DocMorris

Half-Year Report
2024

Contents

Letter to Shareholders

Dear Shareholders

CardLink[1] for redeeming e-scripts is driving the business for prescription medicines (Rx): In July, the number of new Rx customers increased again and quadrupled compared to before CardLink. This momentum also continued for revenue: Rx sales in July 2024 grew by 6 per cent in local currency compared to the previous year and by 36 per cent compared to average monthly Rx sales in the first quarter of 2024. The volume-based market share of the e-prescription business is growing continuously and already stood at 0.5 per cent in July.[2] Customers are also responding very positively to the DocMorris app, with monthly downloads more than quadrupling in the last 12 months. This success is due in particular to the effectiveness of the cross-media marketing campaign with the “Gesundbergs”.

Break-even reached excluding eRx — DocMorris continued on its path to profitability in the first half of 2024. Further structural cost savings and efficiency improvements totalling CHF 14 million compared to the previous year led to break-even in the business excluding eRx. Including the eRx marketing investment of CHF 13 million, adjusted EBITDA improved slightly to minus CHF 20.1 million. As announced on 11 July 2024, external revenue[3] increased to CHF 530.1 million in the first half of the year (up 8.4 per cent in local currency and 5.7 per cent in Group currency) compared to the previous year. In Germany, external revenue rose by 8.9 per cent in local currency. The Europe segment with Spain and France achieved a turnaround in growth in the second quarter (plus 3.0 per cent). In the first half of the year, sales grew by 0.6 per cent, while adjusted EBITDA improved by CHF 1.4 million to minus CHF 0.7 million.

TeleClinic is growing dynamically and profitably — Germany's leading telemedicine provider TeleClinic continued its strong growth. Revenue doubled compared to the same period last year. For the full year, growth to over CHF 10 million is expected, with a very attractive gross margin and double-digit EBITDA margin. Over 2,800 registered doctors actively use the technical platform and treat over 1.3 million cases per year. TeleClinic is an important pillar of DocMorris' health ecosystem, which is also being further expanded through patient-specific offerings for chronic diseases. Its growth confirms the health ecosystem strategy.

Telepharmacy recognised for nationwide supply — The regulatory environment for telepharmacy is also developing favourably. DocMorris customers have been relying on personalised and absolutely discreet telepharmacy advice for years. Now, in June 2024, the

1 CardLink enables the mobile use of the electronic health card (eGK) without a PIN and the smartphone via NFC technology (Near Field Communication) to redeem e-prescriptions.

2 DocMorris share of redeemed e-prescriptions compared to the total number of redeemed e-prescriptions according to Gematik in July.

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

Federal Ministry of Health has presented the draft bill for a Pharmacy Structure Reform Act (Apotheken-Reformgesetz – ApoRG). This recognises the importance of telepharmacy for the nationwide supply of medicines in Germany for the first time. It is to be included in the pharmacy operating regulations as an element of standard pharmaceutical care.

Liquidity further strengthened — In April 2024, DocMorris refinanced its convertible bond maturing in March 2025 with a new five-year convertible bond. DocMorris received the full earn-out of CHF 47 million from the sale of the Swiss business. As at 30 June 2024, cash and cash equivalents amounted to CHF 195 million. In addition, the sale of the property of the former Swiss operations was completed in August 2024 and generated proceeds of CHF 25.6 million.

Outlook — DocMorris communicated an indicative outlook in March due to the systemic transition to e-prescriptions and the unpredictability of the Rx ramp-up.

The limited market access until the introduction of the CardLink solution led to declining paper prescription-based sales and lower contribution margins. Since mid-April, the Rx business has been growing continuously due to the successful acquisition of new customers. Based on the success of the marketing campaign, DocMorris is increasing its investments in new customer acquisition. The OTC business is developing according to plan. As a result, the outlook for 2024 has been adjusted:

— Increase in external revenue by 5 to 10 per cent, including e-prescriptions (previously indicatively more than 10 per cent);
— Adjusted EBITDA of around minus CHF 50 million, including e-prescription (previously indicatively CHF 0 million to minus CHF 35 million);
— Capital expenditure of around CHF 30 million (previously indicatively CHF 30 million to CHF 40 million).

In the medium term, an adjusted EBITDA margin of 8 per cent remains the target.

Walter Oberhänsli
Chairman of the Board

Walter Hess
Chief Executive Officer

Consolidated Financial Statements of DocMorris

Consolidated Income Statement

		1.1. – 30.6.2024		1.1. – 30.6.2023	
	Notes	CHF 1,000	%	CHF 1,000	%
Net revenue	3	**496,281**	**100.0**	462,957	100.0
Other operating income		**1,557**		1,011	
Cost of goods		**– 389,037**		– 363,021	
Personnel expenses	4	**– 47,742**		– 60,472	
Other operating expenses	5	**– 82,710**		– 68,610	
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**– 21,651**	**– 4.4**	– 28,135	– 6.1
Depreciation, amortisation and impairment		**– 22,745**		– 20,674	
Earnings before interest and taxes (EBIT)		**– 44,396**	**– 8.9**	– 48,809	– 10.5
Share of results of joint ventures and associates		**– 6**		– 334	
Finance income	2.4	**15,485**		6,923	
Finance expenses	2.4	**– 9,280**		– 16,062	
Earnings before taxes (EBT)		**– 38,197**	**– 7.7**	– 58,282	– 12.6
Income tax income / (expense)		**263**		42	
Net income / (loss) from continuing operations		**– 37,934**	**– 7.6**	– 58,240	– 12.6
Net income / (loss) from discontinued operations		**0**		199,845	
Net income / (loss)		**– 37,934**	**– 7.6**	141,605	30.6
Attributable to Doc Morris AG shareholders		**– 37,934**		141,605	

	CHF 1		CHF 1	
Basic loss per share from continuing operations	**– 3.22**		– 4.98	
Diluted loss per share from continuing operations	**– 3.22**		– 4.98	
Basic income / (loss) per share from discontinued operations	**0.00**		17.10	
Diluted income / (loss) per share from discontinued operations	**0.00**		17.10	
Basic income / (loss) per share	**– 3.22**		12.12	
Diluted income / (loss) per share	**– 3.22**		12.12	

Consolidated Statement of Comprehensive Income

	Notes	1.1. – 30.6.2024	1.1. – 30.6.2023
		CHF 1,000	CHF 1,000
Net income / (loss)		**–37,934**	141,605
Exchange differences on translation of foreign operations	2.4	**5,931**	–1,999
Other comprehensive income to be reclassified in subsequent periods to the income statement		**5,931**	–1,999
Remeasurement pensions	2.3	**468**	890
Income tax		**–68**	–115
Other comprehensive income not to be reclassified in subsequent periods to the income statement		**400**	775
Other comprehensive income / (loss)		**6,331**	–1,224
Total comprehensive income / (loss)		**–31,603**	140,381
Attributable to DocMorris AG shareholders		**–31,603**	140,381

Consolidated Balance Sheet

ASSETS		**30.06.2024**		**31.12.2023**	
	Notes	CHF 1,000	%	CHF 1,000	%
Cash and cash equivalents		**105,110**		54,028	
Current financial assets	8	**90,000**		97,022	
Trade receivables		**55,533**		55,387	
Prepaid expenses		**16,641**		12,546	
Other receivables		**9,793**		11,262	
Inventories		**44,277**		51,758	
Non-current assets held for sale	7	**11,816**		11,671	
Current assets		**333,170**	**36.4**	293,674	33.9
Investments in joint ventures and associates		**1,573**		1,541	
Property, plant and equipment		**31,333**		33,834	
Right-of-use assets		**26,937**		28,220	
Intangible assets	6	**507,735**		495,083	
Non-current financial assets		**11,537**		11,207	
Deferred tax assets		**2,792**		2,864	
Non-current assets		**581,907**	**63.6**	572,749	66.1
Total assets		**915,077**	**100.0**	866,423	100.0

Consolidated Balance Sheet

LIABILITIES AND EQUITY		**30.06.2024**		**31.12.2023**	
	Notes	CHF 1,000	%	CHF 1,000	%
Current bonds	8	**90,763**		90,665	
Current lease liabilities		**4,106**		3,878	
Other current financial liabilities	8	**3,330**		3,329	
Trade payables		**51,297**		38,470	
Other payables		**9,124**		11,854	
Tax liabilities		**354**		1,690	
Accrued expenses		**28,011**		26,614	
Short-term provisions		**3,691**		3,819	
Short-term liabilities		**190,675**	**20.8**	180,319	20.8
Non-current bonds	8	**284,185**		211,442	
Non-current lease liabilities		**23,634**		24,830	
Other non-current financial liabilities	8	**9,613**		10,778	
Pension obligations		**1,182**		1,575	
Deferred tax liabilities		**6,128**		6,947	
Long-term liabilities		**324,742**	**35.5**	255,572	29.5
Total liabilities		**515,417**	**56.3**	435,891	50.3
Share capital		**444,619**		411,019	
Capital reserves		**658,907**		659,253	
Treasury shares		**– 90,628**		–58,638	
Retained earnings		**– 539,845**		–501,778	
Exchange differences		**– 73,393**		–79,324	
Equity attributable to DocMorris AG shareholders		**399,660**	**43.7**	430,532	49.7
Total equity		**399,660**	**43.7**	430,532	49.7
Total liabilities and equity		**915,077**	**100.0**	866,423	100.0

Consolidated Cash Flow Statement

	Notes	1.1. – 30.6.2024	1.1. – 30.6.2023
		CHF 1,000	CHF 1,000
			restated[1]
Net income / (loss) from continuing operations		**– 37,934**	– 58,240
Depreciation, amortisation and impairment		**22,745**	20,674
Finance expenses (net)		**– 6,446**	8,449
Share of results of joint ventures and associates		**6**	334
Income tax		**– 263**	– 42
Non-cash income and expenses		**982**	4,733
Income tax paid		**– 1,959**	– 1,030
Interest paid		**– 6,438**	– 7,293
Interest received		**1,000**	498
Change in trade receivables, other receivables and prepaid expenses		**– 81**	9,794
Change in inventories		**9,376**	6,559
Change in trade payables, other liabilities and accrued expenses[1]		**7,881**	– 13,469
Change in provisions		**– 607**	– 2,064
Contingent consideration paid		**0**	– 3,995
Operating cash flow from discontinued operations[1]		**0**	– 1,137
Cash flow from operating activities		**– 11,738**	– 36,229
Acquisition of subsidiaries, net of cash acquired		**0**	– 6,815
Purchase of property, plant and equipment		**– 541**	– 1,333
Disposal of property, plant and equipment		**44**	142
Acquisition of intangible assets[1]		**– 13,090**	– 11,228
Investment in current financial assets	8	**– 60,000**	0
Investments in non-current financial assets		**– 279**	– 300
Repayment of financial assets	8	**20,007**	32
Dividends received		**119**	139
Net proceeds from disposal of Swiss business	8	**47,000**	282,657
Investing cash flow from discontinued operations[1]		**0**	– 4,631
Cash flow from investing activities		**– 6,740**	258,663
Net proceeds from capital increases		**0**	95
Allocation of treasury shares for share-based payments		**73**	0
Transaction costs of capital increases		**– 10**	0
Issue of a convertible bond (net after transaction costs)	8	**195,275**	0
Repayment of financial liabilities	8	**– 126,742**	– 148,349
Financing cash flow from discontinued operations		**0**	– 368
Cash flow from financing activities		**68,596**	– 148,622
Increase / (decrease) in cash and cash equivalents		**50,118**	73,812
Cash and cash equivalents at the beginning of the year		**54,028**	126,042
Foreign currency differences		**964**	– 142
Cash and cash equivalents at the end of the period		**105,110**	199,712

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 9)

Consolidated Statement of Changes in Equity

	Share capital	Capital reserves	Treasury shares	Retained earnings	Exchange difference	Attributable to DocMorris AG 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)				141,605		141,605	141,605
Other comprehensive income				775	– 1,999	– 1,224	– 1,224
Total comprehensive income				142,380	– 1,999	140,381	140,381
Share-based payments				2,848		2,848	2,848
Issue of new shares from contingent capital	1,723		– 1,723			0	0
Transaction costs of capital increase		–38				–38	–38
Issue of new shares for share-based payments	3,422	22		–3,350		94	94
30 June 2023	**409,873**	**659,278**	**– 62,393**	**– 442,034**	**– 70,660**	**494,064**	**494,064**
1 January 2024	**411,019**	**659,253**	**– 58,638**	**– 501,778**	**– 79,324**	**430,532**	**430,532**
Net income / (loss)				–37,934		–37,934	–37,934
Other comprehensive income				400	5,931	6,331	6,331
Total comprehensive income				–37,534	5,931	–31,603	–31,603
Share-based payments				968		968	968
Issue of new shares from contingent capital	33,600		–33,600			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			36	21		57	57
Transaction costs of capital increase		–346				–346	–346
Allocation of treasury shares for share-based payments			1,574	– 1,421		153	153
30 June 2024	**444,619**	**658,907**	**– 90,628**	**– 539,845**	**– 73,393**	**399,660**	**399,660**

Notes to the Interim Consolidated Financial Statements

1 Operating activities

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 interim consolidated financial statements cover the period from 1 January to 30 June 2024 (hereinafter the "reporting period") and were approved by the Board of Directors on 19 August 2024.

DocMorris AG is listed on the stock exchange. The shares are traded on SIX Swiss Exchange under the International Reporting Standard (ISIN: CH0042615283).

The amounts listed in the interim 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 unaudited interim consolidated financial statements for the first half year 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting.

Since the interim consolidated financial statements do not include all disclosures as contained in the consolidated financial statements, they should be read in conjunction with the consolidated financial statements as at 31 December 2023. Changes in or new accounting policies from those for the consolidated financial statements for 2023 are shown in Note 2.2.

2.2 New standards, interpretations and changes for the Group

The accounting policies for the interim financial statements are consistent with those applied in the preparation of the consolidated financial statements for the financial year ending on 31 December 2023. The changes to existing standards and interpretations to be applied for the first time from 1 January 2024 have no material impact on the net assets, financial position or results of operations of the Group as well as the disclosures in these half-year financial statements.

The Group has not early adopted any other published standards, interpretations or changes that have yet to come into force.

2.3 Estimates and assumptions

In preparing these interim financial statements management has made judgements in applying accounting policies as well as estimates and assumptions regarding the future. These may have an effect on the carrying amounts of the reported assets and liabilities and 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 mostly differ from actual outcomes.

The remeasurement of pension obligations of CHF 0.4 million recognised in other comprehensive income is mainly due to actuarial gains on the plan assets. The discount rate applied as of 30 June 2024 was 1.42% (31 December 2023: 1.50%).

Influences on operations
The operating business of the Group is subject to only marginal seasonal variation.

Income tax
Current income tax is based on an estimate of the expected income tax rate for the full year 2024.

2.4 Principal exchange rates
The following exchange rates were used:

	1.1. – 30.6.2024		**1.1. – 30.6.2023**		**31.12.2023**
Currency	End of period	Average rate of period	End of period	Average rate of period	End of period
EUR	**0.9630**	**0.9613**	0.9769	0.9855	0.9287

Due to exchange rate developments in the first half of 2024, the earnings before taxes were positively impacted by CHF 14.1 million (previous year: CHF – 4.5 million) and exchange rate gains of CHF 5.9 million (previous year: CHF – 2.0 million) on translation of foreign operations were recognised in other comprehensive income.

3 Operating segments

DocMorris manages its activities by geographical regions. Since the disposal of the 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. 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 (the prior-year figures as of 30 June 2023 have been restated accordingly).

The following tables show the operating segments of the Group (continuing operations) for the first six months as at 30 June 2024 and the previous year as at 30 June 2023.

1.1. – 30.6.2024	Germany	Europe	Group
	CHF 1,000	CHF 1,000	CHF 1,000
Income statement			
Net revenue with external customers	**463,949**	**32,332**	**496,281**
EBITDA adjusted	– 19,461	– 667	**– 20,128**
Adjustments [1]			**– 1,523**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)			**– 21,651**
Depreciation and amortisation			**– 22,745**
Earnings before interest and taxes (EBIT)			**– 44,396**
Share of results of joint ventures and associates			**– 6**
Finance result, net			**6,205**
Earnings before taxes (EBT)			**– 38,197**

1) Includes expenses and income related to acquisitions of CHF -15 thousand, restructuring and integration of CHF -1,135 thousand and other exceptional items of CHF -373 thousand

1.1. – 30.6.2023 (restated)	Germany	Europe	Group
	CHF 1,000	CHF 1,000	CHF 1,000
Income statement			
Net revenue with external customers	**430,040**	**32,917**	**462,957**
EBITDA adjusted	– 18,737	– 2,094	**– 20,831**
Adjustments [1]			**– 7,304**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)			**– 28,135**
Depreciation and amortisation			**– 20,674**
Earnings before interest and taxes (EBIT)			**– 48,809**
Share of results of joint ventures and associates			**– 334**
Finance result, net			**– 9,139**
Earnings before taxes (EBT)			**– 58,282**

1) Includes expenses and income related to acquisition of CHF –4,722 thousand as well as restructuring and integration of CHF –2,582 thousand

The Germany segment consists of the B2C business unit.

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 table:

Net revenue		**1.1. – 30.6.2024**	**1.1. – 30.6.2023**
Segment	Type of goods or service	CHF 1,000	CHF 1,000
Germany	Retail Business (B2C)	**463,949**	430,040
Europe	Marketplace	**32,332**	32,917
Total net revenue with external customers		**496,281**	462,957

4 Personnel expenses

The decrease in personnel expenses is mainly due to costs reductions in connection with integrations, fewer temporary workers for the logistics site in Heerlen and lower share-based payments.

5 Other operating expenses

The increase in other operating expenses is mainly due to marketing campaigns in connection with the launch of the CardLink solution, which enables a fully digitalised e-prescription redemption via the DocMorris app.

6 Goodwill reconciliation

Goodwill changed from CHF 360.4 million as at 31 December 2023 to CHF 373.7 million as at 30 June 2024 due to foreign currency effects (CHF 13.3 million).

7 Non-current assets held for sale

Due to the disposal of the Swiss business, the Board of Directors of DocMorris AG decided at the end of March 2023 to initiate the sales process for the administration and logistics building, including the land, used by the Swiss business but not sold to Medbase AG. The sale took place on 9 August 2024 (see note 10). In the consolidated balance sheet as of 30 June 2024, the building and the land are reported as non-current assets held for sale with a book value of CHF 11.8 million (31 December 2023: CHF 11.7 million). No depreciation has been made on the building since the end of March 2023.

8 Financial instruments

Current financial assets

Current financial assets of CHF 90.0 million as at 30 June 2024 (31 December 2023: CHF 97.0 million) include fixed-term deposits of CHF 90.0 million (31 December 2023: CHF 50.0 million). 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.

Contingent consideration liabilities
There are no contingent consideration liabilities as at 30 June 2024 and 31 December 2023. The earn-out Apotal (30 June 2023: CHF 4.6 million) was settled in full in the second half of 2023.

Details on the determination of fair value measurements are presented below:

Contingent consideration liabilities	30.06.2024	30.06.2023
	CHF 1,000	CHF 1,000
As at 1 January	–	14,183
Cash flow	–	–10,809
Change in fair value (through profit or loss)	–	1,353
Exchange differences	–	–102
Total contingent consideration liabilities	–	4,625

Other financial liabilities
Due to obligations and rights arising from multi-year technology agreements, CHF 12.9 million (31 December 2023: CHF 14.1 million) - of which CHF 3.3 million (31 December 2023: CHF 3.3 million) is current – is reported in other financial liabilities and CHF 11.7 million (31 December 2023: CHF 13.3 million) in intangible assets.

Bonds
The fair value (Level 1) of the listed bonds was CHF 89.8 million as at 30 June 2024 (31 December 2023: CHF 90.5 million) and the carrying amount was CHF 90.8 million as at 30 June 2024 (31 December 2023: CHF 90.7 million). The fair value (Level 1) of the listed convertible bonds amounted to CHF 313.0 million as at 30 June 2024 (31 December 2023: CHF 275.7 million) and the carrying amount as at 30 June 2024 was CHF 284.2 million (31 December 2023: CHF 211.4 million).

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**
Carrying amount of 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 the first half of 2024, a total of CHF 60 thousand (nominal value) of the 6.875 per cent convertible bond maturing in 2026 was converted into 1,203 shares at a conversion price of CHF 49.73 and delivered from existing treasury shares.

9 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. - 30.6.2023	**Restatement**	**1.1. - 30.6.2023**
	CHF 1,000	CHF 1,000	CHF 1,000
			restated
Change in trade payables, other liabilities and accrued expenses	–17,098	3,629	**–13,469**
Operating cash flow from discontinued operations	2,492	–3,629	**–1,137**
Cash flow from operating activities	–36,229	0	**–36,229**
Acquisition of intangible assets	–7,599	–3,629	**–11,228**
Investing cash flow from discontinued operations	–8,260	3,629	**–4,631**
Cash flow from investing activities	258,663	0	**258,663**

10 Events after the end of the reporting period

On 9 August 2024, the Group has sold the administration and logistics building, including the land, used by the Group's former Swiss business for CHF 25.6 million (excluding VAT).

Alternative Performance Measures

The financial statements of the DocMorris are prepared in accordance with IFRS Accounting Standards. In addition to the disclosures required by IFRS Accounting Standards, DocMorris publishes alternative performance measures (APM), which are not subject to IFRS Accounting Standards 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 percent 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 acquisition 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)

June 2024	IFRS	Acquisitions, Disposals	Restructuring, Integration	Other [1]	adjusted
Net revenue	**496,281**	–	–	–	**496,281**
Operating income	1,557		–	–	1,557
Operating expense	–519,489	15	1,135	373	–517,966
EBITDA	**–21,651**	–	–	–	**–20,128**

1) Including influence of other exceptional items, i.e. special effects in terms of their nature and magnitude for the management of DocMorris.

June 2023	IFRS	Acquisitions, Disposals	Restructuring, Integration	Other [1]	adjusted
Net revenue	**462,957**	–	–	–	**462,957**
Operating income	1,011		–	–	1,011
Operating expense	–492,103	4,722	2,582	–	–484,799
EBITDA	**–28,135**	–	–	–	**–20,831**

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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The statements in this report relating to matters that are not historical facts are forward-looking statements that are not guarantees of future performance and involve risks and uncertainties, including but not limited to: future global economic conditions, foreign exchange rates, statutory rulings, market conditions, the actions of competitors and other factors beyond the control of the Company. This Half Year Report is published online in English.

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