Zur Rose Group
The game changer — E-commerce pharmacy

May 2017
The game changer – E-commerce pharmacy

Large addressable market ripe for digital disruption

Key online players

Medications
CHF 146bn\(^{(1)}\)

Furniture
CHF 94bn

Pet Care
CHF 9bn

Apparel
CHF 193bn

Media products\(^{(3)}\)
CHF 54bn

Key offline players

Galenica Santé
> 125,000 independent pharmacies

IKEA

Pressnapp

H&M

Thalia.de

Sources: Euromonitor, Market sizes for 2016, includes CH, DE, ES, FR, IT, UK

Notes: 1 medications include Rx and OTC & BPC, 2015, excl. VAT; 2015 CHF/EUR = 0.92346 | 2 Online penetration for Rx in Germany | 3 Media products include music, films and books
Fragmented market
Highly fragmented European market with more than 125,000 independent pharmacies, ripe for digital disruption

Pharmaceutical Retail has not changed for over 500 years

There is no leading offline nor online brand in Continental Europe, except for DocMorris in Germany

1500s

Today
Strict regulatory framework
High entry barriers due to strict national regulations making pan-European presence only achievable via e-commerce

- Rx e-commerce subject to different national regulation
- Bonus on cross-border Rx e-commerce (e.g. NL into DE) possible in EU due to ECJ ruling 2016
- Cross-border OTC e-commerce in EU not limited by national regulations due to ECJ ruling 2003
- Ban of external ownership for pharmacies in various countries (e.g. Germany) preventing pharmacy chains and limiting access to financing (more than 125,000 independent pharmacies in Europe)

Source: Sempora market study, 2017
Dual approach

Generating savings and allocating these to different stakeholders

- Bypassing intermediaries
- Scale effects
- Distribution structure

Savings generated by

Comprehensive two brand approach

Allocation of savings to

- Patients
- Insurance companies

€

DocMorris

Focus on B2C

€

zur Rose

Focus on B2B and B2B2C

Flexibility to react based on regulatory environment
Zur Rose Group at a glance

Leading pure play e-commerce pharmacy in Europe¹

**B2B**

One of the leading pharmacy products suppliers for self-dispensing physicians

| Sales (CHFm) | 346 |
| % of Swiss sales | 74% |
| Active customers | 4,000³ |
| Market share | 23%⁴ |
| Rx share of sales | 89% |
| Products⁵ | 28,000 |

**B2C**

Leading Swiss e-commerce pharmacy for patients

| Sales (CHFm) | 124 |
| % of Swiss sales | 26% |
| Active customers | 128,000³ |
| Market share | 39%⁶ |
| Rx share of sales | 90% |
| Products⁵ | 17,000 |

**Focus on B2C (Rx / OTC & BPC⁷)**

Leading German e-commerce pharmacy for patients with established Rx segment and fast growing OTC & BPC segment

| Rx Sales (CHFm) | 237⁸ |
| OTC & BPC Sales (CHFm) | 102⁸ |
| Other (CHFm) | 70⁹ |
| Active customers | 1,640,000⁴,¹¹ |
| Market share | 20%¹⁰ |
| Rx share of sales | 70%⁹ |
| Products⁵ | 66,000 |

**Core profit base**

**Growth engine**

**Notes:** ¹ According to James Dudley Management: Mail Order and Internet Pharmacy in Europe published in 2017, based on 2015 data, p. 13 ² Includes Austria exposure ³ Active are customers defined as individual customers who have placed at least one order in the preceding 12 months ⁴ Of the physician supply market; source: IMS Health ⁵ Number of different products sold in 2016 ⁶ Of the e-commerce pharmacy market; source: IMS Health ⁷ Beauty and Personal care ⁸ DocMorris N.V. only ⁹ Referring to Zur Rose EU and wholesale sales ¹⁰ Based on Sempora estimates of German e-commerce Rx and non-Rx market in 2016; sales exclude wholesale sales ¹¹ Includes end customers of Zur Rose Germany of 240,000 (end customers are defined as beneficiaries of Zur Rose services)  All numbers relate to 2016
Highlights
Perfectly positioned to capitalise on rapidly growing e-commerce pharmacy market

1. Large addressable market with favorable growth drivers
2. Europe's leading pure play e-commerce pharmacy with renowned brands Zur Rose and DocMorris
3. Comprehensive business model adding value to all stakeholders
4. Innovation leadership supporting pharmaceutical and operational excellence
5. Credible growth strategy delivering substantial upside
6. Entrepreneurial and highly experienced management team
Large addressable market
Highly attractive and fragmented CHF 146bn market with favourable long-term fundamentals

Attractive pharmaceutical market...

... driven by underlying structural growth trends

- Increasing health awareness through changing lifestyles
- Trend towards self-medication
- Polypharmacy
- Medical progress

Source: IMS Health 2016, Sempora market study, 2017 | 1 2015, core European market consists of CH, DE, ES, FR, IT, UK, excl. VAT, 2015 CHF/EUR = 0.92346 | 2 2016 | 3 According to James Dudley Management: Mail Order and Internet Pharmacy in Europe 2017, p. 13
1 Accelerating online penetration
European pharmaceutical market on the brink of digital disruption

Relatively low online penetration compared to other verticals leaves ample room for growth(1)...

...in Zur Rose Group’s core e-commerce markets (in CHFbn)(2)

Pharmaceutical market well suited for e-commerce consumerisation

- Highly attractive customer lifetime value with 11%(3) conversion rate
- Works well for e-commerce due to small size and weight
- Return rate of 0.5%(4) very low compared to other verticals

Market driven by multiple growth trends

- Digitalisation
- Pressure to reduce costs in healthcare
- Liberalisation, e.g. proposal of electronic prescription
Excellence for growth
Ideally positioned to gain further market share with most established brands

Largest e-commerce pharmacy in Switzerland
(Market share in %, 2016)\(^{(1)}\)

Largest e-commerce pharmacy in Germany
(Sales multiplier vs. Shop Apotheke, 2016)\(^{(3)}\)

2nd largest physicians supplier in Switzerland
(Market share in %, 2016)\(^{(2)}\)

Most established pharmacy brand in Switzerland\(^{(4)}\)

Most established e-commerce pharmacy brand in Germany\(^{(4)}\)

Source: 1 IMS Health, market share by sales | 2 IMS Health, 2016; Galénica Santé recognized as largest physicians supplier in CH following acquisition of Pharmapool AG in January 2017, market share by sales | 3 Sales based on FY2016 financials | 4 Aided brand awareness based on GFK
## Competitive overview

### Sustainable competitive advantage for Zur Rose and DocMorris

<table>
<thead>
<tr>
<th>DocMorris</th>
<th>zur Rose</th>
<th>Traditional pharmacies</th>
<th>Other German e-commerce pharmacies</th>
<th>NL-based e-commerce Multi-channel pharmacy chains and wholesalers</th>
<th>General e-commerce players</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Focus on Rx, OTC &amp; BPC</strong></td>
<td>✓</td>
<td>✓</td>
<td>☒</td>
<td>☒</td>
<td>☒</td>
</tr>
<tr>
<td><strong>Direct External Funding</strong></td>
<td>✓</td>
<td>☒</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Licensed pharmacy and Know-how</strong></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Number of Products</strong></td>
<td>✓</td>
<td>☒</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>E-commerce Capabilities</strong></td>
<td>✓</td>
<td>☒</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Brand Awareness</strong></td>
<td>✓</td>
<td>☒</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Assessment</strong></td>
<td>- #1 in German market - Focused on Rx &amp; OTC &amp; BPC - Strong OTC &amp; BPC growth - High brand awareness</td>
<td>- No online expertise Direct external funding restrictions limit expansion potential</td>
<td>- Limited access to direct external funding limits expansion potential - Low brand awareness</td>
<td>- Focused on either OTC &amp; BPC or Rx capabilities - Conflict of interest with existing distribution businesses</td>
<td>- No pharmacy license - Lack of pharma expertise - Cannibalisation of marketplace business</td>
</tr>
<tr>
<td><strong>Source</strong>: Company information</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes**:
1. Prohibition of external ownership of pharmacies (e.g. in Germany) has prevented the formation of multi-channel pharmacy chains in these countries.
2. OTC & BPC sales not by Amazon directly but through licensed pharmacies via Amazon website.
Overview of the competitive positioning
E-commerce competitors in Zur Rose Group’s focus markets

Source: Company information, Sempora Market Study, 2017

Zur Rose Group Notes: 1 | 2016 CHF/EUR = 0.93115 | 2 B2C e-commerce sales, 2016 | 3 Sempora Market Study, 2017, Only Rx sales, 2016 CHF/EUR = 0.93115
Unique value proposition
Value-add for all stakeholders in healthcare industry

Patients
- Convenience 24/7
- Affordability
- Confidentiality
- Omni-channel strategy
- Personalised services

Physicians
- Adherence support (patient reports)
- Process optimisation e.g. inventory management
- Trusted partner
- Technical expertise

Insurance companies
- Reduction of admin / logistics costs as per regulation
- Data analysis / reports on patients
- Improve patient convenience
- Lower cost from increased compliance

Pharmaceuticals manufacturers
- Big Data pool
- Adherence support
- Feedback loops
- Specialty Care (ensuring correct usage, storage, continuous check-up)
3 A leading Swiss pharmaceutical supplier
Distinct business models cover all regulatory systems and requirements

Non-self-dispensing cantons (grey)

— Physicians not allowed to dispense medication to patients
— Zur Rose supplies c. 95,000 patients directly

Self-dispensing cantons (red)

— Physicians operate small pharmacies within their practices
— Dispensing licence required
— Zur Rose supplies c. 4,000 physicians with pharmaceuticals

Retail business model

Physicians \(\rightarrow\) zur Rose \(\rightarrow\) Patients

Retail (B2C)\(^4\)

128,000 active customers
1.8m Pces/year

17,000 SKUs sold
90% Rx share

Ability to shift between business models and delivery channels means:

— Partial protection against regulatory changes
— Full coverage of:
  — regional regulatory systems
  — physicians’ needs
— Competitive advantage

Wholesale business model

Physicians \(\rightarrow\) zur Rose \(\rightarrow\) Patients

Physicians wholesale (B2B)\(^4\)

4,000 active customers
12.5m Pces/year

28,000 SKUs sold
89% Rx share

Source: IMS Health

Zur Rose Group

Notes: 1 SD: Self dispensing by physicians allowed; City of Schaffhausen will switch to SD as of January 1st, 2018 | 2 Mixed cantons: cantons with areas of self dispensing and areas of non-self dispensing (Canton of Berne NSD: self dispensing of primary submission (first medication in the smallest unit only) by physicians allowed) | 3 NSD: Non-self dispensing/Self dispensing by physicians not allowed | 4 Key statistics, 2016
Physicians wholesale business unit
Highly loyal physicians generate stable revenue and profit

One of the leading pharmaceutical wholesalers in Switzerland
— Wholesale of pharmaceutical products to self-dispensing physicians:
  — Primary and specialty care medication
  — Original and generic drugs
— Self-dispensing is restricted to their patients
— Value-added services (quality assurance, inventory management, smart order tool)

Strong business fundamentals
(2016A)

4,000
B2B physician customers

23%
market share in B2B(1)

315,000
deliveries with Polyrose(2)

Physician cohorts development
— Steady growth of physician wholesale business on the back of high customer loyalty
— While early cohorts (2010(3)-2011) already show repeat sales rates that are constantly well above 90%, repeat sales rates of more recent customer cohorts (2012-2015) are consistently above 100%
— Despite the price reductions on all Rx-products from November 2012 to October 2015, which was imposed by the Swiss regulator, total physician sales increased by +2.4% (CAGR 2010-2016)
— Current growth figures show a sales increase of +3.4% (CAGR 2013-2016) following the imposed price reductions on reimbursable medications

Source: IMS Health, 2016
Note: 1 IMS Health, 2016, market share by sales | 2 2016 | 3 Cohort until 2010
### 3 Vertically covered value chain

**B2C business units cover all customers**

#### Primary Care
- Supply of full range of Rx Pharmaceuticals
- Estimated 70% of patients with chronic diseases and polypharmacy
- Customized medication supply DailyMed as high margin service for polypharmacy patients

- **93,000** active customers\(^{(1)}\)
- **c.CHF 200** average basket size

#### Specialty Care
- Supply of high value specialty care pharmaceuticals
- Assistance and education of the patients by certified nurses
- Patient programs developed in cooperation with opinion leaders

- **1,500** active customers\(^{(1)}\)
- **c.CHF 5,000** average basket size

#### Retail Pharmacy
- Zur Rose retail pharmacies are extensions to the e-commerce pharmacy (Omni-channel strategy) via flagship and shop-in-shop concept
- Supply of chronic and acute patients
- First Migros shop-in-shop expected to open in Bern in 2017 (pilot phase)

- **150-200 sqm** First flagship store in Bern
- **30-50 sqm** Migros shop-in-shop pharmacies

#### Consumer Healthcare
- Supplementary portfolio of pharmacy-exclusive and -non-exclusive products
- Direct & indirect access to the Zur Rose webshop
- Cross-selling of Rx medication

- **38,000** active customers\(^{(1)}\)
- **c.CHF 85** average basket size

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**Note:** Number of customers in B2C segment not cumulative, customers may be included in multiple business units

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\(^{(1)}\) Segment CH
German market leader

German e-commerce pharmacy leader in scale and quality

Key statistics\(^{(1)}\)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>4.4m</td>
</tr>
<tr>
<td>Active customers</td>
<td>1.4m</td>
</tr>
<tr>
<td>Average orders per active customer p.a.</td>
<td>3.1</td>
</tr>
<tr>
<td>Basket size(^{(2)})</td>
<td>EUR85</td>
</tr>
<tr>
<td>Repeat order rate</td>
<td>85%</td>
</tr>
<tr>
<td>OTC &amp; BPC sales growth</td>
<td>~50%</td>
</tr>
</tbody>
</table>

Advantageous location to serve the German market\(^{(1)}\)

- 9,500 sqm warehouse
- Heerlen, Netherlands

Competitive positioning

Market shares in Germany as of 2016\(^{(3)}\)

- 20%\(^{(4)}\)
- 2.4x
- 8%

Recent awards

Marketing award (2017): Category "e-mailing"
- 2nd best e-mailing campaign

Customer award (2017): Most customer-friendly app
- 1st in the pharmacy category

Brand award (2016): DEUTSCHES INSTITUT FÜR SERVICE-QUALITÄT
- Best mail-order pharmacies

Brand award (2016): Best mail-order pharmacy distributors
- 1st in the mail-order pharmacy category

Brand award (2016): Germany’s best e-commerce shops
- 1st in the pharmacy category

Brand award (2016): Germany’s best e-commerce distributors
- 1st in the mail-order pharmacy category

Brand award (2016): Best mail-order pharmacies
- 1st

Marketing award (2015): Mail-order pharmacy with best end-user marketing
- 2nd

Lock-in model as a growth driver
Holistic and broad data-enabled services drives customer lock-in

Service innovation

New customers

- Monetary incentive (Rx: Bonuses / OTC: attractive pricing)
- More satisfied customer
- Convenience/ease of use
- Advanced/personalised services
- More repeat orders

360° data and broad spectrum of services

- Timed delivery
- Individ. medication plan
- Script reminder
- Video live chat
- Information materials
- Pharmaceutical counselling
- App
- Lifestyle coaching
- Timed delivery
- Individ. medication plan
- Script reminder
- Video live chat
- Information materials
- Pharmaceutical counselling
- App
- Lifestyle coaching
3 Financial track record

German business demonstrating significant customer and topline growth

Accelerated fundamentals
Sales\(^{(1)(2)}\) (in EURm)

New OTC & BPC customers\(^{(3)}\) (in thousands)

Indicative Rx KPIs development

- In Q1 17, Rx new customers multiplied vs. Q1 16 after lifting the Rx bonus ban in Q4 16 and the beginning of the marketing campaign
- In 2014A, the share of Rx active customers in total active customers was similar to that of OTC & BPC
- Rx active customers remained stable until 2016A due to the Rx bonus ban
- Rx basket size remained broadly stable in 2014-16A, being more than double the number for OTC & BPC
- Rx repeat orders close to 100% given inherent stickiness of the business

Notes: 1 Based on unaudited Q1 financials | 2 Includes Austria exposure | 3 DocMorris OTC & BPC only

Zur Rose Group
Cohort analysis provides predictability
Superior customer loyalty and attractive pricing support further growth

Strong growth in OTC & BPC driven by attractive pricing (DocMorris)
(OTC & BPC customer sales by cohorts (EURm) / repeat rate (%), excluding <2010 customers(1))

Repeat rate initial year vs. 2016
Cohorts
- 2016
- 2015
- 2014
- 2013
- 2012
- 2011
- 2010

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- High loyalty from early cohorts (2010-2012) with annual repeat rates consistently above 90%, providing for a strong basis despite bonus ban (Aug-12 to Oct-16)
- During the bonus ban, the size of new cohorts decreased over time, however repeat rates remained high
- Overall annual repeat rates are close to 100%

Note: 1 Total sales 2016 incl. <2010 customers
3 Customer acquisition paying off quickly
Effective and intensified marketing mode acquiring high quality customers

Attractive economics of customer acquisition

— Significant push in Rx customer acquisition from 2016 onwards, triggered by lifting of the Rx bonus ban (ECJ ruling) and intensified, targeted marketing

— Proven track on reducing customer acquisition cost (CAC) in OTC & BPC despite fast growing business and number of new customers

— High leverage at constant marketing spending

— Rx focused marketing campaigns also having positive spill-over effects on OTC & BPC sales

Rx CAC development\(^{(1)}\)

— Prior to the Rx bonus ban (2010, 2011), breakeven periods for Rx customers were broadly in line with that of OTC & BPC customers

— The cost of acquiring Rx customers is c. 2x the cost of acquiring OTC & BPC customers mainly due to a lower customer base

— As a result of our intensified marketing campaign in 2016, CAC for Rx customers increased considerably but is expected to normalize as our Rx customer base increases

New OTC & BPC customers breaking even after 12 months

<table>
<thead>
<tr>
<th>Year</th>
<th>Break Even Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>12 months</td>
</tr>
<tr>
<td>2015</td>
<td>12 months</td>
</tr>
</tbody>
</table>

Declining OTC & BPC CAC due to increased marketing efficiencies

<table>
<thead>
<tr>
<th>Year</th>
<th>OTC &amp; BPC CAC (EUR)(^{(1)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>9</td>
</tr>
<tr>
<td>2011</td>
<td>16</td>
</tr>
<tr>
<td>2012</td>
<td>14</td>
</tr>
<tr>
<td>2013</td>
<td>11</td>
</tr>
<tr>
<td>2014</td>
<td>9</td>
</tr>
<tr>
<td>2015</td>
<td>6</td>
</tr>
<tr>
<td>2016</td>
<td>7</td>
</tr>
</tbody>
</table>

Note: 1 Management; cost of TV (branding) campaign allocated to Rx and OTC & BPC according to sales per customer (new and existing); OTC & BPC further includes online marketing, Rx further includes media inserts, i.a.
Innovation initiatives
At the forefront of digitalisation in the healthcare industry

Pharmaceutical and operational excellence combined with innovation creating high barriers to entry

**Electronic prescriptions (eRx)**
- Increase convenience and continuity of supply
- Introduced in Switzerland in 2001
- Digitalisation leading to less errors

**Telepharmacy**
- Allows patients to talk to a pharmacist via live video chat
- Professional consultation from the comfort of home

**App**
- Offers extensive information and analysis functionalities on drug dosage
- Direct ordering of medication
- Contraindication and interaction checks

**Big Data initiative**
- Continuous development of Big Data initiatives
- Promotion of digitalisation in healthcare
- Medication feedback loop
# Growth strategy

Six initiatives to capitalise on substantial upside

<table>
<thead>
<tr>
<th>Base / short-term initiatives</th>
<th>Upside / mid- to long-term initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Give dynamic to core profit base</strong></td>
<td><strong>Intensify cooperations with insurance companies</strong></td>
</tr>
<tr>
<td>Growth with cooperations, group practices and medical centres</td>
<td>Innovate with e-health solutions</td>
</tr>
<tr>
<td><strong>Lead the market in Rx</strong></td>
<td><strong>International expansion</strong></td>
</tr>
<tr>
<td>Media campaign</td>
<td>Organic growth and acquisitions</td>
</tr>
<tr>
<td><strong>Obtain market leadership in OTC &amp; BPC</strong></td>
<td></td>
</tr>
<tr>
<td>Non-Rx e-commerce market volume DE&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>+100&lt;sup&gt;%&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>2020</td>
</tr>
<tr>
<td>Participate in market consolidation</td>
<td></td>
</tr>
<tr>
<td><strong>Intensify cooperations with insurance companies</strong></td>
<td></td>
</tr>
<tr>
<td>Cooperations with German health insurance companies to be established</td>
<td></td>
</tr>
<tr>
<td><strong>Innovate with e-health solutions</strong></td>
<td></td>
</tr>
<tr>
<td><strong>International expansion</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Operational excellence and economies of scale</strong></td>
<td></td>
</tr>
</tbody>
</table>

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**Source:** Sempora

**Notes:**

1. Search Engine Optimization

2. Search Engine Advertising
Zur Rose Group sales
Strong pick up in momentum since 2015

Sales (annual)
FY 2014-2016, CHFm
YoY growth (%)

- Decreasing sales in 2015 due to:
  - Currency translation effect (EUR into CHF) of (CHF50.3m)
  - Reduction of low margin business in Germany (wholesale activities)
  - Relocation to new site and postal strike in Germany causing disruptions
  - Partly offset by increasing B2C sales in Switzerland (Specialty Care)
- Picking up in 2016, supported by:
  - Recently launched marketing campaign in Germany resulting in a high number of new OTC customers and respective sales

Sales (quarterly)
Q1 2016 vs. Q1 2017, CHFm
YoY growth (%)

- Strong growth from DocMorris in Germany, triggered by positive ECJ ruling for Rx and intensified marketing efforts since Q4 2016

Notes: 1 Segment Germany net revenues in 2014 include net revenues from customers based in Germany (CHF 477.8 million) as well as in Austria, the Netherlands and the Czech Republic (CHF 3.6 million)
2 Segment Germany net revenues in 2015 include net revenues from customers based in Austria, the Netherlands and the Czech Republic (CHF 3.6 million)
5 Segment Switzerland sales
Stable development in terms of sales growth

Sales (annual)
FY 2014-2016, CHFm
YoY growth (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Switzerland</th>
<th>B2B sales</th>
<th>B2C sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>434.1</td>
<td>323.9</td>
<td>110.1</td>
</tr>
<tr>
<td>2015</td>
<td>468.3</td>
<td>331.4</td>
<td>37.0</td>
</tr>
<tr>
<td>2016</td>
<td>470.3</td>
<td>345.8</td>
<td>24.5</td>
</tr>
</tbody>
</table>

- Increasing sales in 2015 due to:
  - Solid growth in B2B sales driven by expansion of physician customer base
  - Strong development of B2C business, driven by high value (yet low margin) HCV\(^1\) patients in Specialty Care business unit and partly offset by decreasing Primary Care customer base due to eRx restrictions by the Swiss federal court

- Stable segment development in 2016 as a result of:
  - Increased growth of new physician customers / B2B sales
  - Partly offset by decreasing B2C sales due to terminated HCV activities

Sales (quarterly)
Q1 2016 vs. Q1 2017, CHFm
YoY growth (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Switzerland</th>
<th>B2B sales</th>
<th>B2C sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2016</td>
<td>114.3</td>
<td>30.5</td>
<td>83.8</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>116.9</td>
<td>88.6</td>
<td>28.3</td>
</tr>
</tbody>
</table>

- Continued trends from FY2016 observations

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Note: 1 HCV patient = Hepatitis C virus patients
Segment Germany sales

Growth engine moving into gear

Sales (annual)
FY 2014-2016, CHFm
YoY growth (%)

Sales (quarterly)
Q1 2016 vs. Q1 2017, CHFm
YoY growth (%)

--- Decreasig sales in 2015 due to:
  - Currency translation effect (EUR into CHF)
  - Curbed Rx customer growth due to ongoing bonus ban
  - Relocation to new site and postal strike in Germany causing disruptions
  - Downsizing of low margin business (wholesale activities)

--- Pick up in 2016, supported by:
  - Recently launched marketing campaign in Germany resulting in a high number of new customers

--- Strong performance due to:
  - Growth triggered by positive ECJ ruling for Rx and intensified marketing efforts since Q4 2016 (Rx and OTC)
  - Increasing switch of OTC customers towards Rx

Notes: 1 Segment Germany net revenues in 2014 include net revenues from customers based in Germany (CHF 477.8 million) as well as in Austria, the Netherlands and the Czech Republic (CHF 3.6 million)
2 Segment Germany net revenues in 2015 include net revenues from customers based in Austria, the Netherlands and the Czech Republic (CHF 0.3 million)
3 Other sales include Zur Rose EU and wholesale sales
Segment Germany sales — local currency

Growth engine moving into gear

Sales (annual)
FY 2014-2016, EURm
YoY growth (%)

Sales (quarterly)
Q1 2016 vs. Q1 2017, EURm
YoY growth (%)

— Decreasing sales in 2015 due to:
  — Curbed Rx customer growth due to ongoing bonus ban
  — Relocation to new site and postal strike in Germany causing disruptions
  — Downsizing of low margin business (wholesale activities)
— Pick up in 2016, supported by:
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  — Growth triggered by positive ECJ ruling for Rx and intensified marketing efforts since Q4 2016 (Rx and OTC)
  — Increasing switch of OTC customers towards Rx

Notes: 1 Segment Germany net revenues in 2014 include net revenues from customers based in Germany (EUR 396.4 million) as well as in Austria, the Netherlands and the Czech Republic (EUR 3.0 million) | 2 Segment Germany net revenues in 2015 include net revenues from customers based in Austria, the Netherlands and the Czech Republic (EUR 0.3 million) | 3 Other sales include Zur Rose EU and wholesale sales
Gross Profit
Stable and healthy gross profit margins

Gross profit (annual)
FY 2014-2016, CHFm
Gross profit margin and YoY growth (%)

Gross profit (quarterly)
Q1 2016 vs. Q1 2017, CHFm
Gross profit margin and YoY growth (%)

- Group margins stable around 15%, mainly affected by
  - Decrease in Segment CH due to increasing share of B2B business
  - Increase in Segment DE due to increasing share of B2C business

- Strong reduction of Gross Profit in absolute terms in 2015 mainly driven by currency translation effect (EUR into CHF)

---

Margin (%) 15.3% 13.2% 17.1% 15.1% 12.5% 18.3% 15.0% 12.1% 18.4%
(10.0%) 2.3% (18.6%) 5.0% (3.3%) 12.2%

2014 139.7 57.3
2015 125.7 67.1
2016 131.9 56.7

---

Margin (%) 15.1% 12.3% 18.4% 14.6% 12.0% 17.3%
3.0% (0.7%) 6.0%

Q1 2016 32.4 18.3 14.1
Q1 2017 33.4 19.4 14.0

---

Margin reduction driven by shift towards B2B business in Segment CH and increased discount of Rx products at DocMorris for Segment DE
Operating Expenses

Operating leverage expected to kick in as business grows

Opex\(^{(1)}\) (annual)
FY 2014-2016, CHFm
Opex as % of sales (%) and YoY growth (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>As % of sales (%)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opex</td>
<td></td>
<td>13.9%</td>
<td>13.9%</td>
<td>15.4%</td>
</tr>
<tr>
<td>Opex</td>
<td>Stability (%)</td>
<td>10.4%</td>
<td>9.8%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Opex</td>
<td>Change (%)</td>
<td>16.7%</td>
<td>19.1%</td>
<td>20.2%</td>
</tr>
</tbody>
</table>

Opex\(^{(1)}\) (quarterly)
Q1 2016 vs. Q1 2017, CHFm
Opex as % of sales (%) and YoY growth (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>As % of sales (%)</th>
<th>2016 Q1</th>
<th>2017 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opex</td>
<td></td>
<td>14.7%</td>
<td>17.9%</td>
</tr>
<tr>
<td>Opex</td>
<td>Stability (%)</td>
<td>10.2%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Opex</td>
<td>Change (%)</td>
<td>18.7%</td>
<td>24.3%</td>
</tr>
</tbody>
</table>

- Stable Opex in Segment CH, extraordinary expenses in 2016 due to implementation of new warehouse management system and opening of flagship pharmacy
- Business disruptions such as postal strike in Germany and relocation to new site driving Opex as % sales up in FY2015, decrease in absolute numbers due to currency translation effect
- Increase of Opex on Group level in 2016 driven by Segment DE
  - Significant increase in marketing spend in 2016
  - Increase of volume and variable costs

Notes: 1 Opex include personnel expenses and exclude D&A | 2 Difference between Group Opex and sum of Segment CH plus Segment DE equals corporate costs and intercompany eliminations

Financial
Adjusted EBITDA Growth mode reflected in 2016 EBITDA

Adjusted EBITDA\(^{(1)}\) (annual)
FY 2014-2016, CHFm
Adjusted EBITDA margin (%) and YoY growth (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Group</th>
<th>Switzerland</th>
<th>Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>17.3</td>
<td>7.9</td>
<td>(8.9%)</td>
</tr>
<tr>
<td>2015</td>
<td>15.8</td>
<td>4.2</td>
<td>(3.0%)</td>
</tr>
<tr>
<td>2016</td>
<td>14.6</td>
<td>(1.8)</td>
<td>(16.6%)</td>
</tr>
</tbody>
</table>

Adjusted EBITDA\(^{(1)}\) (quarterly)
Q1 2016 vs. Q1 2017, CHFm
Adjusted EBITDA margin (%) and YoY growth (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Group</th>
<th>Switzerland</th>
<th>Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2016</td>
<td>1.1%</td>
<td>1.1%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>nm</td>
<td>nm</td>
<td>(16.6%)</td>
</tr>
</tbody>
</table>

Proven profitability in 2014 and 2015 figures on both Group and Segment level

2016 EBITDA deliberately affected by growth initiatives, in particular increased marketing spend, for which the impact of the increase in new customers will only over time fully translate into higher revenues

Notes: 1 Group adjusted EBITDA equals Group reported EBITDA | 2 Difference between Group EBITDA and sum of Segment CH plus Segment DE equals EBITDA at corporate incl. intercompany eliminations

Financial
5 Capital expenditures

Investments in software and licences as well as logistics to underpin leading e-commerce position

Capex (annual)
FY 2014-2016, CHFm
YoY change in capex (CHFm)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>15.8</td>
<td>12.8</td>
<td>15.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.8</td>
<td>3.2</td>
<td>10.9</td>
</tr>
</tbody>
</table>

Capex (quarterly)
Q1 2016 vs. Q1 2017, CHFm
YoY change in capex (CHFm)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2016 vs. Q1 2017, CHFm</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group (1)</td>
<td></td>
<td>5.7</td>
<td>1.7</td>
</tr>
<tr>
<td>Switzerland</td>
<td></td>
<td>5.5</td>
<td>4.7</td>
</tr>
<tr>
<td>Germany</td>
<td></td>
<td>2.0</td>
<td>3.0</td>
</tr>
</tbody>
</table>

— Investments in Property, Plant and Equipment (PPE) include mainly investments in new warehouse in Heerlen (DocMorris) in 2015
— Investments in intangible assets are substantial and relate mainly to software and development costs
  — 2014: >CHF8.5m
  — 2015: >CHF9.0m
  — 2016: >CHF16.5m

— Capital expenditures in Q1 2017 below previous year’s levels due to different intra-year phasing of capex spending

Note: 1 Difference between Group Capex and sum of Segment CH plus Segment DE equals capex not allocated to segments
6 Proven management team
Entrepreneurial and highly experienced management team

Zur Rose Group — Key management team

Walter Oberhänslí
Founder, Group CEO

Marcel Ziwica
Group CFO

Walter Hess
Head Switzerland

Olaf Heinrich
Head Germany

M&A experience
Successful acquisition and integration of NKA, Ogera, VfG, DocMorris and BlueCare

Operational excellence
Established leading position in Swiss and German e-commerce pharmaceuticals
Pioneer in e-commerce pharmacy

Financial track-record
Established financial track record of more than 20 years

Selected awards and certifications
- Customer award (2015)
- Quality services (2014)
- DocMorris brand award (2015)
Highlights

Perfectly positioned to capitalise on rapidly growing e-commerce pharmacy market

1. Large addressable market with favorable growth drivers
2. Europe's leading pure play e-commerce pharmacy with renowned brands Zur Rose and DocMorris
3. Comprehensive business model adding value to all stakeholders
4. Innovation leadership supporting pharmaceutical and operational excellence
5. Credible growth strategy delivering substantial upside
6. Entrepreneurial and highly experienced management team
Appendix

Additional materials
Launch of B2B business

1993

Zur Rose established in Steckborn, Switzerland

1999

Opening of state-of-the-art logistics center in Frauenfeld, Switzerland

Expansion into e-commerce pharmacy in selected geographical markets

2001

Entry into Swiss e-commerce market

2004

Market entry in Germany with Zur Rose brand

2012

Acquisition of DocMorris

2015

Opening of new DocMorris logistics center

2015

Acquisition of majority interest in BlueCare

2016

Landmark ECJ ruling on German bonus-ban

2017

Intensified DocMorris marketing campaign leads to strong increase in new Rx customers

2017+

Entering shop-in-shop cooperation in Switzerland (pilot phase)

Significant investments made to accelerate growth

Proven track record of disrupting the medication supply business

Investments paving the way for growth

1993

1999

2001

2004

2012

2015

2016

2017

2017+

MIGROS
## Proven track record in addressing regulatory challenges

### Major regulatory developments

<table>
<thead>
<tr>
<th>Year</th>
<th>Event Description</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>The European Court of Justice (ECJ) allows EU-wide medication delivery via mail order</td>
<td>✅</td>
</tr>
<tr>
<td>2004</td>
<td>Rx medication delivery via mail-order becomes legal in Germany</td>
<td>✅</td>
</tr>
<tr>
<td>2009</td>
<td>1st failed attempt to ban Rx mail-order in Germany</td>
<td>✅</td>
</tr>
<tr>
<td>2009</td>
<td>ECJ ruled that the prohibition of foreign ownership for pharmacies in Germany does not breach the European law</td>
<td>✗</td>
</tr>
<tr>
<td>2009</td>
<td>DocMorris is legitimate Member of §129 SGB V and thus safeguarding reimbursement from public sick funds like any other brick &amp; mortar pharmacy (Ruling from Federal Social Court)</td>
<td>✅</td>
</tr>
<tr>
<td>2012</td>
<td>2nd failed attempt to ban Rx mail-order in Germany</td>
<td>✅</td>
</tr>
<tr>
<td>2012</td>
<td>Introduction of Rx bonus ban in Germany</td>
<td>✗</td>
</tr>
<tr>
<td>2016</td>
<td>ECJ ruled in favour of DocMorris against the fixed pricing regime for Rx drugs applying to pharmacies outside Germany, neutralizing the Rx bonus ban</td>
<td>✅</td>
</tr>
<tr>
<td>2017</td>
<td>Currently no parliamentary and government majority for a ban of Rx-mail order</td>
<td></td>
</tr>
</tbody>
</table>

✅ Won 2 out of 3 ECJ rulings
# Income Statement Zur Rose Group

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Q1 2016</th>
<th>Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHFm</td>
<td>31-Dec</td>
<td>31-Dec</td>
<td>31-Dec</td>
<td>31-Mar</td>
<td>31-Mar</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td>915.6</td>
<td>834.4</td>
<td>879.5</td>
<td>214.0</td>
<td>229.1</td>
</tr>
<tr>
<td>Material expenses</td>
<td>(775.9)</td>
<td>(708.7)</td>
<td>(747.6)</td>
<td>(181.6)</td>
<td>(195.8)</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>139.7</td>
<td>125.7</td>
<td>131.9</td>
<td>32.4</td>
<td>33.4</td>
</tr>
<tr>
<td>Other income</td>
<td>5.3</td>
<td>6.3</td>
<td>5.4</td>
<td>1.5</td>
<td>1.9</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>(57.8)</td>
<td>(53.7)</td>
<td>(60.2)</td>
<td>(15.2)</td>
<td>(17.7)</td>
</tr>
<tr>
<td>Marketing expenses</td>
<td>(19.3)</td>
<td>(15.3)</td>
<td>(22.2)</td>
<td>(3.7)</td>
<td>(9.1)</td>
</tr>
<tr>
<td>Distribution expenses</td>
<td>(22.6)</td>
<td>(21.0)</td>
<td>(22.7)</td>
<td>(5.5)</td>
<td>(6.3)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(21.4)</td>
<td>(18.9)</td>
<td>(21.5)</td>
<td>(5.0)</td>
<td>(5.1)</td>
</tr>
<tr>
<td>Rent expenses</td>
<td>(2.8)</td>
<td>(3.8)</td>
<td>(3.6)</td>
<td>(0.9)</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>(3.8)</td>
<td>(3.6)</td>
<td>(5.1)</td>
<td>(1.2)</td>
<td>(1.9)</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>17.3</td>
<td>15.8</td>
<td>2.1</td>
<td>2.4</td>
<td>(5.8)</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>(9.1)</td>
<td>(7.4)</td>
<td>(9.2)</td>
<td>(2.3)</td>
<td>(2.6)</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>8.2</td>
<td>8.4</td>
<td>(7.1)</td>
<td>0.2</td>
<td>(8.4)</td>
</tr>
<tr>
<td>Financial result</td>
<td>(3.7)</td>
<td>(4.4)</td>
<td>(5.6)</td>
<td>(0.6)</td>
<td>(0.9)</td>
</tr>
<tr>
<td><strong>EBT</strong></td>
<td>4.5</td>
<td>4.0</td>
<td>(12.7)</td>
<td>(0.5)</td>
<td>(9.3)</td>
</tr>
<tr>
<td>Income tax expenses</td>
<td>2.6</td>
<td>(0.6)</td>
<td>(0.1)</td>
<td>(0.4)</td>
<td>(0.2)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>7.2</td>
<td>3.4</td>
<td>(12.8)</td>
<td>(0.9)</td>
<td>(9.4)</td>
</tr>
<tr>
<td>Reported EBITDA</td>
<td>17.3</td>
<td>15.8</td>
<td>2.1</td>
<td>2.4</td>
<td>(5.8)</td>
</tr>
<tr>
<td>Adjustments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>17.3</td>
<td>15.8</td>
<td>2.1</td>
<td>2.4</td>
<td>(5.8)</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>2015</td>
<td>2016</td>
<td>Q1 2016</td>
<td>Q1 2017</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>21.1</td>
<td>25.1</td>
<td>25.2</td>
<td>23.2</td>
<td>24.8</td>
</tr>
<tr>
<td><strong>Short-term financial assets</strong></td>
<td>0.4</td>
<td>0.4</td>
<td>0.2</td>
<td>0.4</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Trade receivables</strong></td>
<td>80.5</td>
<td>72.5</td>
<td>71.4</td>
<td>70.2</td>
<td>72.5</td>
</tr>
<tr>
<td><strong>Other receivables &amp; prepaid expenses</strong></td>
<td>7.1</td>
<td>9.5</td>
<td>14.6</td>
<td>11.3</td>
<td>20.7</td>
</tr>
<tr>
<td><strong>Inventories</strong></td>
<td>36.1</td>
<td>34.8</td>
<td>48.3</td>
<td>43.8</td>
<td>45.6</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td><strong>145.2</strong></td>
<td><strong>142.3</strong></td>
<td><strong>159.6</strong></td>
<td><strong>149.0</strong></td>
<td><strong>163.6</strong></td>
</tr>
<tr>
<td><strong>Property, plant &amp; equipment</strong></td>
<td>23.6</td>
<td>26.2</td>
<td>26.2</td>
<td>26.1</td>
<td>26.1</td>
</tr>
<tr>
<td><strong>Intangible assets</strong></td>
<td>50.3</td>
<td>53.7</td>
<td>63.1</td>
<td>54.0</td>
<td>63.8</td>
</tr>
<tr>
<td><strong>Other assets</strong></td>
<td>9.1</td>
<td>11.2</td>
<td>12.5</td>
<td>16.5</td>
<td>12.8</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td><strong>83.0</strong></td>
<td><strong>91.1</strong></td>
<td><strong>101.9</strong></td>
<td><strong>96.6</strong></td>
<td><strong>102.6</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>228.1</strong></td>
<td><strong>233.4</strong></td>
<td><strong>261.5</strong></td>
<td><strong>245.6</strong></td>
<td><strong>266.2</strong></td>
</tr>
<tr>
<td><strong>Short-term financial liabilities</strong></td>
<td>0.5</td>
<td>0.5</td>
<td>50.0</td>
<td>3.4</td>
<td>52.0</td>
</tr>
<tr>
<td><strong>Trade payables</strong></td>
<td>63.3</td>
<td>72.2</td>
<td>70.7</td>
<td>76.1</td>
<td>75.8</td>
</tr>
<tr>
<td><strong>Other payables &amp; accrued expenses</strong>(2)</td>
<td>20.2</td>
<td>16.0</td>
<td>17.5</td>
<td>20.4</td>
<td>20.8</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td><strong>84.1</strong></td>
<td><strong>88.7</strong></td>
<td><strong>138.2</strong></td>
<td><strong>100.0</strong></td>
<td><strong>148.6</strong></td>
</tr>
<tr>
<td><strong>Long-term financial liabilities</strong></td>
<td>57.8</td>
<td>62.3</td>
<td>9.1</td>
<td>62.1</td>
<td>11.5</td>
</tr>
<tr>
<td><strong>Pension liabilities</strong></td>
<td>7.3</td>
<td>8.1</td>
<td>8.9</td>
<td>8.3</td>
<td>9.6</td>
</tr>
<tr>
<td><strong>Deferred taxes</strong></td>
<td>1.6</td>
<td>1.6</td>
<td>1.5</td>
<td>1.6</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td><strong>66.7</strong></td>
<td><strong>72.0</strong></td>
<td><strong>19.5</strong></td>
<td><strong>72.0</strong></td>
<td><strong>22.6</strong></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td><strong>77.4</strong></td>
<td><strong>72.8</strong></td>
<td><strong>103.8</strong></td>
<td><strong>73.6</strong></td>
<td><strong>95.1</strong></td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>228.1</strong></td>
<td><strong>233.4</strong></td>
<td><strong>261.5</strong></td>
<td><strong>245.6</strong></td>
<td><strong>266.2</strong></td>
</tr>
</tbody>
</table>

---

**Note:** 1 Includes investments in associates and JVs, long-term financial investments and deferred tax assets | 2 Includes other payables, tax payables, accrued expenses and short-term provisions
## Cash Flow Statement Zur Rose Group

<table>
<thead>
<tr>
<th>CHFm</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Q1 2016</th>
<th>Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31-Dec</td>
<td>31-Dec</td>
<td>31-Dec</td>
<td>31-Mar</td>
<td>31-Mar</td>
</tr>
<tr>
<td>Net income</td>
<td>7.2</td>
<td>3.4</td>
<td>(12.8)</td>
<td>(0.9)</td>
<td>(9.4)</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>9.1</td>
<td>7.4</td>
<td>9.2</td>
<td>2.3</td>
<td>2.6</td>
</tr>
<tr>
<td>Non-cash items financial result</td>
<td>0.2</td>
<td>0.2</td>
<td>2.1</td>
<td>(0.2)</td>
<td>0.1</td>
</tr>
<tr>
<td>Cash income taxes paid</td>
<td>(3.1)</td>
<td>0.5</td>
<td>(0.2)</td>
<td>0.3</td>
<td>0.1</td>
</tr>
<tr>
<td>Non cash-effective expenses and income</td>
<td>0.5</td>
<td>0.1</td>
<td>2.8</td>
<td>0.8</td>
<td>1.5</td>
</tr>
<tr>
<td>Change in trade receivables, other receivables and accrued expenses</td>
<td>(3.9)</td>
<td>(2.0)</td>
<td>(4.9)</td>
<td>1.0</td>
<td>(7.2)</td>
</tr>
<tr>
<td>Change in inventories</td>
<td>(1.7)</td>
<td>(0.9)</td>
<td>(13.8)</td>
<td>(9.0)</td>
<td>2.7</td>
</tr>
<tr>
<td>Change in trade payables</td>
<td>0.7</td>
<td>10.4</td>
<td>3.7</td>
<td>7.9</td>
<td>10.2</td>
</tr>
<tr>
<td>Change in provisions</td>
<td>(1.8)</td>
<td>(0.1)</td>
<td>(0.1)</td>
<td>(0.1)</td>
<td>(0.0)</td>
</tr>
<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td><strong>7.2</strong></td>
<td><strong>18.9</strong></td>
<td><strong>(13.8)</strong></td>
<td><strong>2.3</strong></td>
<td><strong>0.5</strong></td>
</tr>
<tr>
<td>Increase in investments in associates and joint ventures</td>
<td>(0.2)</td>
<td>(0.9)</td>
<td>(2.2)</td>
<td>(2.2)</td>
<td>-</td>
</tr>
<tr>
<td>Investment in property, plant and equipment</td>
<td>(7.0)</td>
<td>(5.9)</td>
<td>(3.0)</td>
<td>(0.0)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Investments in intangible assets</td>
<td>(8.9)</td>
<td>(9.3)</td>
<td>(16.9)</td>
<td>(5.4)</td>
<td>(4.4)</td>
</tr>
<tr>
<td>Provision / (repayments) of financial investments</td>
<td>0.0</td>
<td>(0.3)</td>
<td>(1.0)</td>
<td>(0.6)</td>
<td>(0.5)</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td><strong>(16.0)</strong></td>
<td><strong>(16.4)</strong></td>
<td><strong>(23.1)</strong></td>
<td><strong>(8.2)</strong></td>
<td><strong>(5.2)</strong></td>
</tr>
<tr>
<td>Inflow from capital increases</td>
<td>-</td>
<td>-</td>
<td>42.8</td>
<td>1.0</td>
<td>0.5</td>
</tr>
<tr>
<td>Increase / (decrease) in financial liabilities</td>
<td>(0.5)</td>
<td>4.4</td>
<td>(3.9)</td>
<td>3.1</td>
<td>4.3</td>
</tr>
<tr>
<td>Sale / (purchase) of treasury shares</td>
<td>(0.6)</td>
<td>0.0</td>
<td>(0.2)</td>
<td>-</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-</td>
<td>(1.9)</td>
<td>(1.6)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td><strong>(1.1)</strong></td>
<td><strong>2.5</strong></td>
<td><strong>37.0</strong></td>
<td><strong>4.1</strong></td>
<td><strong>4.4</strong></td>
</tr>
<tr>
<td><strong>Total cash flow</strong></td>
<td><strong>(9.8)</strong></td>
<td><strong>5.0</strong></td>
<td><strong>0.1</strong></td>
<td><strong>(1.8)</strong></td>
<td><strong>(0.3)</strong></td>
</tr>
<tr>
<td>Fx differences</td>
<td>(0.2)</td>
<td>(1.0)</td>
<td>0.0</td>
<td>0.1</td>
<td>(0.1)</td>
</tr>
</tbody>
</table>

**Zur Rose Group**
## Board of Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Experience and Qualifications</th>
</tr>
</thead>
</table>
| **Prof. Stefan Feuerstein**   | Chairman of the Board  | — Member since 2010 and Chairman since 2011  
— Chairman of the BoP of the UNIMO-Gerstner Group  
— Executive Director and CEO of Markant AG until 2010 |
| **Walter Oberhänsli**         | Executive member of the Board  | — Founder and Group CEO  
— Chairman of the Board of Zur Rose Group AG (1996–2011)  
— Delegate of the Board since 2011 |
| **Dr. Thomas Schneider**      | Vice Chairman of the Board | — Member since 1995  
— Specialist (FMH) in general medicine  
— Member of the Medical Ethics Board of the Thurgau Medical Society in 2009 |
| **Prof. Dr. Volker Amelung**  | Non-executive member of the Board  | — Member since 2010  
— Specialist Professor of International Health Systems Research at Hannover Medical School since 2001 |
| **Vanessa Frey**              | Non-executive member of the Board | — Member since 2016  
— CEO and Director of Corisol Holding Ltd. since 2007 |
| **Dr. Lukas Wagner**          | Non-executive member of the Board | — Member since 1996  
— Specialist (FMH) in general medicine  
— President of the Baselland Medical Society (2002–2010)  
— Will resign from the Board in 2018 due to retirement |
| **Dr. Heinz O. Baumgartner**  | Non-executive member of the Board | — Member since 2017  
— CEO of Schweiter Technologies AG since 2008 |

## Shareholder structure

- **KWE Beteiligungen AG** 20.8%
- **Matterhorn Pharma Holding** 5.8%
- **Board / Management** 7.6%
- **>2,000 physicians & other free float** 65.8%

## Key developments in shareholder register

- **Oct/Nov-2016**: KWE Beteiligungen (100% subsidiary of Corisol) built a 20.8% stake through two consecutive capital increases
- **Jan-2017**: Matterhorn Pharma Holding (100% subsidiary of Al Faisaliah Group) acquires 5.8% stake through public offer
- **Close cooperation with physicians since foundation in 1993**, many of which form part of free float (>2,000 physicians)

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**Source**: Shareholdings based on annual report 2016

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**Zur Rose Group**
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