruments	**31.12.2024**	**31.12.2023**
	CHF 1,000	CHF 1,000
Financial assets		
Cash and cash equivalents	**95,371**	54,028
Trade receivables	**54,005**	55,387
Accrued income and prepaid expenses (financial instruments) [1]	**330**	282
Other receivables (financial instruments) [2]	**1,122**	1,366
Current financial assets	**0**	97,022
Non-current financial assets	**11,636**	11,207
	162,464	219,292

1) Total amount of accrued income and prepaid expenses as per balance sheet: CHF 14,454 thousand (previous year: CHF 12,546 thousand)
2) Total amount of other receivables as per balance sheet: CHF 9,990 thousand (previous year: CHF 11,262 thousand)

The current financial assets as at 31 December 2023 included fixed term deposits of CHF 50.0 million and the contingent purchase price consideration (earn-out receivable) of CHF 47.0 million related to the disposal of the former Swiss business (fair value of CHF 47.0 million as at 31 December 2023). As at 31 December 2024 there are no fixed term deposits. The contingent purchase price consideration (earn-out receivable) of CHF 47.0 million related to the disposal of the former Swiss business (fair value of CHF 47.0 million as at 31 December 2023) was received in the first half of 2024.

The non-current financial assets include equity securities of CHF 334 thousand (previous year: CHF 68 thousand), which are measured at fair value through profit or loss. All other financial assets are measured at amortised cost.

Carrying amount of financial instruments	**31.12.2024**	**31.12.2023**
	CHF 1,000	CHF 1,000
Financial liabilities		
Current financial liabilities	**7,496**	7,207
Trade payables	**59,409**	38,470
Other payables (financial instruments) [1]	**2,014**	1,180
Accrued expenses (financial instruments) [2]	**18,942**	15,934
Non-current financial liabilities	**29,969**	35,608
Bond 2.5% 2019 – 2024, nominal CHF 200 million [3]	**0**	90,665
Convertible Bond 2.75% 2020 – 2025, nominal CHF 175 million [4]	**0**	121,670
Convertible Bond 6.875% 2022 – 2026, nominal CHF 95 million	**91,476**	89,772
Convertible Bond 3.00% 2024 – 2029, nominal CHF 200 million	**194,340**	0
	403,646	400,506

1) Total amount of other payables as per balance sheet: CHF 14,100 thousand (previous year: CHF 11,854 thousand)
2) Total amount of accrued expenses as per balance sheet: CHF 28,292 thousand (previous year: CHF 26,614 thousand)
3) In 2024, the remaining debt of CHF 90,845 thousand was repaid in full (see Note 25 Financial liabilities)
4) In 2024, the convertible bond was repurchased as part of a tender offer (see Note 25 Financial liabilities)

All financial liabilities are measured at amortised cost.

For cash and cash equivalents as well as the other financial assets and liabilities (except bonds) expiring within 12 months, it is assumed that the carrying amount is a reasonable approximation of fair value due to their short-term nature.

Fair value measurement

The fair values of financial instruments that are actively traded on markets are based on market prices (offer prices) at the end of the reporting period. Such instruments are reported as Level 1. The fair values of financial instruments that are not actively traded on markets are determined using measurement models. If all parameters required for measurement are based on observable market data, the instrument is reported as Level 2. If one or more parameters are based on non-observable market data, the instrument is classified as Level 3.

Financial assets and liabilities		31.12.2024 Fair value	31.12.2024 Carrying amount	31.12.2023 Fair value	31.12.2023 Carrying amount
		CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
Current financial assets	Level 2/3	**0**	**0**	97,022	97,022
Equity securities	Level 3	**334**	**334**	68	68
Loans granted	Level 2	**11,302**	**11,302**	11,139	11,139
Bonds	Level 1	**0**	**0**	90,509	90,665
Convertible Bond	Level 1	**215,625**	**285,816**	275,703	211,442

There are no contingent consideration liabilities as at 31 December 2024 and 31 December 2023. The earn-out Apotal as well as the contingent and deferred consideration Eurapon was settled respectively paid in full in 2023.

Contingent consideration liabilities	31.12.2024	31.12.2023
	CHF 1,000	CHF 1,000
As at 1 January	-	14,183
Cash flow	-	−10,809
Settlement in shares	-	−3,878
Change in fair value (through profit or loss)	-	618
Exchange differences	-	−114
Total contingent consideration liabilities	-	0

Convertible Bonds

The fair value (Level 1) of the listed convertible bonds amounted to CHF 215.6 million as at 31 December 2024 (31 December 2023: CHF 275.7 million) and the carrying amount (liability component) as at 31 December 2024 was CHF 285.8 million (31 December 2023: CHF 211.4 million).

34 Financial risk management

Foreign currency effects
Since the disposal of the former Swiss business, DocMorris operates mainly in Germany and in some other European countries. As most foreign income and expenses in entities with a functional currency of EUR are incurred in EUR, these foreign companies are also not exposed to any significant foreign currency risks from their commercial activities. For these reasons, DocMorris does not hedge against foreign currency risks.

The impact of changes in exchange rates mainly relates to loans and receivables / liabilities balances between the parent in Switzerland and subsidiaries in European countries.

The following table shows the sensitivity of future earnings before taxes (EBT) assuming a change in exchange rate on the basis of historical experience. For the purpose of this sensitivity analysis all other parameters remain unchanged.

	Increase / decrease foreign currency	Impact on earnings before taxes (EBT)
	%	CHF 1,000
2024		
EUR	+/– 10	+/– 45,231
2023		
EUR	+/– 10	+/– 38,559

The methods and assumptions underlying the calculation of the sensitivities listed above do not differ from those in the previous year.

Credit risk
Credit risks result from the possibility that the counterparty to a transaction is unable or unwilling to meet its obligations, leading to a financial loss for the Group.

Credit risks from balances with banks and financial institutions are reviewed on an annual basis. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The cash and cash equivalents of DocMorris are held with several banks.

Receivables from activities in the Germany and Europe segments include receivables from health insurance companies, pharmacies, credit card companies and private individuals.

Before engaging in business relationships, counterparties with whom significant volumes are to be transacted are subject to credit verification procedures. Loans are only granted to related parties or known third parties.

Interest rate risk
Interest rate risks result from changes in interest rates that could have a negative impact on the net assets and financial position of DocMorris. Interest rate changes lead to changes in interest income and expenses of interest-bearing assets and liabilities at variable rate.

Financial instruments bear prevailing market interest rates. Contractually agreed terms are short-term in nature and can thus be adapted as necessary. The convertible bonds issued in 2022 and 2024 have a fixed interest rate of 6.875 per cent and 3.00 per cent, respectively, and a maturity of four years and five years, respectively.

The following table shows the sensitivity of consolidated earnings before taxes. For the purpose of this sensitivity analysis all other parameters remain unchanged.

	Increase / decrease market interest rate	Impact on earnings before taxes (EBT)
	%	CHF 1,000
2024		
Increase / decrease in market interest rate	**+/- 1**	**+/– 579**
2023		
Increase / decrease in market interest rate	**+/- 1**	+/– 112

As with the calculation of the sensitivities of the foreign exchange risk, the interest rate risk was also calculated using the same methods and assumptions as in the previous year.

Variable interest rates on financial instruments are reset within a one-year period. The interest rates of the two convertible bonds are fixed until the end of the term. Other financial instruments of DocMorris which are not included in this presentation do not bear any interest and are thus not exposed to interest rate risks.

Liquidity risk
Liquidity is monitored and managed at Group level on an ongoing basis.

The contractually agreed due dates and cash flows (incl. interest) of financial liabilities are as follows:

Cash flows 2024	1 year	2 years	3 years	4 – 5 years	> 5 years
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
Lease liabilities	**5,020**	**4,432**	**4,147**	**7,588**	**8,277**
Other financial liabilities	**3,400**	**2,800**	**5,200**	**1,417**	**0**
Trade payables	**59,409**	**0**	**0**	**0**	**0**
Other current payables	**2,014**	**0**	**0**	**0**	**0**
Accrued expenses	**18,942**	**0**	**0**	**0**	**0**
Convertible Bond	**12,524**	**105,795**	**6,000**	**208,998**	**0**
	101,309	**113,027**	**15,347**	**218,003**	**8,277**

Cash flows 2023	1 year	2 years	3 years	4 – 5 years	> 5 years
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
Lease liabilities	4,734	4,419	3,993	7,607	11,753
Other financial liabilities	3,600	3,600	3,600	6,750	0
Trade payables	38,470	0	0	0	0
Other current payables	1,180	0	0	0	0
Accrued expenses	15,934	0	0	0	0
Bonds	93,116	0	0	0	0
Convertible Bond	9,898	130,704	99,869	0	0
	166,932	138,723	107,462	14,357	11,753

Capital management
Capital management is aimed at ensuring a sustainable and strategic focus for the Group, adjusted for the financial, tax and financing structure. To ensure a balanced financing structure, the Group may sell assets, determine the amount of the dividend in line with requirements, obtain external funding, or increase equity.

One of the most important key figures is the equity ratio (equity / total assets), which was 43.7 per cent (previous year: 49.7 per cent).

35 Share-based payments

	2024	2023
	CHF 1,000	CHF 1,000
Discount Share Plan	22	28
Restricted Stock Unit Plan	470	921
Long term performance-based remunerations	2,837	1,602
Promofarma	0	1,433
TeleClinic	–620	–708
TeleClinic Performance and Retention Plan	100	-
Board of Directors compensation	295	306
Service Provider	75	75
Short-term performance-based remunerations	0	275
Total share-based payments expense	**3,179**	**3,932**

Discount Share Plan
With the Discount Share Plan, DocMorris enables employees to participate in the Company's sustainable, long-term growth and promote loyalty. Employees can buy DocMorris shares at a 23 per cent discount to the current market price. DocMorris shares acquired under the plan are subject to a three-year transfer restriction period. The upper limit on the annual amount invested is 10 per cent of the employee's annual base salary. Total shares sold: 1,162 (previous year: 3,157). The fair value of the discount is CHF 18.95 per share (previous year: CHF 8.99).

Restricted Stock Unit Plan
Selected employees are offered an additional incentive instrument with the Restricted Stock Unit Plan. Individually selected employees are allocated virtual shares, paid out after a two-year vesting period either in DocMorris shares or in cash; DocMorris has the right to choose the settlement option and intends to settle in shares. The corresponding expense is distributed on a straight-line basis over the two-year vesting period. Total Restricted Stock Units allocated: 11,390 (previous year: 15,282). The fair value per entitlement is CHF 49.00 (previous year: CHF 40.33).

Long-term performance-based remunerations
The members of the Executive Board and selected employees of DocMorris participate in the performance share plan. All participants are awarded a monetary amount annually, which is converted into a certain number of restricted rights at the beginning of the respective performance period. The expense is recognised over a service period beginning on January 1 of the reporting year, as the plan participants render services from that date. At the end of a three-year vesting period, the vested awards are settled either in DocMorris shares or in cash. DocMorris has the right to choose settlement option and intends to settle in shares.

Vesting is subject to service conditions and performance targets. For the 2024 and 2023 allocation, the final number of vested shares depends equally on the share price development and the relative shareholder return. For the 2022 allocation, 1 / 3 remains unchanged at the level of the vested awards and 2 / 3 depends on sales growth and share price performance. The target achievement can range from 0 to 200 per cent. The fair value of the awards is based on the monetary amount awarded to the plan participants. In the reporting year, 35,498 entitlements were allocated (previous year: 82,822). The fair value per entitlement is CHF 70,33 (previous year: CHF 29,55).

Promofarma

Some employees of the subsidiary Promofarma Ecom. S.L. which was acquired in 2018, participated in a plan for performance-related share-based compensation. In 2023 the plan was settled, resulted in a transfer of 96,344 shares.

TeleClinic

Some employees of the subsidiary TeleClinic GmbH acquired in 2020 participate in a plan for performance-related share-based payments. All participants were granted a monetary amount that can be converted into a certain number of DocMorris AG shares. DocMorris has the right to choose the settlement option and intends to settle by issuing shares. Vesting is subject to meeting service conditions and performance targets. The final number of shares to be delivered depends on revenue growth, qualitative targets and the share price performance and can range between 0 and 100 per cent. The fair value of the awards is based on the monetary amount communicated to plan participants of CHF 2,125 thousand. The expense is recognised on a straight-line basis over the four-year performance period. In 2024, the last plan participant left the company, and the plan has therefore expired.

TeleClinic Performance and Retention Plan

Some employees of the subsidiary TeleClinic GmbH participate in a plan for performance-related share-based payments. All participants were granted a monetary amount that can be converted into a certain number of DocMorris AG shares. The performance period is 3.5 years beginning on 1 July 2024, until 31 December 2027. Vesting is subject to meeting service conditions and performance targets of TeleClinic GmbH. The final number of shares to be delivered depends on revenue and EBITDA targets in 2027 and can range between 0 and 200 per cent. The fair value of the awards is based on the monetary amount communicated to plan participants of total CHF 700 thousand. The expense is recognised on a straight-line basis over the performance period.

Board of Directors compensation

In 2024, board members received 30 per cent of their compensation in DocMorris shares with a vesting period of three years (previous year: 30 per cent).

Short-term performance-based remunerations

In 2024, Executive Board members were granted 0 DocMorris shares (2023: 5,402) as part of the short-term remuneration. The fair value per share in 2023 was CHF 50.85.

36 Related party transactions

50.4% (previous year: 50.9%) of the outstanding shares in DocMorris AG are held by 14,270 shareholders (previous year: 14,673 shareholders), while 49.6% (previous year: 49.1%) of the outstanding shares in DocMorris AG are held by non-registred shareholders. None of them has a controlling interest in the Company.

Receivables and liabilities from joint ventures are shown separately in the Notes. Other income and interest income with joint ventures are disclosed separately in Note 11. Loans granted to board members are CHF 0.3 million (see Note 23).

Transactions and balances with joint ventures and associates	Sales	Purchase	Accounts receivable	Loans
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
2024	**231**	**291**	**141**	**1,396**
2023	287	310	510	1,396

Compensation paid to the Board of Directors and the Executive Board

Part of the compensation was paid in the form of DocMorris AG shares in 2024 and in 2023.

Board of Directors	2024	2023
	CHF 1,000	CHF 1,000
Short-term benefits to the Board of Directors	**1,002**	1,039
Share-based payments	**295**	306
	1,297	1,345

Executive Board	2024	2023
	CHF 1,000	CHF 1,000
Short-term benefits to the Executive Board	**3,929**	4,451
Retirement benefits	**601**	562
Share-based payments	**1,809**	1,164
	6,339	6,177

37 Events after the end of the reporting period

There are no significant events after the balance sheet date that would require disclosure.

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To the General Meeting of
DocMorris AG, Frauenfeld

Zurich, 12 March 2025

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of DocMorris AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 146 to 195) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 2.1 of the consolidated financial statements, which describes the external financing needed to fund the organic growth including all planned business initiatives and to secure a potential refinancing of existing liabilities in 2026. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the consolidated financial statements.

Valuation of intangible assets with indefinite useful lives

Area of focus	As at 31 December 2024, DocMorris records goodwill of CHF 364.8 million and trademarks with indefinite useful lives of CHF 20.3 million. In accordance with IFRS Accounting Standards, DocMorris is required to test the amount of goodwill and trademarks with indefinite useful lives for impairment, both annually and as soon as there is an indicator for impairment. The annual impairment tests were significant to our audit due to the complexity of the assessment process, management’s estimates and assumptions involved which are affected by expected future market conditions. Assumptions, sensitivities and results of the impairment tests are disclosed in note 21 of the consolidated financial statements of DocMorris.
Our audit response	Our audit procedures included, among others, evaluating the significant assumptions used by DocMorris, which are subject to estimation uncertainty. We focused in particular on the expected sales growth, including the expected online penetration of prescription medicine (Rx) in Germany, the assumptions regarding EBITDA margin development and the pre-tax discount rate. Valuation experts were involved to assist us in evaluating the pre-tax discount rate and the valuation model. In addition, we tested the cash flow projections for each CGU (cash generating unit), taking into account the relevant internal processes and controls of DocMorris. Furthermore, we assessed the historical accuracy of management’s estimates and business plans. In addition, we assessed the adequacy of the disclosures relating to the impairment test. Our audit procedures did not lead to any reservations regarding the valuation of intangible assets with indefinite useful lives.

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Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements
The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

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Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Jolanda Dolente
Licensed audit expert
(Auditor in charge)

Michael Britt
Licensed audit expert

DocMorris AG, Frauenfeld

Financial Statements

Income Statement

	Notes	2024	2023
		CHF 1,000	CHF 1,000
Net revenue		**16,143**	14,353
Other operating income	2.1	**9,599**	183,137
Total net income		**25,742**	197,490
Personnel expenses		**–12,009**	–17,497
Other operating expenses		**–9,863**	–20,067
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**3,870**	159,926
Depreciation and amortisation	2.2	**–46,036**	–13,303
Earnings before interest and taxes (EBIT)		**–42,166**	146,623
Finance income	2.3	**32,400**	31,624
Finance expenses	2.3	**–20,208**	–59,345
Earnings before taxes (EBT)		**–29,974**	118,902
Tax expenses		**–18**	–2,946
Net (loss) / income		**–29,992**	115,956

Balance Sheet

ASSETS	Notes	**31.12.2024** CHF 1,000	**31.12.2023** CHF 1,000
Cash and cash equivalents and short-term assets at market prices	2.4	**45,666**	19,746
Current financial assets	2.5	**0**	97,000
Receivables from investments		**3,857**	9,350
Other short-term receivables from third parties		**856**	1,364
Prepaid expenses from third parties		**1,131**	2,221
Prepaid expenses from investments		**17,108**	12,107
Current assets		**68,618**	141,788
Loans to investments		**644,019**	577,625
Long-term loans granted to related parties		**300**	300
Loans to third parties		**9,490**	9,443
Other non-current financial assets	2.6	**0**	51,013
Investments	2.7	**641,001**	615,975
Impairment of investments	2.2	**– 139,208**	– 107,208
Property, plant and equipment		**518**	4,283
Real estate		**590**	15,478
Intangible assets	2.10	**41,424**	42,856
Right-of-use	2.9	**534**	957
Non-current assets		**1,198,668**	1,210,722
Assets		**1,267,286**	1,352,510

Balance Sheet

LIABILITIES	Notes	31.12.2024 CHF 1,000	31.12.2023 CHF 1,000
Current liabilities to third parties		**3,370**	1,613
Current liabilities to investments		**1,208**	1,336
Other current liabilities to third parties		**1,815**	465
Current interest-bearing liabilities	2.8	**0**	90,845
Current lease liabilities	2.9	**112**	164
Other current financial liabilities	2.10	**3,237**	3,329
Accrued expenses to third parties		**2,731**	3,717
Accrued expenses to investments		**3,148**	1,602
Short-term provisions		**204**	566
Short-term liabilities		**15,825**	103,637
Non-current lease liabilities	2.9	**451**	830
Other non-current financial liabilities	2.10	**7,836**	10,779
Loan from investments		**203,085**	203,085
Long-term provisions		**1,488**	609
Long-term liabilities		**212,861**	215,303
Liabilities		**228,686**	318,940
Share capital		**445,053**	411,019
Statutory capital reserves	2.11	**662,710**	662,577
Statutory reserves from equity contribution		**599,153**	632,577
Other capital reserves from equity contribution for treasury shares in the Group		**63,557**	30,000
Statutory retained earnings		**28,340**	28,340
General statutory retained earnings		**1,340**	1,340
Reserve for treasury shares in the Group		**27,000**	27,000
Treasury shares	2.12	**– 0**	–856
Losses carried forward		**– 67,510**	– 183,466
Net (loss) / income		**– 29,992**	115,956
Equity		**1,038,600**	1,033,570
Liabilities and equity		**1,267,286**	1,352,510

Notes to the Financial Statements

1 Basic principles

1.1 Accounting policies
The financial statements were prepared according to the Swiss Law on Accounting and Financial Reporting. The significant accounting and valuation principles applied are as described below.

1.2 Basis of Preparation
The financial statements were prepared in accordance with the going concern principle. DocMorris AG has sufficient funds to maintain its operating business for the next 12 months from the date of publication of the financial statements 2024. To fund the organic growth including all planned business initiatives of the Group and to secure a potential refinancing of existing liabilities in 2026, external financing is required. The Board of Directors and Group Management will initiate and execute the necessary steps to secure the financing. Given the position of DocMorris in the fast-growing online pharmacy market, the successful fundraisings to date, current trading and the broad portfolio of available financing instruments, the Board of Directors and Group Management are convinced of the ability to finance.

1.3 Investments
Investments are recognised at acquisition cost and subsequently tested for impairment if there is any indication that an impairment is required. If an impairment is required, the investment is impaired and the impairment loss recognised.

1.4 Intangible Assets
Intangible assets are valued at acquisition cost less accumulated depreciation and impairment losses. Depreciation is calculated using the straight-line method based on the useful life of the asset.

1.5 Treasury shares
Treasury shares are recognised at acquisition cost and deducted from equity. The gain or loss on resale is recognised as finance income or finance expense. Treasury shares are measured using the weighted average method. Where shares are held indirectly through subsidiaries, a corresponding reserve is recognised in the parent company's equity.

1.6 Share-based payments
The personnel expenses for share-based payments result from the difference between the acquisition cost and any payment made by the beneficiaries. The estimated personnel expenses are distributed over the vesting period.

1.7 Current and non-current interest-bearing liabilities
Interest-bearing liabilities are recognised at nominal value. The bond issue costs are recognised in prepaid expenses and amortised on a straight-line basis over the bond's term.

1.8 Finance leases
Leases are recognised in the balance sheet from an economic perspective that covers all leases apart from current leases (term of less than 12 months) and those relating to assets of low value. The right-of-use asset is capitalised as an asset and depreciated over the term of the lease. On initial recognition the right-of-use is equal to the net present value of the lease obligation at the time of entering into the lease. The term of the lease is determined by the contractually agreed fixed term and any options to extend. The lease obligation is equal to the net present value of the future lease payments, reduced by the amortisation payments.

2 Information on income statement and balance sheet items

2.1 Other operating income

Includes in 2024 the gain on disposal of the administration and logistics building, including the land, used by the Group's former Swiss business in the amount of CHF 8.0 Mio. In 2023, the position includes a gain of CHF 181.3 million resulting from the disposal of the former Swiss business with all operating units (Zur Rose Suisse AG, Bluecare AG, Clustertec AG, Specialty Care Therapiezentren AG, Aerztemedika AG, ZRMB Marketplace AG, MBZR Apotheken AG, PolyRose AG) to the healthcare provider and Migros subsidiary Medbase.

2.2 Depreciation and amortisation

In 2024, the position includes an impairment of CHF 32.0 million on the investments in Promofarma Ecom, S.L.. In the previous year, an impairment of CHF 1.4 million on intangible assets was recognised.

2.3 Financial result

Finance income consists mainly of interest income from loans to investments. Finance expenses primarily include interest expenses of CHF 17.6 million (previous year: CHF 20.0 million) and unrealised foreign exchange losses of CHF 0.2 million (previous year: CHF 38.2 million).

2.4 Cash and cash equivalents and short-term assets at market prices	31.12.2024	31.12.2023
	CHF 1,000	CHF 1,000
Cash and cash equivalents	**45,666**	19,724
Securities (at market prices)	**0**	22
Total cash and cash equivalents and short-term assets at market prices	**45,666**	19,746

2.5 Current financial assets

The current financial assets in 2023 included fixed-term deposits of CHF 50 million, which were repaid in 2024, and a contingent purchase price consideration (earn-out) of CHF 47 million resulting from the disposal of the former Swiss business , which was received in full in 2024.

2.6 Other non-current financial assets

In 2023 the position included the acquisition of approximately 30% of the Convertible Bond 2.75% 2020 – 2025 with a nominal value of CHF 175 million issued by the subsidiary DocMorris Finance B.V. which was repurchased by DocMorris Finance B.V. as part of a tender offer in 2024.

2.7 Investments

	2024	2023	2024	2023
	Capital	Capital	Equity interest and ordinary shares	Equity interest and ordinary shares
	CHF 1,000	CHF 1,000	%	%
Direct Investments				
DatamedIQ GmbH, Köln (DE)	29	29	37.5	37.5
DCMS Service AG, Frauenfeld (CH)	100	100	100.0	100.0
DocMorris Finance B.V., Heerlen (NL) [1]	0	0	100.0	100.0
Doctipharma SAS, Paris (FR)	618	618	100.0	100.0
eHealth-Tec Services S.R.L., Bucharest (RO) [1]	0	0	100.0	100.0
Helena Abreu, Unipessoal, Lda Montemor-o-Novo (PRT)	108	108	100.0	100.0
König Gesellschaft für Image- und Dokumentenverarbeitung GmbH, Gottmadingen (DE)	29	29	50.0	50.0
König IT Systeme GmbH, Gottmadingen (DE)	28	28	50.0	50.0
Promofarma Ecom. S.L., Barcelona (ES)	15,004	15,004	100.0	100.0
TeleClinic GmbH, München (DE)	857	857	100.0	100.0
WELL Gesundheit AG, Schlieren (CH)	100	100	18.6	18.6
Zur Rose Dutch B.V., Heerlen (NL) [1]	0	0	100.0	100.0
Zur Rose Pharma GmbH, Halle (DE)	8,479	8,479	100.0	100.0
Material Indirect Investments				
AdBest Werbeagentur GmbH, Hilter am Teutoburger Wald (DE)	27	27	100.0	100.0
DocMorris Holding GmbH, Berlin (DE)	6,085	6,085	100.0	100.0
DocMorris N.V., Heerlen (NL)	60	60	100.0	100.0
medpex wholesale GmbH, Ludwigshafen (DE) [2]	n / a	28	n/a	100.0

1) Share capital of less than CHF 500.00
2) Merged into Centropharm GmbH in 2024

2.8 Current interest-bearing liabilities

On 21 November 2024, DocMorris repaid in full the remaining balance of CHF 90.8 million on the bond 2.5% 2019 – 2024 (original nominal CHF 200 million).

2.9 Financial Leasing

	Useful life	31.12.2024	31.12.2023
		CHF 1,000	CHF 1,000
Right-of-use real estate	5 – 10 years	534	957
Lease liabilities		563	994
Depreciation right-of use assets		140	165
Interest expenses lease liabilities		19	27

2.10 Other current and non-current financial liabilities

Due to obligations and rights arising from multi-year technology agreements, CHF 11.1 million (previous year: CHF 14.1 million) is reported in other financial liabilities, of which CHF 3.2 million is current (previous year: CHF 3.3 million) and CHF 9.8 million (previous year: CHF 13.3 million) in intangible assets.

2.11 Statutory capital reserves

As of 31 December 2024 CHF 662,057,571.27 of the total balance of CHF 662,709,730.57 has been confirmed by the federal tax administration. CHF 652,159.30 still needs to be confirmed.

2.12 Treasury shares

	Number of transactions	Average price CHF	Number
Number of registered shares			
As at 1 January 2023			1
Acquisitions	1	51	38,183
Allocation	3	65	–21,349
As at 31 December 2023			16,835
Acquisitions	1	40	422
Sales	3	69	–8,532
Allocation	3	48	–8,723
As at 31 December 2024			2

In general, treasury shares are used for group-wide employee participation programs.

3 Other disclosures

The following participation rights were allocated under share-based payment programs:

3.1 Allocated equity instruments	31.12.2024	31.12.2023
	Number	Number
Board of Directors	**3,593**	7,897
Executive Board	**19,537**	38,240
Employees	**3,867**	10,246
Total allocated equity instruments	**26,997**	56,383

The final cost of servicing the plans depends on the fulfillment of the service period, the share price performance and certain performance targets. The fair value of the DocMorris share as of 31 December 2024 amounts to CHF 19.98 (previous year: CHF 73.75).

3.2 Employees

The number of full-time equivalents was between 10 and 50, as in the previous year.

3.3 Unrecognised commitments	31.12.2024	31.12.2023
Type	CHF 1,000	CHF 1,000
Other Guarantees	**43,490**	48,238

The convertible bonds issued by DocMorris Finance B.V. in 2020 (2.75%, 2020 – 2025, nominal CHF 175 million), 2022 (6.875%, 2022 – 2026, nominal CHF 95 million) and 2024 (3.00%, 2024 – 2029, nominal CHF 200 million) are guaranteed by DocMorris AG. The convertible bond 2020 (2.75%, 2020 – 2025, nominal CHF 175 million) was fully repurchased in 2024 by DocMorris Finance B.V.. The nominal value, including accrued interest, of the outstanding guaranteed convertible bonds amounts to CHF 296.1 million as of 31 December 2024 (previous year: CHF 218.6 million).

3.4 Contingent capital and capital band	31.12.2024	31.12.2023
	CHF	CHF
Contingent capital	**91,511,340**	125,544,960
Capital band (upper limit)	**79,223,070**	79,223,070
Capital band (lower limit)	**– 58,722,570**	– 58,722,570

The increase of share capital in 2024 includes CHF 33,600,000 with issue of 1,120,000 new shares in connection with the conditional capital increase and the placement of the convertible bond of the subsidiary DocMorris Finance B.V. as well as CHF 433,620 with issue of 14,454 news shares created for employee participation programs.

3.5 Significant events after the end of the reporting period

There are no significant events after the balance sheet date that would require disclosure.

Proposal to carry forward the accumulated losses to new account
(Proposal of the Board of Directors)

	31.12.2024	31.12.2023
	CHF	CHF
Losses carried forward	**– 67,510,652**	– 183,466,395
Net (loss) / income	**– 29,992,261**	115,955,743
Accumulated losses	**– 97,502,913**	– 67,510,652
Distribution to shareholders	–	–
Carried forward to new account	**– 97,502,913**	– 67,510,652

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To the General Meeting of
DocMorris AG, Frauenfeld

Zurich, 12 March 2025

Report of the statutory auditor

Report on the audit of the financial statements

Opinion
We have audited the financial statements of DocMorris AG (the Company), which comprise the balance sheet as at 31 December 2024, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 200 to 208) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter
We draw attention to note 1.2 of the financial statements, which describes the external financing needed to fund the organic growth including all planned business initiatives and to secure a potential refinancing of existing liabilities in 2026. Our opinion is not modified in respect of this matter.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of

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our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the financial statements.

Valuation of investments and loans to investments

Area of focus	As of 31 December 2024, DocMorris AG holds investments of CHF 501.8 million and loans to investments of CHF 644.0 million corresponding to 90% of total assets. As disclosed in note 2.2, the annual impairment test for the investments in Promofarma Ecom, S.L resulted in the recognition of an impairment charge of CHF 32 million. We consider the valuation of investments and loans to investments to be a key audit matter due to the significance of the balance of the investments and loans to investments compared to the balance of total assets and because the impairment test performed by management is complex and involves significant assumptions. The accounting principles used for the investments are disclosed in note 1.3 of the stand-alone financial statements of DocMorris AG.
Our audit response	We assessed the impairment testing process of the Company and corroborated the determination of the key assumptions applied using internal and external available evidence. We involved our valuation experts. Our audit procedures did not lead to any reservation regarding the valuation of investments and loans to investments.

Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor’s reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ responsibilities for the financial statements
The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and

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for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Jolanda Dolente
Licensed audit expert
(Auditor in charge)

Michael Britt
Licensed audit expert

Alternative Performance Measures of DocMorris

The financial statements of DocMorris are prepared in accordance with IFRS Accounting Standards. In addition to the disclosures required by the IFRS, DocMorris publishes alternative performance measures (APM), which are not subject to the IFRS provisions and for which there is no generally accepted reporting standard. DocMorris calculates APM in order to enable comparability of the performance measures over time. The APM result in particular from different methods of calculation and evaluation and provide useful information about the financial and operational performance of the Group. DocMorris calculates the following APM:

— External revenue
— Growth in local currency
— Gross margin in per cent of net revenue
— EBIT
— EBITDA
— EBITDA adjusted
— EBITDA margin
— Net financial debt

External revenue is defined as the consolidated revenue of DocMorris plus the mail order revenue of pharmacies supplied by DocMorris less the consolidated revenue for their supply.

Growth in local currency shows the percentage change of a performance measure compared with the previous year without the impact of exchange rate effects (conversion is at the previous year's rate).

The **gross margin in per cent of net revenue** corresponds to the division of consolidated revenue less cost of goods by consolidated revenue.

EBIT (Earnings Before Interest and Taxes) stands for earnings before interest and taxes and is used to report the operative earnings without the impact of internationally non-uniform taxation systems and different financing activities.

EBIT statement of derivation

Earnings before income taxes
+/− Share of results of joint ventures and associates
+/− Financial result, net (financial income, financial expenses)
= **EBIT**

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) stands for earnings before interest, taxes, depreciation and amortisation, impairment and reversal of impairment. EBITDA is calculated on the basis of EBIT plus the depreciation and amortisation as well as impairment recognised in the income statement less reversal of impairment of intangible assets and property, plant and equipment.

EBITDA statement of derivation

EBIT
+/− Depreciation and amortisation / impairment / reversal of impairment of property, plant and equipment and intangible assets
= **EBITDA**

The **EBITDA adjusted** shows the development of the operating result irrespective of the influence of special items, i.e. special effects in terms of their nature and magnitude for the management of DocMorris. These may include expenses and income related to acquisitions and disposals, restructuring, integration and litigation. In the calculation, the EBITDA is increased by special expenses and reduced by special income.

The **EBITDA margin** is calculated by dividing EBITDA by consolidated revenue.

The **net financial debt** is a performance indicator designed to measure the liquidity, capital structure and financial flexibility of DocMorris. This indicator is calculated as follows:

Net financial debt statement of derivation

Public bond
\+ Liabilities to financial institutions
\+ Lease liabilities
\+ Other financial liabilities
= Financial debt
− Cash and cash equivalents
− Current financial assets [1)]
= **Net financial debt**

1) These include current assets and receivables due from banks and other companies with a term of > 3 months and < 12 months and financial assets held for sale, which are initially recognised as current.

EBITDA adjusted

(condensed)

2024	IFRS	Acquisitions, Disposals	Restructuring, Integration	Other [1]	adjusted
Net revenue	1,017,045	–	–		1,017,045
Operating income	15,870	–13,534	–	–	2,336
Operating expense	–1,076,769	56	5,611	3,131	–1,067,971
EBITDA	–43,854	–	–	–	–48,590

1) Including influence of other exceptional items, i.e. special effects in terms of their nature and magnitude for the management of DocMorris.

2023	IFRS	Acquisitions, Disposals	Restructuring, Integration	Other [1]	adjusted
Net revenue	969,462	–	–	–2,568	966,894
Operating income	6,909	–3,008	–	–	3,901
Operating expense	–1,014,740	3,242	4,844	980	–1,005,674
EBITDA	–38,369	–	–	–	–34,879

1) Including influence of other exceptional items, i.e. special effects in terms of their nature and magnitude for the management of DocMorris.

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