Financial Statements

Consolidated Financial Statements of DocMorris

Consolidated Income Statement

	Notes	1.1. – 31.12.2023 CHF 1,000	%	1.1. – 31.12.2022 CHF 1,000 restated[1]	%
Net revenue	5	**969,462**	**100.0**	930,969	100.0
Other operating income	7	**6,909**		22,502	
Cost of goods	8	**– 766,114**		–770,818	
Personnel expenses	9	**– 108,849**		–113,664	
Other operating expenses	10	**– 139,777**		–161,590	
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**– 38,369**	**-4.0**	–92,601	-9.9
Depreciation, amortisation and impairment	19-21	**– 44,857**		–47,389	
Earnings before interest and taxes (EBIT)		**– 83,226**	**-8.6**	–139,990	-15.0
Share of results of joint ventures and associates	18	**– 712**		–1,088	
Finance income	11	**9,672**		2,889	
Finance expenses	11	**– 44,390**		–30,927	
Earnings before taxes (EBT)		**– 118,656**	**-12.2**	–169,116	-18.2
Income tax income / (expense)	12	**1,091**		–1,996	
Net income / (loss) from continuing operations		**– 117,565**	**-12.1**	–171,112	-18.4
Net income / (loss) from discontinued operations	6.2	**199,845**		–3	
Net income / (loss)		**82,280**	**8.5**	–171,115	-18.4
Attributable to Doc Morris AG shareholders		**82,280**		–171,115	

		CHF 1		CHF 1	
Basic loss per share from continuing operations	31	**– 10.07**		–15.88	
Diluted loss per share from continuing operations	31	**– 10.07**		–15.88	
Basic income / (loss) per share	31	**7.05**		–15.88	
Diluted income / (loss) per share	31	**7.05**		–15.88	

1) See Note 6.2 Discontinued operations

Consolidated Statement of Comprehensive Income

	Notes	1.1. – 31.12.2023 CHF 1,000	1.1. – 31.12.2022 CHF 1,000
Net income / (loss)		**82,280**	–171,115
Exchange differences on translation of foreign operations		**–10,663**	–14,224
Other comprehensive income to be reclassified in subsequent periods to the income statement		**–10,663**	–14,224
Remeasurement pensions	29	**864**	4,861
Income tax	24	**–124**	–834
Share of other comprehensive income of joint ventures and associates		**0**	211
Other comprehensive income not to be reclassified in subsequent periods to the income statement		**740**	4,238
Other comprehensive income / (loss)		**–9,923**	–9,986
Total comprehensive income / (loss)		**72,357**	–181,101
Attributable to DocMorris AG shareholders		**72,357**	–181,101

Consolidated Balance Sheet

ASSETS		**31.12.2023**		**31.12.2022**	
	Notes	CHF 1,000	%	CHF 1,000	%
Cash and cash equivalents	13	**54,028**		126,042	
Current financial assets	33	**97,022**		30,360	
Trade receivables	14	**55,387**		129,351	
Prepaid expenses	15	**12,546**		11,021	
Other receivables	16	**11,262**		15,930	
Inventories	17	**51,758**		83,180	
Non-current assets held for sale	22	**11,671**		0	
Current assets		**293,674**	**33.9**	395,884	36.0
Investments in joint ventures and associates	18	**1,541**		1,645	
Property, plant and equipment	19	**33,834**		60,275	
Right-of-use assets	20	**28,220**		36,533	
Intangible assets	21	**495,083**		571,906	
Non-current financial assets	23	**11,207**		28,410	
Deferred tax assets	24	**2,864**		4,792	
Non-current assets		**572,749**	**66.1**	703,561	64.0
Total assets		**866,423**	**100.0**	1,099,445	100.0

Consolidated Balance Sheet

LIABILITIES AND EQUITY		31.12.2023		31.12.2022	
	Notes	CHF 1,000	%	CHF 1,000	%
Current bonds	25	**90,665**		30,229	
Current lease liabilities	25	**3,878**		5,278	
Other current financial liabilities	25	**3,329**		25,714	
Trade payables		**38,470**		112,781	
Other payables	26	**11,854**		15,920	
Tax liabilities		**1,690**		1,999	
Accrued expenses	27	**26,614**		39,691	
Short-term provisions	28	**3,819**		9,737	
Short-term liabilities		**180,319**	**20.8**	241,349	22.0
Non-current bonds	25	**211,442**		460,203	
Non-current lease liabilities	25	**24,830**		32,926	
Other non-current financial liabilities	25	**10,778**		0	
Pension obligations	29	**1,575**		7,323	
Deferred tax liabilities	24	**6,947**		6,865	
Long-term liabilities		**255,572**	**29.5**	507,317	46.1
Total liabilities		**435,891**	**50.3**	748,666	68.1
Share capital	30	**411,019**		404,728	
Capital reserves		**659,253**		659,294	
Treasury shares	30	**–58,638**		–60,670	
Retained earnings		**–501,778**		–583,912	
Exchange differences		**–79,324**		–68,661	
Equity attributable to DocMorris AG shareholders		**430,532**	**49.7**	350,779	31.9
Total equity		**430,532**	**49.7**	350,779	31.9
Total liabilities and equity		**866,423**	**100.0**	1,099,445	100.0

Consolidated Cash Flow Statement

	Notes	1.1. – 31.12.2023 CHF 1,000	1.1. – 31.12.2022 CHF 1,000 restated[1]
Net income / (loss) from continuing operations		**–117,565**	–171,112
Depreciation, amortisation and impairment	19–21	**44,857**	47,389
Finance expenses (net)		**33,914**	26,972
Share of results of joint ventures and associates		**712**	1,088
Income tax		**–1,091**	1,996
Non-cash income and expenses		**2,381**	–12,665
Income tax paid		**–1,066**	–2,110
Interest paid		**–16,545**	–15,832
Interest received		**2,636**	258
Change in trade receivables, other receivables and prepaid expenses		**–4,547**	15,952
Change in inventories		**–4,260**	6,850
Change in trade payables, other liabilities and accrued expenses		**–19,495**	–23,720
Change in provisions		**–5,843**	5,825
Contingent consideration paid	33	**–3,995**	0
Operating cash flow from discontinued operations		**2,492**	21,823
Cash flow from operating activities		**–87,415**	–97,286
Acquisition of subsidiaries, net of cash acquired	6/33	**–6,815**	–154
Purchase of property, plant and equipment	19	**–4,988**	–12,906
Disposal of property, plant and equipment	19	**142**	210
Acquisition of intangible assets	21	**–22,721**	–33,660
Disposal of intangible assets	21	**0**	302
Investment in current financial assets	33	**–50,000**	–30,000
Investments in non-current financial assets	18/23	**–1,045**	–1,338
Repayment of financial assets	33	**37,725**	3,682
Disposal of interest in joint ventures and associates		**0**	2,706
Investments in joint ventures and associates		**0**	–533
Dividends received		**139**	0
Net proceeds from disposal of Swiss business	6.2	**275,666**	0
Investing cash flow from discontinued operations		**–8,284**	–18,081
Cash flow from investing activities		**219,819**	–89,772
Net proceeds from capital increases	30	**31**	42,055
Transaction costs of capital increases[2]		**0**	–3,454
Increase in financial liabilities (net after transaction costs)		**0**	90,718
Repayment of financial liabilities	25	**–202,290**	–89,295
Financing cash flow from discontinued operations		**–368**	–917
Cash flow from financing activities		**–202,627**	39,107
Increase / (decrease) in cash and cash equivalents		**–70,223**	–147,951
Cash and cash equivalents at the beginning of the year		**126,042**	277,742
Foreign currency differences		**–1,791**	–3,749
Cash and cash equivalents at the end of the period		**54,028**	126,042

1) See Note 6.2 Discontinued operations
2) Includes transaction costs paid in 2022 related to the authorised capital increase in December 2021

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 2022	**335,839**	**651,048**	**–31,308**	**–416,219**	**–54,437**	**484,923**	**484,923**
Net income / (loss)				–171,115		–171,115	–171,115
Other comprehensive income				4,238	–14,224	–9,986	–9,986
Total comprehensive income				–166,877	–14,224	–181,101	–181,101
Share-based payments				4,201		4,201	4,201
Issue of new shares for contingent capital increase	30,000		–30,000			0	0
Issue of new shares for authorised capital increase	33,584	10,075				43,659	43,659
Transaction costs of capital increase		–2,504				–2,504	–2,504
Equity component for issued convertible bond				2,223		2,223	2,223
Allocation of treasury shares			638	–2,158		–1,520	–1,520
Issue of new shares for employees	5,305	675		–5,082		898	898
31 December 2022	**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**

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 20 March 2024 and are subject to approval of the Annual General Meeting on 2 May 2024.

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.

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 2023.

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	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
	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
Aertzemedika AG, Liestal (CH) [1]	**n / a**	500	**n/a**	100.0
apo-rot Service GmbH, Hamburg (DE) [5]	**n / a**	29	**n/a**	100.0
Bluecare AG, Winterthur (CH) [1]	**n / a**	1,288	**n/a**	100.0
Centropharm GmbH, Aachen (DE)	**30**	30	**100.0**	100.0
Clustertec AG, Baar (CH) [1]	**n / a**	100	**n/a**	100.0
Comventure GmbH, Forst (DE)	**28**	28	**100.0**	100.0
D&W Mailorder Service B.V., Heerlen (NL)	**22**	22	**100.0**	100.0
DCMS Service AG, Frauenfeld (CH) [2]	**100**	n / a	**100.0**	n/a
Dia Plus Minus Handelsgesellschaft mbH, Hilter am Teutoburger Wald (DE)	**28**	28	**100.0**	100.0
DocMorris Finance B.V., Heerlen (NL) [3/6]	**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) [2/6]	**0**	n / a	**100.0**	n/a
Eurapon B.V., Heerlen (NL) [4]	**n / a**	0	**n/a**	100.0
Eurapon Pharmahandel GmbH, Bremen (DE) [5]	**n / a**	28	**n/a**	100.0
Helena Abreu, Unipessoal, Lda, Montemor-o-Novo (PRT)	**108**	108	**100.0**	100.0
medpex wholesale GmbH, Ludwigshafen (DE)	**28**	28	**100.0**	100.0
Promofarma Ecom, S.L., Barcelona (ES)	**15,004**	15,004	**100.0**	100.0
Specialty Care Therapiezentrum AG, Frauenfeld (CH) [1]	**n / a**	100	**n/a**	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)	**28**	28	**100.0**	100.0
Zur Rose Dutch B.V., Heerlen (NL) [6]	**0**	0	**100.0**	100.0
Zur Rose Pharma GmbH, Halle (DE)	**8,479**	8,479	**100.0**	100.0
Zur Rose Suisse AG, Frauenfeld (CH) [1]	**n / a**	7,650	**n/a**	100.0

1) Disposed in 2023, see Note 6.2 Discontinued operations
2) Founded in 2023
3) Renamed in 2023
4) Merged into DocMorris N.V. in 2023
5) Merged into DocMorris Holding GmbH in 2023
6) 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 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:

		2023		**2022**
Currency	Year-end rate	Average rate for the year	Year-end rate	Average rate for the year
EUR	**0.9287**	**0.9714**	0.9893	1.0049

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.

After the end of a period, DocMorris determines a liability for customer returns based on empirical data.

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 2023. However, they have no material impact on the net assets, financial income and results of operations of the Group:

— IAS 1 – Disclosure of accounting policies and accounting estimates
— IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors , Amendments regarding the definition of accounting estimates
— IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
— IAS 12 – International Tax Reform – Pillar Two Model Rules

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 360.4 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 1 – Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (comes into effect on 1 January 2024)
- IFRS 16 – Lease Liability in a Sale and Leaseback transaction (comes into effect on 1 January 2024)
- IAS 7, IFRS 7 – Statement of Cash Flows, amendments regarding supplier finance arrangements (comes into effect on 1 January 2024)
- IAS 21 – Lack of Exchangeability (applicable as of January 1, 2025)

DocMorris does not currently anticipate any material effects on the consolidated financial statements.

5 Operating segments

DocMorris manages its activities by geographical regions. With the disposal of the Swiss business on 4 May 2023 (see Note 6.2), 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 following tables show the operating segments of the Group (continuing operations) for the year ending 31 December 2023 and the previous year as at 31 December 2022.

1.1. – 31.12.2023	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**
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

1.1 - 31.12.2022 (restated)	Germany	Europe	Group (continuing operations)
	CHF 1,000	CHF 1,000	CHF 1,000
Income statement			
Net revenue with external customers	**858,533**	**72,436**	**930,969**
EBITDA adjusted	–73,555	–11,898	**–85,453**
Adjustments [1]			**–7,148**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)			**–92,601**
Depreciation and amortisation			**–47,389**
Earnings before interest and taxes (EBIT)			**–139,990**
Share of results of joint ventures and associates			**–1,088**
Finance result, net			**–28,038**
Earnings before taxes (EBT)			**–169,116**

1) Includes expenses and income related to acquisitions of CHF 14,690 thousand, restructuring and integration of CHF -17,489 thousand and other exceptional items of CHF -4,349 thousand

Net revenue by customer location	Germany	Other	Group (continuing operations)
	CHF 1,000	CHF 1,000	CHF 1,000
2023	**907,382**	**62,080**	**969,462**
2022 (restated)	858,533	72,436	930,969

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
2023	**65,880**	**330,392**	**155,951**	**4,914**	**557,137**
2022	132,602	358,164	172,073	5,875	668,714

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.

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. – 31.12.2023**	**1.1. – 31.12.2022**
Segment	Type of goods or service	CHF 1,000	CHF 1,000 restated[1]
Germany	Retail Business (B2C)	**907,382**	858,533
Europe	Marketplace	**62,080**	72,436
Total net revenue with external customers		**969,462**	930,969

1) See Note 6.2 Discontinued operations

6 Changes in consolidation scope

The scope of consolidation has changed in 2023 as a result of the following transactions:

6.1 Acquisitions

No acquisitions took place in 2023. However, DocMorris settled certain deferred and contingent liabilities of prior acquisitions (refer to Note 33). Additionally, the purchase price allocation of Aerztemedika AG was finalised without any adjustments to the amounts reported in 2022.

On 29 April 2022, DocMorris AG acquired Aerztemedika AG located in Liestal. The purchase price of CHF 3.9 million consisted of a cash payment of CHF 3.5 million and a deferred purchase price payment of CHF 0.4 million that was paid in 2023 (included within investing cash flows from discontinued operations). The goodwill was allocated to the Switzerland segment. Aerztemedika was sold to Medbase AG on 4 May 2023 as part of the disposal of the Swiss business (see Note 6.2).

The change in goodwill from CHF 400.8 million as at 31 December 2022 to CHF 360.4 million as at 31 December 2023 is due to the disposal of the Swiss business to Medbase AG (CHF –16.9 million, see Note 6.2) and to foreign currency effects (CHF –23.5 million).

6.2 Discontinued operations

On 4 May 2023, DocMorris disposed the Swiss business (Switzerland segment) with all operating units (Zur Rose Suisse AG, Bluecare AG, Clustertec AG, Specialty Care Therapiezentrum AG, Aerztemedika AG) and the investments in joint ventures (ZRMB Marketplace AG, MBZR Apotheken AG, PolyRose AG) to the healthcare provider and Migros subsidiary Medbase AG, headquartered in Winterthur, Switzerland.

The cash inflow from the disposal consists of CHF 181.6 million for shares sold and CHF 115.9 million for outstanding loans settled. The loans settled included loans to the former subsidiaries (CHF 105.6 million) and the former joint ventures (CHF 10.3 million). After deducting CHF 12.5 million of cash and cash equivalents disposed, CHF 6.5 million of transaction costs paid and CHF 2.8 million of income taxes paid, the disposal of the Swiss business resulted in a net cash inflow of CHF 275.7 million.

	04.05.2023
	CHF 1,000
Cash received	297,494
Fair value earn-out consideration	44,650
Total consideration	**342,144**
Net assets disposed	21,822
Loans disposed	115,879
Gross gain on disposal	**204,443**
Total transaction costs (recognised in current and previous year)	6,501
Gain on disposal before income taxes	**197,942**
Income taxes	2,830
Gain on disposal after income taxes	**195,112**
Plus transaction costs already recognised in previous year	817
Gain on disposal after income taxes recognised in the fiscal year	**195,929**

The gain on disposal after income taxes recognised in the 2023 fiscal year amounts to CHF 195.9 million. Of the total transaction costs of CHF 6.5 million, CHF 0.8 million were already recognised in the previous year, and were accordingly adjusted to calculate the gain on disposal recognised in the 2023 fiscal year.

The following table shows the income statement for the Switzerland segment (discontinued operations). The resulting earnings per share (basic and diluted) for period 2023 are CHF 17.12 (previous year: CHF –0.00).

	1.1 – 04.05.2023		**1.1. – 31.12.2022**	
	CHF 1,000	%	CHF 1,000	%
Net revenue	**236,238**	**100.0**	677,253	100.0
Other operating income	**196**		628	
Operating expenses	**– 231,121**		–662,120	
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**5,313**	**2.2**	15,761	2.3
Depreciation, amortisation and impairment	**– 1,297**		– 15,241	
Earnings before interest and taxes (EBIT)	**4,016**	**1.7**	520	0.1
Financial result	**– 59**		–456	
Earnings before taxes (EBT)	**3,957**	**1.7**	64	0.0
Income tax income / (expense)	**– 41**		750	
Net income / (loss)	**3,916**	**1.7**	814	0.1
Gain / (loss) on disposal after income taxes recognised in the financial year	**195,929**		–817	
Net income / (loss) from discontinued operations	**199,845**	**84.6**	–3	-0.0

The following table shows the balance sheet for the Switzerland segment at the time of disposal.

	04.05.2023
	CHF 1,000
Cash and cash equivalents	12,497
Trade receivables	69,424
Inventories	33,631
Other current assets	13,196
Property, plant and equipment	8,080
Right-of-use assets	3,107
Intangible assets	61,253
Deferred tax assets	3,500
Total assets	**204,688**
Current liabilities	67,649
Non-current lease liabilities	4,094
Other non-current financial liabilities	105,600
Pension obligations	5,094
Deferred tax liabilities	429
Total liabilities	**182,866**
Net assets	**21,822**

7 Other operating income	2023	2022
	CHF 1,000	CHF 1,000
		restated[1)]
Rental income from third parties	**1,380**	590
Income from partnerships	**0**	1,331
Fair value adjustment on contingent consideration[2)]	**0**	17,507
Other income[3)]	**5,529**	3,074
	6,909	22,502

1) See Note 6.2 Discontinued operations
2) Includes in 2022 the fair value adjustment of the contingent consideration Apotal (see Note 33 Financial instruments)
3) Includes in 2023 the fair value adjustment of the earn-out receivable resulting from the disposal of the Swiss business in the amount of CHF 2,350 thousand (see Note 33 Financial instruments)

8 Cost of goods	2023	2022
	CHF 1,000	CHF 1,000
		restated[1)]
Goods purchased and held for resale (net)	**– 762,530**	–767,714
Packaging materials / waste	**– 3,584**	–3,104
	– 766,114	–770,818

1) See Note 6.2 Discontinued operations

9 Personnel expenses	2023	2022
	CHF 1,000	CHF 1,000
		restated[1)]
Wages and salaries	**– 73,132**	–76,152
Pension expenses	**– 1,357**	– 1,479
Other social security expenses	**– 17,098**	– 17,798
Other personnel expenses	**– 17,262**	– 18,235
	– 108,849	– 113,664

1) See Note 6.2 Discontinued operations

The decrease in personnel expenses is mainly due to cost reductions in connection with integrations.

10 Other operating expenses	2023	2022
	CHF 1,000	CHF 1,000
		restated[1)]
Distribution expenses	**– 47,791**	–36,991
Office and administrative expenses	**– 25,528**	–49,591
Marketing and acquisition expenses	**– 48,781**	–52,816
Expenditure on premises	**– 4,797**	–6,001
Fair value adjustment of contingent consideration	**– 618**	–810
Other	**– 12,262**	– 15,381
	– 139,777	– 161,590

1) See Note 6.2 Discontinued operations

The decrease in other operating expenses is mainly due to cost reductions in connection with integrations and less recognised provisions compared to prior year (see note 28).

11 Financial result

	2023	2022
	CHF 1,000	CHF 1,000
		restated[1]
Finance income		
Interest income[2]	2,911	198
Interest income from joint ventures and associates	112	167
Gain on disposal from joint ventures and associates	0	2,510
Dividends	188	0
Gain on repurchased bonds[3]	6,459	0
Income from securities	2	14
	9,672	2,889
Finance expenses		
Interest expenses	– 18,109	– 16,511
Bank charges and fees	– 804	– 1,066
Foreign exchange losses, net	– 24,448	– 12,326
Interest expenses on leases	– 1,029	– 1,024
	– 44,390	– 30,927
Financial result (net)	– 34,718	– 28,038

1) See Note 6.2 Discontinued operations
2) Includes interest income on term deposits and penalty interests on late payments related to performance obligations fulfilled in previous years
3) See Note 25 Financial liabilities

12 Income tax income / (expense)

	2023	2022
	CHF 1,000	CHF 1,000
		restated[1]
Current income tax of the current period	6	– 1,904
Deferred income tax	1,085	– 92
	1,091	– 1,996

1) See Note 6.2 Discontinued operations

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation will be effective for the Group's financial year beginning 1 January 2024. The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes. This assessment is based on the most recent information available regarding the financial performance of the constituent entities in the Group. Based on the assessment performed, the transitional safe harbour relief is applicable in almost all countries in which the Group operates and Pillar Two legislation has been enacted or substantively enacted and management is not currently aware of any circumstances under which this might change. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions where the transitional safe harbour relief does not apply and the Pillar Two effective tax rate is below 15 percent. 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	2023	2022
	CHF 1,000	CHF 1,000
		restated[1]
Earnings before taxes (EBT) (continuing operations)	– 118,656	– 169,116
Tax rate of the parent company	13.2%	13.2%
Expected income/expenses from income tax	15,674	22,340
Effect of unrecognised tax losses	– 27,809	–51,002
Effect of tax losses not recognised in previous periods	492	955
Effect of non-deductible expenses and income[2]	2,094	12,879
Effect of differing tax rates at foreign subsidiaries	9,663	14,804
Tax effects from previous periods	478	0
Effect of valuation adjustment on deferred tax assets	1,741	–2,298
Effect of tax rate changes	– 1,557	0
Other effects	315	326
	1,091	– 1,996

1) See Note 6.2 Discontinued operations
2) In 2022, the effect of non-deductible expenses and income was mainly due to impairments on investments

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

13 Cash and cash equivalents	31.12.2023	31.12.2022
	CHF 1,000	CHF 1,000
CHF	18,978	71,817
EUR	35,034	54,225
RON	16	0
	54,028	126,042

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	31.12.2023	31.12.2022
	CHF 1,000	CHF 1,000
From third parties	57,633	133,614
From joint ventures and associates	511	2,647
Bad debt allowance	– 2,757	–6,910
	55,387	129,351

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 decrease compared to prior year is mainly due to the disposal of the Swiss business (see Note 6.2).

The aging schedule of trade receivables is as follows:

			31.12.2023			**31.12.2022**
CHF 1,000	Gross	Expected credit losses	Net	Gross	Expected credit losses	Net
Total receivables	58,144	2,757	**55,387**	136,261	**6,910**	**129,351**
not due	26,385	2	**26,383**	90,480	133	90,347
less than 30 days overdue	24,374	11	**24,363**	31,420	711	30,709
31 – 60 days overdue	2,938	22	**2,916**	8,274	1,517	6,757
61 – 90 days overdue	374	5	**369**	1,462	343	1,119
91 – 180 days overdue	2,752	1,731	**1,021**	683	420	263
181 – 360 days overdue	1,231	896	**335**	688	592	96
> 360 days overdue	90	90	**0**	3,254	3,194	60

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

Bad debt allowance	**2023**	**2022**
	CHF 1,000	CHF 1,000
1 January	**– 6,910**	–6,157
Additions	**– 3,378**	–3,635
Utilisation	**5,298**	2,725
Reversals	**105**	37
Disposal of Swiss business [1]	**2,288**	0
Exchange differences	**– 160**	120
31 December	**– 2,757**	–6,910

1) See Note 6.2 Discontinued operations

15 Accrued income and prepaid expenses

	31.12.2023	**31.12.2022**
	CHF 1,000	CHF 1,000
Accrued income from joint ventures and associates	**29**	4
Accrued income and prepaid expenses	**12,517**	11,017
	12,546	11,021

16 Other receivables

	31.12.2023	**31.12.2022**
	CHF 1,000	CHF 1,000
Payments on account and creditors with debit balances	**323**	6,340
VAT	**8,475**	7,233
Tax receivables	**1,097**	274
Security deposits	**681**	953
Other	**686**	1,130
	11,262	15,930

17 Inventories

	31.12.2023	31.12.2022
	CHF 1,000	CHF 1,000
Goods purchased and held for resale	**52,344**	84,754
Inventory allowance	**– 586**	– 1,574
	51,758	83,180

The decrease in the inventory is mainly due to the disposal of the Swiss business (see Note 6.2).

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	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
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)	**968**	930	**50.0**	50.0
König IT-Systeme GmbH, Gottmadingen (DE)	**392**	377	**50.0**	50.0
DatamedIQ GmbH, Köln (DE)	**181**	204	**37.5**	37.5
PolyRose AG, Frauenfeld (CH) [1]	**n / a**	134	**n/a**	50.0
ZRMB Marketplace AG, Frauenfeld (CH) [1/2]	**n / a**	0	**n/a**	49.9
MBZR Apotheken AG, Frauenfeld (CH) [1/3]	**n / a**	0	**n/a**	49.9
Total investments	**1,541**	1,645		

1) See Note 6.2 Discontinued operations
2) Unrecognised share of losses 0 (previous year: CHF 1,163 thousand)
3) Unrecognised share of losses 0 (previous year: CHF 3,560 thousand)

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 was founded in 2020 with three other Swiss partners from different areas of the healthcare sector to jointly run a company operating an integrated digital healthcare platform. In 2022, the existing shareholders sold their shares on a pro rata basis to two new investors. 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 737 thousand in 2023 and CHF 1,135 thousand in 2022. In prior year DocMorris accrued CHF 566 thousand of unrecognised losses because of its financing obligations. In 2023, DocMorris granted a loan to WELL Gesundheit AG of CHF 745 thousand, whereby the loans granted to the associate are considered part of the net investment. This loan was offset against the previous year's accrued losses of CHF 566 thousand and the balance of CHF 179 thousand was impaired because of the current year's share of losses. The Group's remaining share of losses of CHF 558 thousand not recognised using the equity method was recognised as accrued expenses due to financing obligations (see Note 27). In addition, there are unrecognised financing liabilities of CHF 7 thousand (2022: CHF 743 thousand).

19 Property, plant and equipment

	Real estate	Lease-hold 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 2022	**20,389**	**67,268**	**28,693**	**1,142**	**117,492**
Additions	504	10,285	2,261	109	13,159
Additions from acquisition of subsidiaries	0	0	2	16	18
Disposals	0	–251	–1,095	–344	–1,690
Other movements	0	–792	792	0	0
Exchange differences	–341	–1,999	–429	–2	–2,771
31 December 2022	**20,552**	**74,511**	**30,224**	**921**	**126,208**
Additions	150	3,673	[3] 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**
Accumulated depreciation and impairment					
1 January 2022	**6,485**	**31,644**	**18,804**	**931**	**57,864**
Additions	592	5,579	1,409	43	7,623
Additions from discontinued operations [2]	0	1,711	912	28	2,651
Disposals	0	–248	–1,065	–215	–1,528
Impairment losses	0	341	4	0	345
Other movements	0	–393	393	0	0
Exchange differences	–101	–571	–348	–2	–1,022
31 December 2022	**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**
Net carrying amount as at					
31 December 2022	13,576	36,448	10,115	136	60,275
31 December 2023	**5,467**	**21,389**	**6,962**	**16**	**33,834**

1) See Note 22 Non-current assets held for sale
2) See Note 6.2 Discontinued operations
3) Of which CHF 6 thousand of additions yet to be paid

As of 31 December 2023, no property, plant and equipment is pledged (previous year: CHF 6,163 thousand in relation with the properties in Frauenfeld and Steckborn).

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 (continuing operations) was CHF 6.2 million (previous year: CHF 6.3 million).

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

Leasing activities	2023	2022
	CHF 1,000	CHF 1,000
		restated[1)]
Expense for short-term lease contracts	534	635
Expense for equipment of low value	6	41
Expense recognised in other operating expenses	**540**	**676**
Depreciation of right-of-use assets	5,346	5,208
Interest expense on lease liabilities	1,029	1,024
Total expense recognised in the income statement	**6,915**	**6,908**

1) See Note 6.2 Discontinued operations

Right-of-use assets

	Real estate	Lease-hold 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 2022					
1 January 2022	35,801	2,598	77	599	39,075
Additions	932	0	0	363	1,295
Reassessments	3,637	0	0	−8	3,629
Depreciations	−4,550	−498	−30	−130	−5,208
Depreciation from discontinued operations [1]	−462	−32	−7	−232	−733
Exchange differences	−1,417	−97	−2	−9	−1,525
31 December 2022	**33,941**	**1,971**	**38**	**583**	**36,533**
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**

1) See Note 6.2 Discontinued operations

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 2022	**435,813**	**218,397**	**95,841**	**750,051**
Additions	0	42,904	0	42,904
Additions from acquisition of subsidiaries	211	0	1,618	1,829
Disposals	0	−9,861	0	−9,861
Exchange differences	−18,132	−5,027	−3,204	−26,363
31 December 2022	**417,892**	**246,413**	**94,255**	**758,560**
Additions	0	2/4) 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**
Accumulated amortisation and impairment				
1 January 2022	**17,402**	**112,511**	**24,776**	**154,689**
Additions	0	19,183	7,627	26,810
Additions from discontinued operations 1)	0	11,749	108	11,857
Disposals	0	−9,559	0	−9,559
Impairment losses	0	5) 7,156	5) 247	7,403
Exchange differences	−290	−3,138	−1,118	−4,546
31 December 2022	**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	5) 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**
Net carrying amount as at				
31 December 2022	400,780	108,511	62,615	571,906
31 December 2023	**360,373**	**83,291**	3) **51,419**	**495,083**

1) See Note 6.2 Discontinued operations
2) Of which CHF 245 thousand of additions yet to be paid
3) 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 1.5 million (previous year CHF 2.5 million) and for the Apotal customers of CHF 10.9 million (previous year CHF 13.4 million) with a remaining term of 1.5 years respectively 6.5 years as well as for the medpex trademark of CHF 4.3 million (previous year CHF 5.4 million) and for the medpex customers of CHF 7.4 million (previous year CHF 9.5 million) with a remaining term of 5 years.
4) Of which CHF 19,166 thousand own work capitalised (previous year CHF 23,379 thousand)
5) Includes in 2023 an impairment loss on development costs of CHF 1,421 thousand in Corporate in connection with changing market conditions and customer needs. In 2022, an impairment loss of CHF 6,086 thousand was recognised on software and trademark in the Germany segment and an impairment loss of CHF 1,317 thousand was recognised on development costs in Corporate in connection with integrations.

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. As a result of the disposal of the Swiss business in 2023, the CGU Switzerland ceased to exist (see Note 6.2). 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	Switzerland [2) / 3)]		Germany [1)]		Europe	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
Goodwill	**0**	16,884	**357,569**	380,909	**2,804**	2,987
Trademarks	**0**	543	**20,323**	20,323	**0**	0
	0	17,427	**377,892**	401,232	**2,804**	2,987

1) The CGU Germany comprises the CGU trademark DocMorris, at the level of which the impairment test for the DocMorris trademark is performed.
2) See Note 6.2 Discontinued operations.
3) Due to the sale of the Swiss business, the 2022 impairment test of the goodwill and trademarks of the CGU Switzerland was based on the fair value less costs of disposal.

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

Discount rates	2023	2022
	%	%
Germany	**10.8**	[1)] 11.7
Europe	**13.1**	12.6
Trademark DocMorris	**10.4**	11.3

1) The technical calculation of the value in use method was slightly revised in 2023. The previous year's value was adjusted accordingly.

EBITDA margins for residual value	2023	2022
	%	%
Germany	**7.3**	7.0
Europe	**8.2**	6.4
Trademark DocMorris	**6.9**	7.4

The growth rates for the residual values for Germany, Europe and the DocMorris trademark are 2.0% in 2023 (previous year: 1.0%).

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. In 2023, the prescription process is predominantly paper-based and only 0.7% of prescription medicines are 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 10% in the residual value (unchanged to the previous year). 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 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
Base Case	10%	1,023	64%
Sensitivity 1	5%	501	47%
Sensitivity 2	1.7%	–5	–1%

An Rx online penetration after 5 years of 1.7% or less would result in an impairment of the CGU Germany.

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 -2%. Based on this, an average annual increase in profitability of just under 2 percentage points (previous year: 2.7 percentage points) is estimated up to an EBITDA margin of 7.3% (previous year: 7.0%) 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 3.9% (previous year: 4.6%) 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 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 10.5 percentage points (previous year: 7.1 percentage points) to 21.3% (previous year: 18.8%) would lead to an impairment in the CGU Germany.

22 Non-current assets held for sale

Due to the disposal of the Swiss business, the Board of Directors of DocMorris AG decided in 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 is expected in 2024. In the consolidated balance sheet as of 31 December 2023, the building and the land are reported as non-current assets held for sale (book value as of 31 December 2023: CHF 11.7 million). No depreciation has been made on the building since the end of March 2023.

23 Non-current financial assets	31.12.2023	31.12.2022
	CHF 1,000	CHF 1,000
Equity securities	**68**	46
Loans granted	**11,139**	26,486
Receivables sub leasing	**0**	1,878
	11,207	28,410

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 9,443 thousand (previous year: CHF 10,010 thousand) and loans to board members and employees of CHF 300 thousand (previous year: CHF 1 thousand). Due to the disposal of the Swiss business on 4 May 2023 (see note 6.2), the loans granted by DocMorris AG to MBZR Apotheken AG and ZRMB Marketplace AG of CHF 10,279 thousand (previous year: CHF 10,279 thousand) were settled in cash. The loans from Zur Rose Suisse AG to MBZR Apotheken AG and ZRMB Marketplace AG of CHF 4,550 thousand (previous year: CHF 4,550 thousand), the loan to PolyRose AG of CHF 100 thousand (previous year: CHF 100 thousand), other loans to third parties of CHF 131 thousand (previous year: CHF 150 thousand) and the sub leasing receveibles of CHF 2,057 thousand (previous year: CHF 1,878 thousand) were disposed as part of the Swis business (included in other current assets, see note 6.2).

24 Deferred tax

	Balance sheet		Income statement	
Net carrying amounts	**31.12.2023**	**31.12.2022**	**2023**	**2022**
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
Deferred tax due to temporary differences				
Deferred tax assets				
Non-current assets	**1,252**	1,652	**221**	–1,812
Pension obligations	**164**	1,015	**30**	79
Tax loss carryforwards	**20,590**	13,031	**9,753**	5,175
	22,006	15,698	**10,004**	3,442
Deferred tax liabilities				
Intangible assets	**–25,431**	–9,589	**–16,418**	–1,987
Provisions	**–70**	–7,364	**7,305**	–855
Convertible bond	**–588**	–818	**230**	94
	–26,089	–17,771	**–8,883**	–2,748
Net deferred tax liabilities	**–4,083**	–2,073		
Deferred tax expense (income)			**1,121**	694
of which discontinued operations [1]			**36**	786

1) See Note 6.2 Discontinued operations

Deferred tax reported in the balance sheet	**31.12.2023**	**31.12.2022**
	CHF 1,000	CHF 1,000
Deferred tax assets	**2,864**	4,792
Deferred tax liabilities	**–6,947**	–6,865
	–4,083	–2,073

Movement of deferred tax	**2023**	**2022**
	CHF 1,000	CHF 1,000
1 January	**–2,073**	–995
Recognition/reversal of deferred tax in income statement	**1,121**	694
Recognition/reversal of deferred tax in other comprehensive income	**–124**	–834
Recognition/reversal of deferred tax in retained earnings [1]	**0**	–788
Additions from acquisition of subsidiaries	**0**	–254
Disposal of Swiss business [2]	**–3,071**	0
Exchange differences	**64**	104
31 December	**–4,083**	–2,073

1) Deferred tax on the equity component of the convertible bond issued in 2022 (see Note 25 Financial liabilities)
2) See Note 6.2 Discontinued operations

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	31.12.2023	31.12.2022
	CHF 1,000	CHF 1,000
Total tax loss carryforwards	**736,341**	733,881
Of which loss carryforwards recognised in deferred income tax	**81,163**	85,413
Unrecognised tax loss carryforwards (total)	**655,178**	648,468

Deferred tax assets from loss carryforwards changed as follows:

Movement in tax assets from loss carryforwards	2023	2022
	CHF 1,000	CHF 1,000
1 January	**13,031**	7,856
Recognition of deferred tax assets from loss carryforwards	**17,258**	5,388
Remeasurement of deferred taxes capitalised in previous year	**– 6,342**	0
Use of deferred tax assets from loss carryforwards	**– 955**	– 213
Disposal of Swiss business [1]	**– 2,125**	0
Exchange differences	**– 277**	0
31 December	**20,590**	13,031

1) See Note 6.2 Discontinued operations

	31.12.2023	31.12.2022
	CHF 1,000	CHF 1,000
Unrecognised loss carryforwards expire as follows:		
In two to five years [1]	**0**	20,875
In more than five years [1]	**63,203**	200,564
Unlimited	**591,975**	427,029
	655,178	648,468
Tax effect on unrecognised tax loss carryforwards	**162,526**	145,829

1) The change in unrecognised loss carryforwards mainly relates to the disposal of the Swiss business (see Note 6.2 Discontinued operations).

In addition to the unrecognised loss carryforwards, DocMorris has further unrecognised deferred tax assets of CHF 1.7 million as of 31 December 2023, 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

	31.12.2023	31.12.2022
	CHF 1,000	CHF 1,000
Current financial liabilities and bonds		
Current lease liabilities	**3,878**	5,278
Bond 2.5% 2018–2023, nominal CHF 115 million	**0**	30,229
Bond 2.5% 2019–2024, nominal CHF 200 million	**90,665**	0
Deferred consideration liabilities	**0**	11,531
Contingent consideration liabilities	**0**	14,183
Other current financial liabilities	**3,329**	0
	97,872	61,221

Non-current financial liabilities and bonds	31.12.2023	31.12.2022
	CHF 1,000	CHF 1,000
Bond 2.5% 2019–2024, nominal CHF 200 million	**0**	199,126
Convertible Bond 2.75% 2020–2025, nominal CHF 175 million	**121,670**	172,924
Convertible Bond 6.875% 2022–2026, nominal CHF 95 million	**89,772**	88,153
Non-current lease liabilities	**24,830**	32,926
Other non-current financial liabilities	**10,778**	0
	247,050	493,129

On 26 March 2020 DocMorris placed a senior unsecured convertible bond in the amount of CHF 175 million maturing in 2025. The convertible bond has a coupon of 2.75 per cent per annum and a conversion price of CHF 142.39. If not previously converted, redeemed or repurchased and cancelled, the bond will be redeemed at 100 per cent at maturity, scheduled for 31 March 2025. No rights were converted during the reporting period. In 2023, DocMorris acquired approximately 30% of this convertible bond, resulting in payments including interest totaling CHF 48.2 million and in a repurchase gain of CHF 4.3 million.

On 1 September 2022 DocMorris placed a senior unsecured convertible bond in the amount of CHF 95 million maturing in 2026. The convertible bond has a coupon of 6.875 per cent per annum and a conversion price of CHF 49.73. If not previously converted, redeemed or repurchased and cancelled, the bond will be redeemed at 100 per cent at maturity, expected on 15 September 2026. No rights were converted in the reporting period.

With a value date of 1 June 2023, the Group repurchased 55% of the 2.5% 2019–2024 bond (nominal CHF 200 million) at a buyback price of CHF 4,900 per bond (nominal CHF 5,000) or 98% of the nominal value, plus accrued and unpaid interest of CHF 65.97 (1.32%). The resulting payment including interest was CHF 107.9 million and the repurchase gain was CHF 2.2 million.

On 19 July 2023, the Group repaid in full the remaining balance of CHF 30.3 million on the bond 2.5% 2018–2023 (original nominal CHF 115 million).

Due to obligations and rights arising from multi-year technology agreements, CHF 14.1 million (of which CHF 3.3 million is current) is reported in other financial liabilities and CHF 13.3 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 2022	**485,407**	**39,745**	**44,013**	**0**	**569,164**
Proceeds from financial liabilities	87,706	0	0	0	87,706
Repayment of financial liabilities	–84,745	–5,467	0	0	–90,212
Change in financial liabilities (non-financing cash flow, non-cash movements)	2,064	1,797	–16,338	0	–12,477
Changes in fair values and other changes	0	3,629	0	0	3,629
Additions from acquisition of subsidiaries	0	0	369	0	369
Payment of purchase price	0	0	–654	0	–654
Currency translation effects	0	–1,500	–1,676	0	–3,176
31 December 2022	**490,432**	**38,204**	**25,714**	**0**	**554,350**
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) See Note 33 Financial instruments
2) See Note 6.2 Discontinued operations
3) Of which CHF 368 thousands are repayments of lease liabilities allocated to discontinued operations

Average interest	2023	2022
	%	%
Bonds	**2.64**	2.75
Convertible Bonds	**5.89**	5.37
	4.93	4.16

26 Other payables

	31.12.2023	31.12.2022
	CHF 1,000	CHF 1,000
Social security	**2,357**	4,434
Debtors with credit balances	**393**	2,368
VAT	**8,317**	7,625
Other	**787**	1,493
	11,854	15,920

27 Accrued expenses

	31.12.2023	31.12.2022
	CHF 1,000	CHF 1,000
Goods purchased	**122**	5,137
Personnel expenses	**10,680**	12,856
Marketing expenses	**793**	2,042
Other operating expenses	**14,461**	19,090
Share of results of joint ventures and associates [1]	**558**	566
	26,614	39,691

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 2023	**8,786**	**951**	**9,737**
Recognition	633	0	633
Utilisation	–5,207	–866	–6,073
Reversal	–59	–68	–127
Foreign currency differences	–334	–17	–351
31 December 2023	**3,819**	**0**	**3,819**
of which short-term	3,819	0	3,819
of which long-term	0	0	0

Other provisions include mainly a risk position from a VAT case of approximately CHF 3.0 million (previous year: CHF 3.1 million) related to bonuses granted on prescriptions, a provision in connection with proceedings against a supplier of approximately CHF 0.3 million (previous year: CHF 0.0 million) and CHF 0.2 million (previous year: CHF 1.8 million) for onerous contracts due to integration activities in the Germany segment. In 2023, the provision in connection with insolvency proceedings against a former customer of approximately CHF 3.6 million was fully utilised and an item of approximately CHF 1.6 million was used for onerous contracts due to integration activities in the Germany segment. The restructuring provision related to integrations in the Germany segment was also fully utilised in 2023.

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 as well as the disposed Swiss group companies are 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	2023	2022
	CHF 1,000	CHF 1,000
Present value of obligations (DBO)	**14,123**	66,609
Plan assets at fair value	**12,548**	59,286
Net pension liabilities	**1,575**	7,323
of which Switzerland	**1,241**	6,966
of which Germany	**334**	357

Net pension obligations developed as follows:	2023	2022
	CHF 1,000	CHF 1,000
Net pension obligations as at 1 January	**7,323**	11,371
Pension cost recognised in profit or loss	**1,703**	4,365
Pension cost recognised in other comprehensive income	**–864**	–4,861
Employer contributions	**–1,471**	–3,528
Disposal of Swiss business [1]	**–5,094**	0
Foreign exchange differences	**–22**	–24
Net pension obligations as at 31 December	**1,575**	7,323

Present value of obligations (DBO)	2023	2022
	CHF 1,000	CHF 1,000
Present value of obligations as at 1 January	**66,609**	69,253
Interest cost	**708**	264
Current service cost	**1,609**	4,502
Employee contributions	**1,006**	2,514
Benefits paid / transferred	**–264**	1,771
Past service cost [2]	**0**	–219
Administrative costs	**15**	34
Actuarial (gains) / losses [3]	**73**	–11,486
Disposal of Swiss business [1]	**–55,611**	0
Foreign exchange differences	**–22**	–24
Present value of obligations as at 31 December	**14,123**	66,609
of which Switzerland	**13,788**	66,252
of which Germany	**335**	357
of which active	**14,123**	66,325
of which pensioners	**0**	284
Average duration	**13.1 years**	13.6 years

Development of fair value of plan assets	2023	2022
	CHF 1,000	CHF 1,000
Fair value of plan assets as at 1 January	**59,286**	57,882
Interest income from plan assets	**629**	216
Employer contributions	**1,471**	3,528
Employee contributions	**1,006**	2,514
Benefits paid / transferred	**–264**	1,771
Actuarial gain (loss)	**937**	–6,625
Disposal of Swiss business [1]	**–50,517**	0
Fair value of plan assets as at 31 December	**12,548**	59,286

In the period under review, DocMorris recognised the following costs for defined benefit plans in profit or loss:	2023	2022
	CHF 1,000	CHF 1,000
Current service cost (employer)	**1,609**	4,502
Past service cost [2]	**0**	–219
Administrative costs	**15**	34
Net interest expense	**79**	48
Total pension cost	**1,703**	4,365
of which personnel expense	**1,624**	4,317
of which finance expense	**79**	48
of which discontinued operations [1]	**1,030**	3,475

1) See Note 6.2 Discontinued operations
2) The past service cost in the year 2022 includes a plan change resulting from a reduction in conversion rates.

The remeasurement of pensions recognised in other comprehensive income is made up of the following:	2023	2022
	CHF 1,000	CHF 1,000
Changes in financial assumptions [3]	**–824**	15,370
Changes in demographic assumptions	**44**	0
Experience adjustments	**707**	–3,884
Subtotal remeasurement pension obligations gain / (loss)	**–73**	11,486
Actuarial gain / (loss) on plan assets	**937**	–6,625
Total remeasurement pensions	**864**	4,861
of which discontinued operations	**985**	3,988

3) The change in financial assumptions for the year 2022 was based in particular on an adjustment of the discount rate (increase from 0.35% to 2.20%).

The remeasurement of pensions recognised in other comprehensive income is based on the following key assumptions for the Swiss plan:

Assumptions	2023	2022
	%	%
Discount rate	**1.50**	2.20
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 3.3 per cent. An increase / decrease in the salary growth rate by 0.25 per cent would lead to an increase / decrease in DBO of 0.3 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 2024, DocMorris anticipates employer contributions to defined benefit plans of CHF 426 thousand (Switzerland).

30 Share capital

		31.12.2023	31.12.2022
Issued and paid share capital	Value in CHF 1,000	**411,019**	404,728
	Number of shares	**13,700,639**	13,490,940
Authorised capital	Value in CHF 1,000	-	67,168
	Number of shares	-	2,238,928
Capital band (upper limit)	Value in CHF 1,000	**79,223**	-
	Number of shares	**2,640,769**	-
Capital band (lower limit)	Value in CHF 1,000	**– 58,723**	-
	Number of shares	**– 1,957,419**	-
Contingent capital	Value in CHF 1,000	**125,545**	41,853
	Number of shares	**4,184,832**	1,395,086

The increase in the number of issued and paid share capital by 209,699 shares includes 57,419 shares in connection with the settlement of the earn-out Apotal in 2023 (see note 33) as well as 152,280 shares created for employee participation programs. Furthermore, the position includes 1,900,000 treasury shares from the stock lending facility (SLF) offered to the investors of the convertible bonds.

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**

Treasury shares	2022	2022
	Number	CHF 1,000
1 January	947,713	31,308
Purchases	3	0
Issue of new shares	1,000,000	30,000
Allocations	–7,073	–638
31 December	1,940,643	60,670

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 2023 (2022: CHF 0.00).

31 Earnings per share

As at 31 December 2023, 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		**31.12.2023**	**31.12.2022**
Net income / (loss) attributable to DocMorris AG shareholders	CHF 1,000	**82,280**	–171,115
Net loss from continuing operations	CHF 1,000	**–117,565**	–171,112
Net income / (loss) from discontinued operations	CHF 1,000	**199,845**	–3
Basic income / (loss) per share	CHF 1	**7.05**	–15.88
Diluted income / (loss) per share	CHF 1	**7.05**	–15.88
Basic loss per share from continuing operations	CHF 1	**–10.07**	–15.88
Diluted loss per share from continuing operations	CHF 1	**–10.07**	–15.88
Basic income / (loss) per share from discontinued operations	CHF 1	**17.12**	–0.00
Diluted income / (loss) per share from continuing operations	CHF 1	**17.12**	–0.00
Average number of outstanding shares - basic	Number	**11,673,661**	10,775,224
Average number of theoretically outstanding shares - diluted	Number	**11,673,661**	10,775,224

32 Commitments and contingent liabilities

In 2022, contingent liabilities included CHF 6.9 million in connection with legal disputes. Due to the successful outcome of these legal disputes in favour of DocMorris, there are no contingent liabilities as of 31 December 2023.

33 Financial instruments

Carrying amount of financial instruments	**31.12.2023**	**31.12.2022**
	CHF 1,000	CHF 1,000
Financial assets		
Cash and cash equivalents	**54,028**	126,042
Trade receivables	**55,387**	129,351
Prepaid expenses (financial instruments) [1]	**282**	601
Other receivables (financial instruments) [2]	**1,366**	2,083
Current financial assets	**97,022**	30,360
Non-current financial assets	**11,207**	28,410
	219,292	316,847

1) Total amount of prepaid expenses as per balance sheet: CHF 12,546 thousand (previous year: CHF 11,021 thousand)
2) Total amount of other receivables as per balance sheet: CHF 11,262 thousand (previous year: CHF 15,930 thousand)

The Current financial assets of CHF 97.0 million as at 31 December 2023 (31 December 2022: CHF 30.4 million) include fixed-term deposits of CHF 50.0 million (31 December 2022: CHF 30.0 million). The CHF 30.0 million fixed term deposit and a short-term loan of CHF 7.7 million were repaid in 2023. In addition, the disposal of the Swiss business resulted in a contingent purchase price consideration (earn-out receivable) with a fair value of CHF 47.0 million as at 31 December 2023. The earn-out component is dependent on certain EBITDA targets (normalised) of the divested Swiss business. The earn-out is capped at a maximum of CHF 47 million and is anticipated to be due in the first half of 2024. As DocMorris assumes that the agreed EBITDA target (normalised) will be achieved, the initially recognised fair value of CHF 44.7 million was remeasured to CHF 47 million, resulting in a fair value gain of CHF 2.3 million in 2023. However, a change in the estimate of the expected achievement of the targeted EBITDA (normalised 2023) can lead to a significant adjustment to the recognised financial receivable in 2024 and thus to the payment to DocMorris. A change in the estimate as at 31 December 2023 by –3 percent would, ceteris paribus, lead to a reduction in the receiveable of CHF –1.4 million, which would change the earnings accordingly.

The non-current financial assets include equity securities of CHF 68 thousand (previous year: CHF 46 thousand) and the current financial assets include securities of CHF 22 thousand (previous year: CHF 146 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	**31.12.2023**	**31.12.2022**
	CHF 1,000	CHF 1,000
Financial liabilities		
Current financial liabilities	**7,207**	30,992
Trade payables	**38,470**	112,781
Other payables (financial instruments) [1]	**1,180**	3,861
Accrued expenses (financial instruments) [2]	**15,934**	26,835
Non-current financial liabilities	**35,608**	32,926
Bond 2.5% 2018–2023, nominal CHF 115 million [3]	**0**	30,229
Bond 2.5% 2019–2024, nominal CHF 200 million [4]	**90,665**	199,126
Convertible Bond 2.75% 2020–2025, nominal CHF 175 million [5]	**121,670**	172,924
Convertible Bond 6.875% 2022-2026, nominal CHF 95 million	**89,772**	88,153
	400,506	697,827

1) Total amount of other payables as per balance sheet: CHF 11,854 thousand (previous year: CHF 15,920 thousand)
2) Total amount of accrued expenses as per balance sheet: CHF 26,614 thousand (previous year: CHF 39,691 thousand)
3) In 2023, the remaining debt of CHF 30,255 thousand was repaid in full (see Note 25 Financial liabilities)
4) In 2023, CHF 106,972 thousand were repurchased as part of a tender offer (see Note 25 Financial liabilities)
5) In 2023, CHF 47,882 thousand were repurchased (see Note 25 Financial liabilities)

Financial liabilities as at 31 December 2022 included contingent consideration liabilities of CHF 14,183 thousand and deferred consideration liabilities of CHF 11,531 thousand under current financial liabilities. All other 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		31.12.2023 Fair value	31.12.2023 Carrying amount	31.12.2022 Fair value	31.12.2022 Carrying amount
		CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
Current financial assets	Level 2/3	**97,022**	**97,022**	30,360	30,360
Equity securities	Level 3	**68**	**68**	46	46
Loans granted	Level 2	**11,139**	**11,139**	26,486	26,486
Bonds	Level 1	**90,509**	**90,665**	169,801	229,355
Convertible Bond	Level 1	**275,703**	**211,442**	188,595	261,077
Deferred consideration liabilities	Level 2	**0**	**0**	11,531	11,531
Contingent consideration liabilities	Level 2/3	**0**	**0**	14,183	14,183

Details on the measurement of the fair values at level 3 are presented below:

Contingent consideration liabilities	31.12.2023	31.12.2022
	CHF 1,000	CHF 1,000
As at 1 January	**14,183**	32,522
Cash flow	**–10,809**	–500
Settlement in shares	**–3,878**	0
Change in fair value (through profit or loss)	**618**	–16,676
Exchange differences	**–114**	–1,163
Total contingent consideration liabilities	**0**	14,183

Apotal
In 2022, a fair value gain of CHF 17.9 million (EUR 17.1 million) resulted, mainly due to the share price development of DocMorris AG (Level 1). In 2023, the earn-out Apotal was settled in full. CHF 0.2 million (EUR 0.2 million) was paid in cash and CHF 3.9 million (EUR 4.0 million) was settled in shares. The fair value adjustment of CHF 0.6 million (EUR 0.6 million) relates mainly to the share price development of DocMorris AG (Level 1).

Eurapon
The remaining contingent consideration of CHF 10.6 million (EUR 10.7 million) was paid in February 2023 together with the deferred consideration of CHF 11.2 million (EUR 11.3 million). The portion of the contingent consideration payment that exceeded the obligation recognised as part of the acquisition (fair value) (CHF 4.0 million or EUR 4.1 million) is included in cash flow from operating activities and CHF 6.6 million (EUR 6.7 million) reported in cash flow from investing activities. The deferred purchase consideration of CHF 11.2 million (EUR 11.3 million) is recognised as a repayment of financial liabilities in cash flow from financing activities.

Bonds
The fair value (Level 1) of the listed bonds was CHF 90.5 million as at 31 December 2023 (31 December 2022: CHF 169.8 million) and the carrying amount was CHF 90.7 million as at 31 December 2023 (31 December 2022: CHF 229.4 million). The fair value (Level 1) of the listed convertible bonds amounted to CHF 275.7 million as at 31 December 2023 (31 December 2022: CHF 188.6 million) and the carrying amount as at 31 December 2023 was CHF 211.4 million (31 December 2022: CHF 261.1 million).

34 Financial risk management

Foreign currency effects
Since the disposal of the Swiss business, DocMorris operates mainly in Germany and in some other European countries. As most foreign income and expenses in EUR functional currency entities 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
2023		
EUR	+ / – 10	+ / – 38 559
2022		
EUR	+ / – 10	+ / – 31 842

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 bonds issued in 2018 and 2019 both carry a fixed interest rate of 2.5 per cent and a term of five years. The convertible bonds issued in 2020 and 2022 have a fixed interest rate of 2.75 per cent and 6.875 per cent, respectively, and a maturity of five years and four 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
2023		
Increase/decrease in market interest rate	**+/– 1**	+ / – **112**
2022		
Increase/decrease in market interest rate	**+/– 1**	+ / – **621**

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 rate of the bond and the convertible bond is 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 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**
	166,933	**138,723**	**107,462**	**14,357**	**11,753**

Cash flows 2022	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	6,403	5,503	5,094	9,252	17,343
Trade payables	112,781	0	0	0	0
Other current payables	3,861	0	0	0	0
Accrued expenses	26,835	0	0	0	0
Bonds	36,011	205,000	0	0	0
Convertible Bond	11,342	11,342	183,936	99,869	0
Deferred consideration liabilities	11,531	0	0	0	0
Contingent considerations liabilities[1]	11,675	0	0	0	0
	220,439	221,845	189,030	109,121	17,343

1) Part of the contingent consideration for Apotal is redeemed in shares and does not result in a cash outflow (fair value as of 31.12.2022: CHF 3,565 thousand).

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 49.7 per cent (previous year: 31.9 per cent).

35 Share-based payments

	2023	2022
	CHF 1,000	CHF 1,000
		restated[1]
Stock ownership plans	0	49
Discount Share Plan	28	103
Restricted Stock Unit Plan	921	1,050
Long term performance-based remunerations	1,602	833
Promofarma	1,433	1,473
TeleClinic	–708	–266
Board of Directors compensation	306	316
Service Provider	75	145
Short-term performance-based remunerations	275	0
Total share-based payments expense	**3,932**	**3,703**

1) See Note 6.2 Discontinued operations

Stock ownership plans

The members of the Board of Directors, the Executive Board and other selected employees of DocMorris had the right to participate in this stock ownership plan. Total shares sold: zero (previous year: zero).

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 vesting period. The upper limit on the annual amount invested is 10 per cent of the employee's annual base salary. Total shares sold: 3,157 (previous year: 3,704). The fair value of the discount is CHF 8.99 per share (previous year: CHF 27.83).

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 by issuing shares. The corresponding expense is distributed on a straight-line basis over the two-year vesting period. Total Restricted Stock Units allocated: 15,282 (previous year: 23,461). The fair value per entitlement is CHF 40.33 (previous year: CHF 37.75).

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 vested 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 by issuing shares.

Vesting is subject to service conditions and performance targets. For the 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, 82,822 entitlements were allocated (previous year: 65,621). The fair value per entitlement is CHF 29,55 (previous year: CHF 30.61).

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. All participants were granted a monetary amount that can be converted into a certain number of DocMorris AG shares. DocMorris had the right to choose the settlement option. Vesting is subject to service conditions and performance targets. The final number of shares to be delivered depends on revenue targets, qualitative targets and share price development, and can range from 0 to 133 per cent. Half of the compensation was subject to a market condition with the share price development of DocMorris AG and this was taken into account in the fair value. 66,510 rights to shares of DocMorris AG with a fair value of CHF 65.91 per right were granted. The corresponding expense was recognised on a straight-line basis over the vesting period ending 31 December 2022. The other half of the compensation is subject to performance targets, which are not market conditions and are not reflected in fair value, but the degree of target achievement is estimated at each balance sheet date. The fair value of the awards was based on the monetary amount granted to plan participants of CHF 4,384 thousand. This portion of the compensation vested in four annual tranches, and the expense was recognised on a straight-line basis over the respective period ending 31 December 2022. 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.

Board of Directors compensation

In 2023, board members received 30 per cent of their compensation in shares with a vesting period of three years (previous year: 30 per cent).

Short-term performance-based remunerations

In 2023, Executive Board members were granted 5'402 DocMorris AG shares as part of the short-term remuneration. The fair value per share is CHF 50.85.

36 Related party transactions

The outstanding shares in DocMorris AG are owned by 14,636 shareholders (previous year: 15,946 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 7 and 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	Liabilities	Loans
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
	restated 1)	restated 1)			
2023	**287**	**310**	**510**	**0**	**1,396**
2022	198	345	2,752	653	16,326

1) See Note 6.2 Discontinued operations

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 2023 and in 2022.

Board of Directors	2023	2022
	CHF 1,000	CHF 1,000
Short-term benefits to the Board of Directors	**1,039**	999
Share-based payments	**306**	316
	1,345	1,315

Executive Board	2023	2022
	CHF 1,000	CHF 1,000
		restated 1)
Short-term benefits to the Executive Board	**4,451**	4,844
Retirement benefits	**562**	703
Share-based payments	**1,164**	856
	6,177	6,403

1) See Note 6.2 Discontinued operations

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, 20 March 2024

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 2023, 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 62 to 116) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 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.

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 live

Area of Focus	As at 31 December 2023, DocMorris records goodwill of CHF 360.4 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 live.

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 compensation 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.

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

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

DocMorris AG, Frauenfeld
Financial Statements

Income Statement

	Notes	2023	2022
		CHF 1,000	CHF 1,000
Net revenue		**14,353**	8,034
Other operating income	2.1	**183,137**	7,904
Total net income		**197,490**	15,938
Personnel expenses		**– 17,497**	– 17,068
Other operating expenses		**– 20,067**	– 24,137
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**159,926**	– 25,267
Depreciation and amortisation	2.2	**– 13,303**	– 70,240
Earnings before interest and taxes (EBIT)		**146,623**	– 95,507
Finance income	2.3	**31,624**	21,673
Finance expenses	2.3	**– 59,345**	– 51,820
Earnings before taxes (EBT)		**118,902**	– 125,654
Tax expenses		**– 2,946**	– 191
Net income / (loss)		**115,956**	– 125,845

Balance Sheet

ASSETS		**31.12.2023**	**31.12.2022**
	Notes	CHF 1,000	CHF 1,000
Cash and cash equivalents and short-term assets at market prices	2.4	**19,746**	50,181
Current financial assets	2.5	**97,000**	30,000
Receivables from investments		**9,350**	21,553
Other short-term receivables from third parties		**1,364**	2,030
Prepaid expenses from third parties		**2,221**	1,410
Prepaid expenses from investments		**12,107**	4,367
Current assets		**141,788**	109,541
Loans to investments		**577,625**	652,696
Long-term loans granted to related parties		**300**	0
Loans to third parties		**9,443**	10,010
Other non-current financial assets	2.6	**51,013**	50
Investments	2.7	**615,975**	664,386
Impairment of investments	2.2	**– 107,208**	– 119,829
Property, plant and equipment		**4,283**	5,528
Real estate	2.8	**15,478**	15,962
Intangible assets	2.9	**42,856**	27,228
Right-of-use	2.10	**957**	1,091
Non-current assets		**1,210,722**	1,257,122
Assets		**1,352,510**	1,366,663

Balance Sheet

LIABILITIES	Notes	31.12.2023 CHF 1,000	31.12.2022 CHF 1,000
Current liabilities to third parties		**1,613**	2,733
Current liabilities to investments		**1,336**	4,074
Other current liabilities to third parties		**465**	1,260
Current interest-bearing liabilities	2.11	**90,845**	30,255
Current lease liabilities	2.10	**164**	154
Other current financial liabilities	2.9	**3,329**	0
Accrued expenses to third parties		**3,717**	3,959
Accrued expenses to investments		**1,602**	9,503
Short-term provisions		**566**	507
Short-term liabilities		**103,637**	52,445
Non-current interest-bearing liabilities	2.11	**0**	200,000
Non-current lease liabilities	2.10	**830**	967
Other non-current financial liabilities	2.9	**10,779**	0
Loan from investments		**203,085**	203,085
Long-term provisions		**609**	248
Long-term liabilities		**215,303**	404,300
Liabilities		**318,940**	456,745
Share capital		**411,019**	404,728
Statutory capital reserves	2.12	**662,577**	660,316
Statutory reserve from equity contribution		**632,577**	630,316
Other capital reserves from equity contribution for treasury shares in the Group		**30,000**	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	2.13	**–856**	0
Losses carried forward		**–183,466**	–57,621
Net income / (loss)		**115,956**	–125,845
Equity		**1,033,570**	909,918
Liabilities and equity		**1,352,510**	1,366,663

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 Securities at market prices
Short-term securities are measured at market prices at the end of the reporting period.

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

Other operating income includes extraordinary income of CHF 181.3 million resulting from the disposal of the 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 in 2023.

In 2022, other operating income included extraordinary income of CHF 4.7 million from the sale of intangible assets.

2.2 Depreciation and amortisation

The position includes impairments of CHF 1.4 million (previous year: CHF 1.3 million) on intangible assets. Additionally, in 2022 the position included impairments of CHF 24 million and CHF 35 million on the investments in Promofarma Ecom, S.L and TeleClinic GmbH, respectively.

2.3 Financial result

Finance income consists mainly of interest income from loans to investments. Finance expenses primarily include unrealised foreign exchange losses of CHF 38.2 million (previous year: CHF 23.7 million) and interest expenses of CHF 20.0 million (previous year: CHF 16.8 million). Additionally, in 2022 finance expenses included a realised loss of CHF 9.5 million on the sale of treasury shares.

2.4 Cash and cash equivalents and short-term assets at market prices	31.12.2023	31.12.2022
	CHF 1,000	CHF 1,000
Cash and cash equivalents	**19,724**	50,128
Securities (at market prices)	**22**	53
Total cash and cash equivalents and short-term assets at market prices	**19,746**	50,181

2.5 Current financial assets

The position includes a contingent purchase price consideration (earn-out) of CHF 47 million resulting from the disposal of the Swiss business in 2023 and fixed-term deposits of CHF 50 million (previous year: CHF 30 million).

2.6 Other non-current financial assets

The position includes the acquisition in 2023 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.

2.7 Investments

	2023	2022	2023	2022
	Capital	Capital	Equity interest and ordinary shares	Equity interest and ordinary shares
	CHF 1,000	CHF 1,000	%	%
Direct Investments				
Aertzemedika AG, Liestal (CH) [3]	n/a	500	n/a	100.0
Bluecare AG, Winterthur (CH) [3]	n/a	1,288	n/a	100.0
Clustertec AG, Baar (CH) [3]	n/a	100	n/a	100.0
DatamedIQ GmbH, Köln (DE)	29	29	37.5	37.5
DCMS Service AG, Frauenfeld (CH) [4]	100	n/a	100.0	n/a
DocMorris Finance B.V., Heerlen (NL) [1)/2)]	0	0	100.0	100.0
Doctipharma SAS, Paris (FR)	618	618	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
Specialty Care Therapiezentrum AG, Frauenfeld (CH) [5]	n/a	100	n/a	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
Zur Rose Suisse AG, Frauenfeld (CH) [3]	n/a	7,650	n/a	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
Eurapon Pharmahandel GmbH, Bremen (DE) [5]	n/a	28	n/a	100.0
medpex wholesale GmbH, Ludwigshafen (DE)	28	28	100.0	100.0

1) Share capital of less than EUR 500.00
2) Renamed in 2023
3) Disposed in 2023
4) Founded in 2023
5) Merged into DocMorris Holding GmbH in 2023

2.8 Assets pledged	31.12.2023	31.12.2022
	CHF 1,000	CHF 1,000
Real estate pledged as collateral	**0**	15,962

2.9 Other current and non-current financial liabilities

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

2.10 Financial Leasing	Useful life	31.12.2023	31.12.2022
		CHF 1,000	CHF 1,000
Right-of-use real estate	5 -10 years	**957**	1,091
Lease liabilities		**994**	1,121
Depreciation right-of use assets		**165**	171
Interest expenses lease liabilities		**27**	30

2.11 Bonds	Amount CHF	Interest rate %	Maturity
Bond	**90,845,000**	**2.500**	**21.11.2024**

2.12 Statutory capital reserves

The balance of CHF 662’576’639 is still to be confirmed by the Federal Tax Administration. The transaction and the balance of CHF 624’581’426 are confirmed as at 31 December 2023.

2.13 Treasury shares	Number of transactions	Average price CHF	Number
Number of registered shares			
As at 1 January 2022			**47,713**
Acquisitions	3	121	3
Sales	1	41	−40,642
Allocation	8	253	−7,073
As at 31 December 2022			**1**
Issue of new shares	1	51	38,183
Allocation	3	65	−21,349
As at 31 December 2023			**16,835**

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	31.12.2023	31.12.2022
	Number	Number
Board of Directors	**7,897**	2,623
Executive Board	**38,240**	26,177
Employees	**10,246**	14,783
Total allocated equity instruments	**56,383**	43,583

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 2023 amounts to CHF 73.8 (previous year: CHF 25.6).

3.2 Employees
The number of full-time equivalents was between 10 and 50, as in the previous year.

3.3 Unrecognised commitments	31.12.2023	31.12.2022
Type	CHF 1,000	CHF 1,000
Other Guarantees	**48,238**	44,177

3.4 Contingent capital and capital band	31.12.2023	31.12.2022
	CHF	CHF
Contingent capital	**125,544,960**	41,852,580
Authorised capital	**-**	67,167,840
Capital band (upper limit)	**79,223,070**	-
Capital band (lower limit)	**– 58,722,570**	-

On 26 June 2023, the share capital increased by CHF 1,722,570.00, with 57,419 new shares issued from the capital band.

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)

	31.12.2023	31.12.2022
	CHF	CHF
Losses carried forward	**– 183,466,395**	– 57,621,092
Net income / (loss)	**115,955,743**	– 125,845,303
Accumulated losses	**– 67,510,652**	– 183,466,395
Distribution to shareholders	–	–
Carried forward to new account	**– 67,510,652**	– 183,466,395

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To the General Meeting of
DocMorris AG, Frauenfeld

Zurich, 20 March 2024

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 2023 and 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 120 to 128) 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.

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 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 2023, DocMorris AG holds investments of CHF 508.8 million and loans to investments of CHF 577.6 million corresponding to 80% of total assets. 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 compensation 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 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

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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.

Furthermore, we confirm that the proposed carry forward of the accumulated losses 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

/s/ Jolanda Dolente	/s/ Michael Britt
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)

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.

2022 (restated)	IFRS	Acquisitions	Restructuring, Integration	Other [1]	adjusted
Net revenue	930,969	-	-	-	930,969
Operating income	22,502	–17,685			4,817
Operating expense	–1,046,072	2,995	17,489	4,349	–1,021,239
EBITDA	–92,601	-	-	-	–85,453

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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