DocMorris

Alternative Performance Measures of DocMorris

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The financial statements of DocMorris are prepared in accordance with IFRS Accounting Standards. In addition to the disclosures required by IFRS Accounting Standards, DocMorris publishes alternative performance measures (APM), which are not subject to IFRS Accounting Standards provisions and for which there is no generally accepted reporting standard. DocMorris calculates APM in order to enable comparability of the performance measures over time. The APM result in particular from different methods of calculation and evaluation and provide useful information about the financial and operational performance of the Group. DocMorris calculates the following APM:

- External revenue
- Growth in local currency
- Gross margin in percent of net revenue
- EBIT
- EBITDA
- EBITDA adjusted
- EBITDA margin
- Net financial debt

External revenue is defined as the consolidated revenue of DocMorris plus the mail order revenue of pharmacies supplied by DocMorris less the consolidated revenue for their supply.

Growth in local currency shows the percentage change of a performance measure compared with the previous year without the impact of exchange rate effects (conversion is at the previous year's rate).

The **gross margin in per cent of net revenue** corresponds to the division of consolidated revenue less cost of goods by consolidated revenue.

EBIT (Earnings Before Interest and Taxes) stands for earnings before interest and taxes and is used to report the operative earnings without the impact of internationally non-uniform taxation systems and different financing activities.

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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.