

Frauenfeld, 19 January 2023

Press release

Ad hoc announcement pursuant to Art. 53 LR

Zur Rose Group: Revenue target 2022 achieved, EBITDA better than expected

- The EBITDA break-even programme 2023 is progressing faster than planned, leading to an increase in the communicated EBITDA target range for 2022
- Integration and logistics measures medpex and Eurapon completed
- External revenue target 2022 achieved with minus 5.4 per cent at CHF 1,836.8 million
- Consistent focus on profitability leads to planned revenue reduction in Germany of 12.2 per cent in 2022
- Significant revenue increase of 9.5 per cent in the Swiss business in 2022
- Measures to increase e-prescription and gematik app use in Germany progressing

EBITDA break-even programme on track

The Zur Rose Group is progressing ahead of schedule with the programme launched in 2022 to achieve EBITDA break-even in 2023. In addition to the measures to reduce complexity, significant improvements were realised in the gross margin as well as in logistics and marketing costs. The integration of the medpex brand based on the successful capacity expansion at the Heerlen site was completed on schedule by the end of October 2022. In addition, Eurapon's online customers have been supplied by the DocMorris pharmacy from the new logistics centre in Heerlen on request since December 2022 – and thus earlier than planned. The logistics location in Bremen was closed at the end of December 2022 and the Eurapon brand was discontinued.

Lower revenue level in line with plans

The Zur Rose Group achieved the communicated revenue expectations for the 2022 financial year. External revenue¹ amounted to CHF 1,836.8 million, which corresponds to a decline of 5.4 per cent in local currency terms or 9.7 per cent in Group currency terms.

As a result of the consistent focus on profitability, revenue in Germany declined by 27.4 per cent in local currency terms or 32.7 per cent in Group currency terms to CHF 237.2 million in the fourth quarter of 2022 compared to the same period of the previous year. This was due to the absence of the campaign-related sales boost in the same quarter of the previous year and reduced marketing expenses, effects from the integration and logistics measures in connection with the transfer of the medpex and Eurapon brands as well as effects of the drug shortages. Due to the focus on potential e-prescription customers, especially those with a chronic medication need, the number of active

¹ External revenue consists of the consolidated revenue of the Zur Rose Group plus online revenues of pharmacies supplied by the Zur Rose Group, less the consolidated revenue from supplying them.

customers of the Zur Rose Group decreased by around 800,000 to 10.4 million² at the end of December 2022 compared to the end of September 2022. For the full year 2022, external revenue amounted to CHF 1,086.9 million (minus 12.2 per cent in local currency terms or minus 18.4 per cent in Group currency terms), of which the reduction in revenue based on paper prescriptions amounted to 11.8 per cent in local currency terms to CHF 215 million.

In Switzerland, the growth trend continued in the fourth quarter in all business areas and especially in the doctors' wholesale business. Revenue rose significantly by 7.7 per cent to CHF 182.2 million. The online pharmacy was able to retain the additional customers acquired during the pandemic and developed as expected. For the full year 2022, revenue increased by 9.5 per cent to CHF 686.8 million, significantly outperforming the market growth (plus 6.1 per cent, IQVIA).

Revenue in the Southern European marketplace business also developed according to plan as a result of the continued strong focus on marketing efficiency. In the fourth quarter, it amounted to CHF 15.5 million (minus 27.9 per cent in local currency terms or 33.3 per cent in Group currency terms) and for the full year to CHF 70.7 million (minus 7.1 per cent in local currency terms or minus 13.7 per cent in Group currency terms).

Measures to increase the use of e-prescription and gematik app in Germany

Since the launch of the electronic prescription in Germany, around 1 million prescriptions have already been transmitted and filled electronically. The Federal Ministry of Health and gematik are at an advanced stage of developing various other redemption channels in addition to the paper printout of the QR code and the e-prescription app. It should be possible to redeem e-prescriptions in pharmacies using the electronic health card (eGK) from mid-2023. In addition, the gematik shareholders decided at the beginning of November 2022 to implement the "Redeem without registration" function in the e-prescription app in order to increase the use of e-prescription and app. The Krankenhauspflegeentlastungsgesetz (Hospital Care Relief Act), which came into force on 29 December 2022, also provides for simpler access requirements for the e-prescription. Health insurers will be obliged to issue contactless (NFC) electronic health cards including a PIN to those insured persons who had applied for an electronic patient record by 31 December 2022. In addition, by January 2024 they must enable their members to identify themselves entirely digitally and seamlessly by means of the eID function of the national identity card (passport) for the telematics infrastructure. The goal of gematik is the nationwide introduction from the summer of 2023.

Outlook

- 2022: Zur Rose Group raises the adjusted EBITDA target to minus CHF 70 million to minus CHF 75 million for the 2022 financial year (previously minus CHF 75 million to minus CHF 85 million).
- 2023: The Group reiterates that the adjusted EBITDA breakeven will be achieved for 2023, regardless of the ramp-up speed of the e-prescription.
- Medium-term: The adjusted EBITDA target margin remains 8 per cent.

The Annual Report 2022 will be published on 23 March 2023, together with an outlook for 2023.

² Customers supplied by the Zur Rose Group, either directly or through its partners.

Zur Rose Group

Revenue , in CHF million (unaudited)	1.10.-31.12.2022	1.10.-31.12.2021	Change
Zur Rose Group external revenue	433.1	543.2	-20.3%
Zur Rose Group external revenue, in local currency			-16.9%
Zur Rose Group	407.2	468.1	-13.0%
Zur Rose Group, in local currency			-9.5%
Markets			
Germany external revenue	237.2	352.4	-32.7%
Germany external revenue, in local currency			-27.4%
Germany	211.4	277.3	-23.8%
Germany, in local currency			-18.0%
Switzerland	182.2	169.2	7.7%
Europe	15.5	23.3	-33.3%
Europe, in local currency			-27.9%

Revenue , in CHF million (unaudited)	1.1.-31.12.2022	1.1.-31.12.2021	Change
Zur Rose Group external revenue	1,836.8	2,034.0	-9.7%
Zur Rose Group external revenue, in local currency			-5.4%
Zur Rose Group	1,607.5	1,726.5	-6.9%
Zur Rose Group, in local currency			-2.8%
Markets			
Germany external revenue	1,086.9	1,331.9	-18.4%
Germany external revenue, in local currency			-12.2%
Germany	857.9	1,024.4	-16.3%
Germany, in local currency			-9.9%
Switzerland	686.8	627.1	9.5%
Europe	70.7	81.9	-13.7%
Europe, in local currency			-7.1%

External revenue consists of the consolidated revenue of the Zur Rose Group plus online revenues of pharmacies supplied by the Zur Rose Group, less the consolidated revenue from supplying them.

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Agenda

23 March 2023	2022 Full-Year Results and Outlook 2023 (11 am CET: Conference Call/Webcast)
20 April 2023	Q1/2023 Trading Update
4 May 2023	Annual General Meeting
17 August 2023	2023 Half-Year Results (Conference Call/Webcast)
19 October 2023	Q3/2023 Trading Update

Zur Rose Group

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The Swiss Zur Rose Group is Europe's largest online pharmacy and one of the leading wholesale suppliers to medical doctors in Switzerland. It also operates the leading marketplace for health and personal care products in southern Europe. The company is internationally present with strong brands – including DocMorris, Germany's best-known health platform. With its business model, the Zur Rose Group offers patients, customers and partners a broad range of products and services in the fields of e-commerce pharmacy, marketplace and professional health. In doing so, Zur Rose is pursuing its vision of creating a world for everyone to manage their health in one click. In 2022, about 2,400 employees in Switzerland, Germany, the Netherlands, Spain and France generated an external revenue of CHF 1,837 million serving more than 10 million active customers. The shares of Zur Rose Group AG are listed on the SIX Swiss Exchange (securities number 4261528, ISIN CH0042615283, ticker ROSE). For further information, please visit zurrosegroup.com.