Redcare
PHARMACY

Annual and Sustainability Report 2024.

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About this *report.*

This Annual Report was prepared at the direction of the Managing Board of Redcare Pharmacy N.V., which reviewed and approved its content.
A definition or explanation of abbreviations and other terms used throughout this Annual Report can be found in the Definitions section. In some instances, numbers have been rounded for the convenience of readers.
In this report, the name "Redcare" is sometimes used for convenience in contexts where reference is made to Redcare Pharmacy N.V. and / or any of its subsidiaries, as the context may require.

European single electronic reporting format (ESEF) and PDF version.
This copy of the Annual Report is the PDF / printed version of the Annual and Sustainability Report 2024 of Redcare Pharmacy N.V. This version has been prepared for ease of use and does not contain ESEF information as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation EU 2019/815). The official ESEF reporting package is available on our website at ir.redcare-pharmacy.com.

Forward-looking statements.
This document includes forward-looking statements derived from management's estimates, valid as of the time of preparation. Such statements pertain to future periods and are typically identified by terms such as "expect", "forecast", "predict", "intend", "plan", "estimate", "assume" or "anticipate". These statements are subject to risks and uncertainties, many of which are beyond Redcare Pharmacy's control. As a result, actual outcomes may vary significantly from those projected.

Letter from the *Chief Executive Officer.*

Dear shareholders,

2024 was a fantastic year for Redcare Pharmacy. We were thrilled to have the opportunity to lead the Group in the year that the e-prescription was finally adopted nationwide in Germany. I can assure you, it was a great moment for all of us. While we are filled with a great sense of achievement to have been part of this long journey, we are also aware that the real journey for Redcare Pharmacy in the Rx market is only just beginning.

In what was a year again characterised by ambitious targets for Redcare, I am extremely pleased with the Group's final performance. We reported solid top-line growth of 32%, which marks unabated expansion since our listing in 2016. Non-Rx sales, which comprise 70% of total revenue, grew by 21% and in the DACH segment surpassed one billion euro, reinforcing an already solid foundation. In tandem, we maintained a positive operating margin, notwithstanding our decision to increase marketing to drive the online redemption of the e-prescription. More importantly, this investment continues to generate the desired results in various e-Rx model metrics, which forms the basis for our decision to again invest in the growth of this market segment in 2025. Ultimately, we were able to achieve our narrowed guidance for the full year in terms of total sales and non-Rx sales growth, as well as our lowered margin guidance, while maintaining a robust balance sheet.

On the operational front, after months of hard work involving not only product development but regulatory engagement, we launched the CardLink solution for the fully-digital redemption of e-prescriptions in Germany. The initial response to this solution was extremely positive, as is clear from the fact that by the end of the year, Redcare was the leading e-pharmacy in Germany not only for non-Rx but also Rx. This, and the further digitalisation of the healthcare system in Germany and Europe bodes well for the continued development of our market share in the significantly-sized Rx market.

We also continued to progress with the execution of our strategy by launching marketplaces in Italy and Belgium and expanding our NOW! service by partnering with more pharmacies. Innovation and product development are a key focus at Redcare Pharmacy. Our teams are constantly working on improving the customer journey, which is why our active customer base keeps growing and now exceeds 12 million. In addition, we have been ranked the number one online pharmacy in Italy, making us online market leaders in our sector in five countries.

Our unrelenting growth and continued success in building leading positions in our markets led to an expansion of our distribution facilities in Sevenum (the Netherlands) and Milan (Italy), as well as the decision to add capacity through a new distribution centre in the Czech Republic, where we have already broken ground. Even with the continued increase in orders – an astonishing 10.1 million in the final quarter of 2024 – and at times some unexpected challenges, our logistics teams continued to break records for the number of parcels shipped in a day. This reflects the strength of our operations as well as the commitment of our colleagues.

With so many projects and initiatives to realise, we also had to grow internally and so we welcomed many new colleagues to fill critical roles throughout the Group. The inclusion of Dirk Brüse as CCO and Lode Fastré as CIO on the Managing Board, further strengthens our leadership, while retaining the expertise and guidance of the former Board members and founders whom they succeeded.

Throughout 2024, our focus was not only on Redcare; we continued to drive and support the online pharmacy conversation in Europe through our membership of the European Association of E-Pharmacies and other forums. Increasingly, there is a greater appreciation for the role of online pharmacies in the European healthcare sector, where our digital solutions are successfully improving access to and the availability and affordability of products and services. We will continue to participate wholeheartedly in this dialogue.

Our wish list for 2025 is long, but our priority will be on maintaining and further building our leading positions through our customer-centred offerings to ensure a superior digital pharmacy experience. We will do this by providing the best e-Rx redemption option in Germany, matched by pharmaceutical expertise and the most comprehensive assortment of non-Rx products in all our markets. We will invest in capacity, automation and technology to increase access to affordable pharmacy products, services and expertise. We have identified many uses for artificial intelligence in our business, where it can be leveraged to improve processes and unlock efficiencies. Implementation has already started. Ultimately, we want to provide an exceptional and seamless experience for all our customers, contribute towards creating a healthier planet through the wellbeing of our customers and colleagues and deliver sustainable, long-term value for our shareholders.

The Managing Board and I are confident that we are well equipped to realise all the goals we have set for Redcare. We thank each and every colleague who is on this exciting journey with us for their enthusiasm, dedication and contribution.

A word of special thanks also goes to our Supervisory Board members for providing valuable guidance.

On behalf of the Managing Board,

Olaf Heinrich
CEO of Redcare Pharmacy

Key figures 2024.

SALES FY 2024:
€ 2,37
BILLION
(+ 32 %).

GROSS MARGIN AT
23 %

PARCELS SENT IN 2024:
MORE THAN
100,000
PARCELS A DAY.

69
NPS

AVERAGE SHOPPING BASKET SIZE:
€ 60.98

SITE VISITS GREW BY:
70 million to 510 million.

REPEAT ORDERS:
88 %

ACTIVE CUSTOMERS:
12.5 million;
1.7 million
MORE IN 2024
(+ 16 %).

CO_2 EMISSIONS PER ORDER:
4.9 kg/– 7 %.

Redcare PHARMACY

Five-year summary tables of financial and non-financial indicators.

in EUR 1,000

Financial indicators	2020	2021	2022	2023	2024
Group net sales	968,062	1,060,321	1,204,352	1,798,758	2,370,575
Group sales growth %	38.3	9.5	13.6	49.4	31.8
Rx sales	219,332	143,483	129,956	457,272	749,809
Non-Rx sales	748,730	916,838	1,074,396	1,341,486	1,620,766
Gross profit	219,528	266,528	331,786	440,383	545,779
Gross profit margin %	22.7	25.1	27.5	24.5	23.0
EBIT	-866	-65,698	-69,172	-17,295	-38,987
EBITDA (reported)	15,198	-38,734	-29,662	39,993	29,230
EBITDA (adjusted)	21,621	-5,286	-8,044	53,495	33,305
adjusted EBITDA margin %	2.2	-0.5	0.7	3.0	1.4
Net result	-16,771	-74,185	-77,646	-11,606	-46,356
Free cash flow	-22,362	-72,662	-87,121	8,172	-9,493
CapEx	53,335	43,159	53,524	38,221	42,150

Non-financial KPIs	2020	2021	2022	2023	2024
Site visits	208,346,477	279,996,725	347,765,913	439,676,007	509,913,725
Mobile visits	142,670,048	198,769,379	251,718,600	330,088,835	389,947,483
Mobile share	68 %	71 %	72 %	75 %	76 %
Number of orders	16,594,469	19,712,658	23,421,138	29,413,020	36,505,710
Repeat orders	82 %	82 %	83 %	85 %	88 %
Return rate	0.61 %	0.72 %	0.73 %	0.78 %	0.78 %
Active customers (million)	6.3	7.9	9.3	10.8	12.5
Average basket size	€66.41	€61.16	€58.28	€59.40	€60.98
Net promoter score (NPS)	70	68	72	71	69
CO_2 emissions per order[1]	5.568			5.218	4.872
Headcount	1,379	1,826	2,166	2,075	2,659

1 CO_2 emissions per order is not available for the years 2021 and 2022 as a result of changes to the comparatives and base year data to add additional Scope 3 categories and in order to include sold Product Carbon Footprint.

1

Introduction.

Until every human has their *health.*

Care is at the heart of everything we do.

We're Redcare Pharmacy, Europe's one-stop pharmacy of the future, guiding people through their health to help turn bad days into better ones. **Health is everything to us.** It's always our top priority to provide people with the right products, the right knowledge and the right services, every day. So, everyone can take care of their health in the best possible way.

Originally founded in 2001, we have grown to become the **leading e-pharmacy in Europe,** currently active in seven countries: Germany, Austria, France, Belgium, Italy, the Netherlands and Switzerland.

With **more than 12 million active customers,** Redcare Pharmacy provides a vast selection of **more than 150,000 products** at attractive and fair prices. Alongside OTC medications, nutritional supplements, beauty and a wide range of personal care items, we also offer an extensive assortment of health-related products in all markets.

Plus, in Germany, Switzerland and the Netherlands, **we deliver prescription medications directly to our customers' doors.** Following the nationwide adoption of e-prescriptions in Germany in January and the launch of CardLink in May 2024, patients can now fully benefit from the convenience of a paperless, fully digitalised prescription process.

One strong corporate name, great local brands.

We're so much more than a shop. We're all about care. So much so, that we've made it a part of our name. At Redcare, people and their needs always come first – whether it's our customers, our employees or all our stakeholders. We're dedicated to serving them in the best possible way.

From transaction to *connection.*

At our core, we're a pharmacy, but we offer far more than pharmaceutical products. By truly taking responsibility for our customers' health journeys, we deliver services that support every stage of life and wellbeing. This commitment transforms us into a one-stop pharmacy, not just for transactions but for genuine, lasting connections.

Since we put **customer-centricity at the heart of everything we do,** our focus is on making each interaction meaningful. We don't just meet needs; we anticipate them, helping people live healthier, happier lives.

Redcare PHARMACY

Shop Apotheke | Redcare PHARMACIE | Farmaline | Redcare APOTHEKE | Redcare FARMACIA

Go Puls | nu3 | medapp | MediService by Redcare | smart patient

Our *services.*

RedPoints – Customer loyalty programme

Now! – Same-day delivery

MyTherapy – Medication management

Customer apps

Marketplace

Guiding people through *health.*

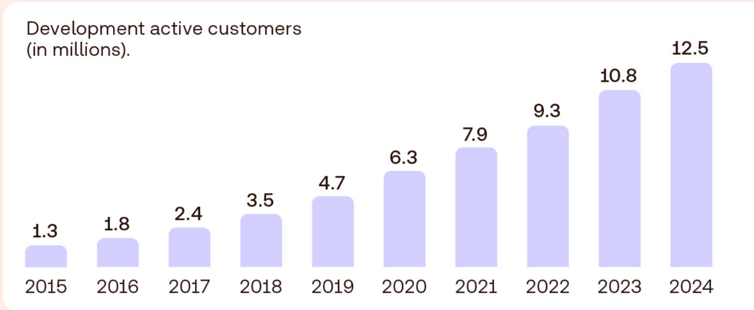
It's all about *customer-centricity.*

Over 20 years ago in a local pharmacy in Cologne, Germany, a young pharmacist had the vision to digitalise the family business. Fast forward to today, and Redcare is the number one online pharmacy in Europe, offering our customers the **best customer journey possible.**

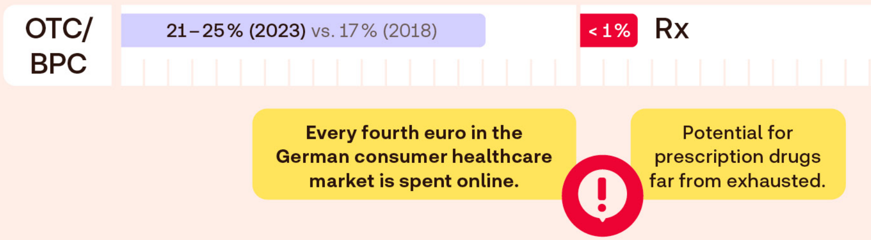
That's why the foundation of our business strategy is a platform-based model, providing not only exceptional growth opportunities but also driving the digitalisation of healthcare. Across our seven European markets, we deliver **solutions precisely tailored to our customers' needs.** Our deep understanding of local characteristics is what sets us apart from the competition.

By putting customer-centricity at the heart of everything we do, we ensure an optimal customer journey and continually enhance our services. This commitment has driven our **active customer base to exceed 12 million,** as more and more people trust Redcare to support their health and wellbeing.

Active customer base almost 10 times *higher.*



Today, online pharmacies have already become a cornerstone in the distribution of over-the-counter products as well as beauty and personal care items. As the healthcare landscape evolves, online pharmacies are now playing an increasingly important role in the delivery of prescription medication, too. With the growing adoption of digital solutions and the shift towards paperless prescriptions, online pharmacies are uniquely positioned to offer greater convenience, efficiency and access to healthcare services. This transformation is reshaping how patients interact with pharmacies, driving the future of healthcare forward in a more connected, streamlined and customer-centric way.

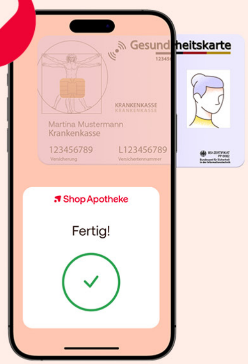


Our eHealth-CardLink solution.

The best way to redeem e-scripts fully *digitally.*

> “This is just the beginning of a new *digital era.*”

OLAF HEINRICH, CEO OF REDCARE PHARMACY.



The long-awaited launch of **electronic prescriptions in Germany** marks a significant milestone in the digitalisation of healthcare. This shift to paperless prescriptions promises to streamline the prescribing and dispensing process, making healthcare more efficient and accessible. With e-Rx now officially in place, patients can look forward to a faster, more convenient way to manage their prescriptions, while healthcare providers benefit from improved accuracy and reduced administrative burden. This is a major step forward in the ongoing transformation of the German healthcare system.

“Since the launch of e-Rx in Germany, we’ve seen significant progress in enhancing the customer journey. Our CardLink solution, which has been active for patients within the Shop Apotheke app since early May, offers a fully digital, secure and **convenient way to manage their prescriptions.** This technological advancement ensures a stable, fast and seamless process for redeeming e-prescriptions, providing a smooth experience from start to finish.

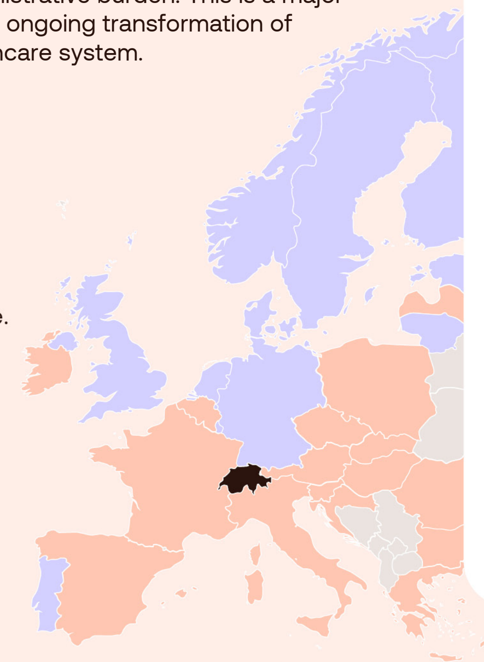
Digital solutions are reshaping expectations, especially in healthcare, where accessibility, affordability and availability are critical: **accessibility,** enabling patients to conveniently access medications anytime, anywhere; **affordability,** providing cost-effective medications; **availability,** ensuring a wide range of medicines to meet diverse needs. Convenience ties all these aspects together, simplifying processes and creating a smooth, reliable experience from prescription management to fulfilment. As nearly 90 % of Germans, according to a BITKOM study, support healthcare digitalisation, the success of our e-Rx solution reflects this shift, with customers embracing the ease and efficiency of this new digital process.

We’ve experienced a strong influx of new customers redeeming e-Rx, while also successfully convincing existing non-Rx customers to take full advantage of the e-prescription service. Actually, our Rx active customer base grew to over one million in 2024. With the continued success of the e-Rx initiative, we’re now poised to fully capitalise on this huge opportunity to transform the pharmacy experience.

And this is not the end of a journey … Looking ahead, the potential of online-Rx in Europe is immense. We’re prepared to expand our innovative solutions, bringing even greater convenience and accessibility to patients across the continent.”

Rx online *potential* in Europe.

- 19 Only OTC allowed in e-commerce.
- 11 Besides OTC, Rx also allowed in e-commerce.
- 1 Special situation in Switzerland: Only Rx allowed in e-commerce.



Strong acceleration: e-Rx sales in Germany, from 6.8 % growth in Q1 to 142.4 % in Q4 2024.

When care comes *first.*

Setting the standard for *pharmaceutical excellence.*

At Redcare Pharmacy, **care is at the very heart of everything we do.** We pride ourselves on setting the standard for best-in-class pharmaceutical expertise, ensuring that our customers can always rely on our knowledge and experience as their one-stop pharmacy. This commitment to excellence is a core pillar of our business strategy, driving our success and enabling us to provide the highest level of care at every step of the customer journey.

In today's healthcare landscape, digital solutions play an increasingly vital role. Their proven benefits in various areas of healthcare have demonstrated the need for their integration into the pharmacy environment. At Redcare, we embrace digital offerings that cater to the individual needs of patients, ensuring more personalised, accessible and efficient healthcare services. These innovations are not just about convenience – they **empower patients to take control of their health with confidence.**

Ensuring safe, reliable *advice* at every step.

However, no matter how advanced the technology, quality and pharmaceutical safety are always our top priorities. **Every order placed with Redcare Pharmacy undergoes careful checks** to ensure the highest standards. We screen prescriptions for potential drug interactions, and our digital order history plays a crucial role in preventing medication errors. Looking ahead, we see significant potential in the introduction of the electronic patient file, set to launch next year in Germany, which will further enhance our ability to deliver safe, effective and tailored pharmaceutical care.

By combining our deep pharmaceutical expertise with cutting-edge digital solutions, we're building a future where healthcare is not only more accessible, but also safer and more personalised. **At Redcare Pharmacy, when care comes first, patients can trust that their wellbeing is in the best possible hands.**

Our same-day delivery option.

More *choice*, more convenience.

With our NOW! service, we bring same-day delivery to our customers in collaboration with trusted local pharmacies. This service is a direct reflection of our customer-centric approach. By being so close to their needs, we provide the convenience of getting health products exactly when they're needed most. **Convenience has never been this fast or this personal.**

Now!

Same-day delivery.

Classic delivery in 1-2 days.

"Shaping healthcare with *pharmaceutical expertise* and *digital* solutions."

THERESA HOLLER, COO
AND RESPONSIBLE PHARMACIST OF REDCARE PHARMACY.

"Making healthcare fit for the future is one of today's biggest challenges. As the leading online pharmacy, we have seen first-hand how digital innovation aligned with patient needs can strengthen healthcare. And as **pioneers in the European online pharmacies field,** we're shaping healthcare with digital solutions. The recent launch of our fully digital e-prescription process is a significant milestone. It allows patients to securely redeem prescriptions using their health insurance card and smartphone, improving both convenience and safety.

Pharmaceutical expertise has always been at the core of what we do. At Redcare Pharmacy, we maintain a strong commitment to quality and pharmaceutical safety. Every prescription is thoroughly checked to prevent medication errors; our digital order history enhances patient safety. We provide comprehensive and confidential pharmaceutical consulting services as part of our business strategy, with specially trained teams of pharmaceutical experts available to support our customers. From the moment an order is placed, we ensure that our customers are safe and well cared for, including offering long-term support for chronically ill patients.

We also leverage **special digital services to further empower patients** in managing their health. Our MyTherapy app helps patients track their medications and improve adherence, while our 24/7 pharmaceutical chatbot is always available to provide advice and guidance. With the upcoming electronic patient records, we see even greater potential to advance healthcare through digital solutions, all while staying true to our vision "until every human has their health."

Digital pharmaceutical services for a better tomorrow.

Driven by customer *satisfaction.*

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Strong net promoter score.

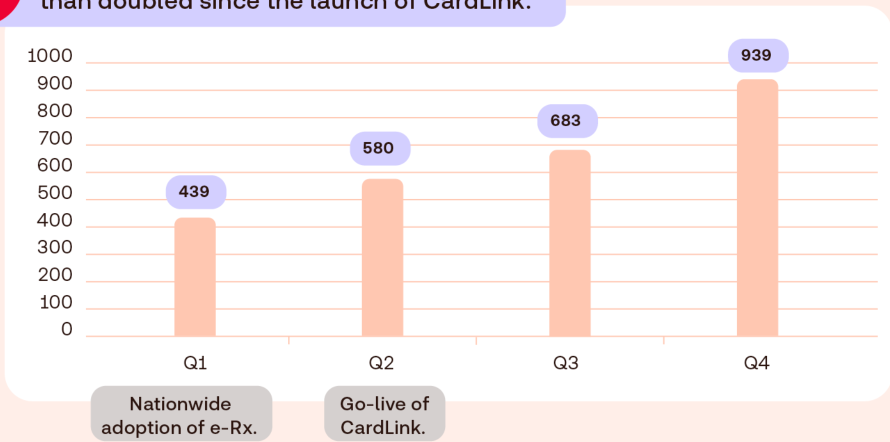
Crafting experiences that truly resonate.

At Redcare Pharmacy, our marketing strategy revolves entirely around one thing: customer satisfaction. **Every offer we provide is shaped by the preferences and needs of our customers,** ensuring a broad and diverse range of pharmacy and healthcare products, alongside pharmaceutical services, all designed with their well-being in mind. Affordability, simplicity and reliability are the pillars of our approach, building strong, trust-based relationships with those we serve.

Health is a universal concern; our target group is vast, spanning all generations. With the recent introduction of electronic prescriptions in Germany, there is a special focus on chronically ill and older patients. To reach and engage these key groups, we leverage a blend of traditional channels, such as TV, out-of-home advertising and print, while also harnessing the power of digital channels for targeted, efficient messaging.

Our app is central to our strategy and serves as an essential touchpoint. It ensures seamless and personalised customer interactions, enhancing the overall experience. Already as many as 90 % of our e-Rx customers in Germany are using the fully digital journey to redeem electronic prescriptions with CardLink in our app.

Shop Apotheke *app downloads* have more than doubled since the launch of CardLink.



Delivering a seamless customer-centric journey.

Our best-in-class digital pharmacy *experience.*

“By building trust, we foster lasting *relationships.*”

DIRK BRÜSE, CCO OF REDCARE PHARMACY.

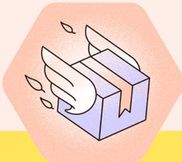
Pharmacy experience.

- E-Rx redemption.
- Expert pharmaceutical advice.
- Easy and secure prescription refill process.
- Interaction checks.
- Medication management.

Digital *shopping* experience.

- Top usability and accessibility.
- Personalised offerings and cross-sell recommendations.
- Loyalty programmes.
- Broad selection, low prices.

Delivery experience.



- Predictable and reliable delivery.
- Info about delivery time.
- Various delivery options.
- Tracking of orders.

“Understanding our customers is key to our brand strategy. By building trust through consistent, positive interactions, we are able to foster lasting relationships.

At Redcare, we believe a strong brand is more than just a name – it embodies values that both attract and retain customers.

We’ve learned that success lies in focusing on what truly matters and prioritising key initiatives. This approach was evident in our marketing strategy for the introduction of electronic prescriptions in Germany. By combining traditional media with digital outreach, we were able to maximise awareness and engagement from the start.

Our app has been a cornerstone of this initiative, enabling us to connect with customers in a personalised and efficient way. As the leading retail platform in the healthcare sector, we leverage our first-party data to reach different target groups with tailored messages and offers. Our recent campaign, featuring celebrity testimonials, has resonated deeply with our audience and aligns perfectly with our company values.

Looking ahead, we will continue to raise awareness of the e-prescription system and its benefits through high-impact campaigns across various channels. Our goal is clear: to make healthcare more accessible to as many people as possible in Europe while providing sustainable, simple digital solutions for managing their health.”

Pole position for once-in-a-lifetime opportunity.

Inspired by *technology.*

Enhancing healthcare through innovation.

First and foremost, we are a pharmacy – a pharmacy at heart. But to be the best, we know that we must evolve with the times. That's **why we are also a technology-driven company.** Our in-house developed front-end platform is a custom-made solution built to meet the ever-changing needs and expectations of our customers. This allows us to respond quickly and effectively, ensuring we always deliver an exceptional, seamless customer experience.

At Redcare Pharmacy, **technology is at the core of our philosophy.** It equips us with the tools needed to stay ahead as healthcare systems increasingly leverage digital services to improve efficiency and patient outcomes. With our proprietary, in-house technology, we can continuously enhance the customer journey, adapt to new challenges, and provide more personalised services at scale.

Our investment in technology is more than just an operational choice – it's a strategic commitment. With over 300 IT and online experts at Redcare, we're proud of the expertise and innovation that drive our progress. We continually invest substantial sums, in the double-digit million range, to enhance our offerings and add new services. This ensures we stay ahead of the curve and maintain our position as the best pharmacy for our customers, today and into the future.

The future is now.

Driving customer satisfaction through digital *excellence.*

"*Embracing* technology to provide optimal care for our customers, building trust and loyalty."

LODE FASTRÉ, CIO OF REDCARE PHARMACY.

Our Shop Apotheke app in Germany reflects our focus on **user-friendly, digital solutions.** It provides users with easy access to our services, and with the integration of CardLink, we've introduced the first fully digital patient journey for e-Rx in Germany.

This combination of cutting-edge technology and a customer-first approach ensures we not only meet but exceed expectations, **building long-term trust and loyalty** in the process.

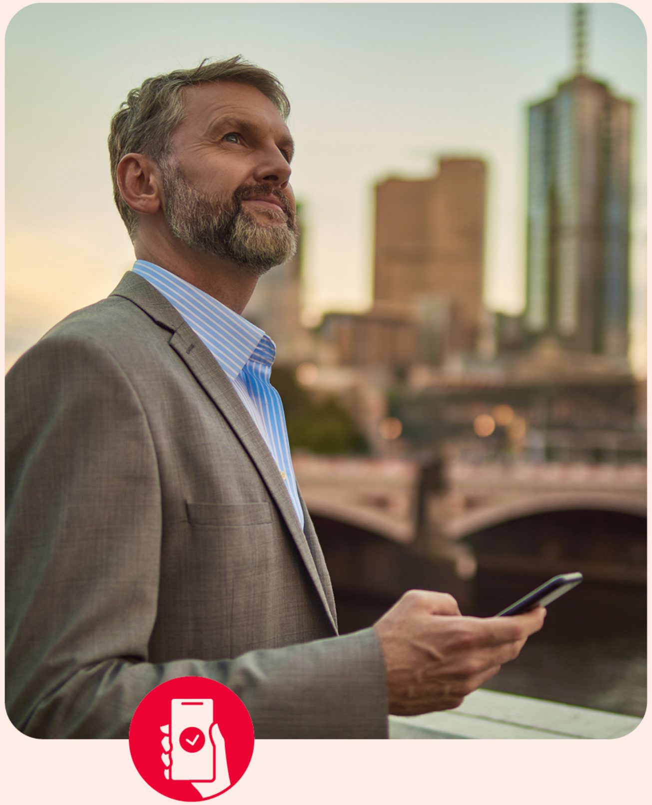
"In today's rapidly evolving digital landscape, Redcare Pharmacy has established itself as a leader in integrating technology with healthcare. At the heart of our strategy lies a customer-centric philosophy, where technology acts as the enabler for an easy-to-use and seamless experience. Our proprietary, in-house developed solutions allow us to swiftly adapt to changing market dynamics and customer needs, ensuring that we stay ahead in an industry increasingly driven by digital services.

What sets us apart is our collaborative, cross-functional approach that shows we believe in empowering our teams to work beyond traditional silos. By fostering collaboration across borders and departments, our colleagues can develop optimal solutions swiftly, with minimal ramp-up times. Dedicated product teams ensure we maintain high agility, enabling quick enhancements to our digital front-end and personalised services, all while continuously analysing data to refine our strategies.

Artificial Intelligence will play a crucial role in our journey ahead. It's more than just a trend – it's a key driver for unlocking efficiency and enhancing customer satisfaction. We are well-prepared to leverage AI across various departments, harnessing its potential to optimise processes, elevate customer interactions and maintain our position at the forefront of healthcare digitalisation. Our focus remains clear: using technology to not only meet but exceed customer expectations, ultimately building trust and loyalty in a digitally driven future. That is how we care."

Leading the way in the digitalisation of healthcare.

The *gateway* to Europe's pharmacy market.



With a strong presence in **seven countries, our expertise and tech-driven solutions** position us perfectly to guide investors through the expanding European online pharmacy market for Rx medications, OTC and BPC products.

Unlocking growth in a ~ € 300 billion market.

Europe's pharmacy market is valued at approximately € 314 billion and while online pharmacies currently capture only a small portion, the **shift to digital is accelerating.** Germany, with a market size approaching € 70 billion, plays a significant role in this transformation. The launch of electronic prescriptions will further expand our access to this key market.

Redcare Pharmacy and its brands are already trusted by customers across Germany and six other European countries. As the pharmacy landscape continues to evolve, driven by demographic shifts, increased prevalence of chronic conditions, and growing health awareness, we are well positioned to offer secure, seamless and reliable customer journeys tailored to these trends.

Paving the way to long-term *profitability.*

Our DACH segment has consistently delivered a positive adjusted EBITDA margin over the past years, while our international segment is rapidly scaling and driving growth. For the medium to long term, we anticipate a consolidated **adjusted EBITDA margin exceeding 8 %**. Key drivers towards achieving this include expanding scale in our international operations, streamlining efficiencies in both operations and overheads, leveraging the roll-out of electronic prescriptions (e-Rx in Germany), and increasing revenues from media and marketplace activities.

€ 314 BILLION — European Pharmacy Market

€ 66 BILLION — German Pharmacy Market

Sources: Horizon Grand View Research; ABDA.

Top positions in Europe.

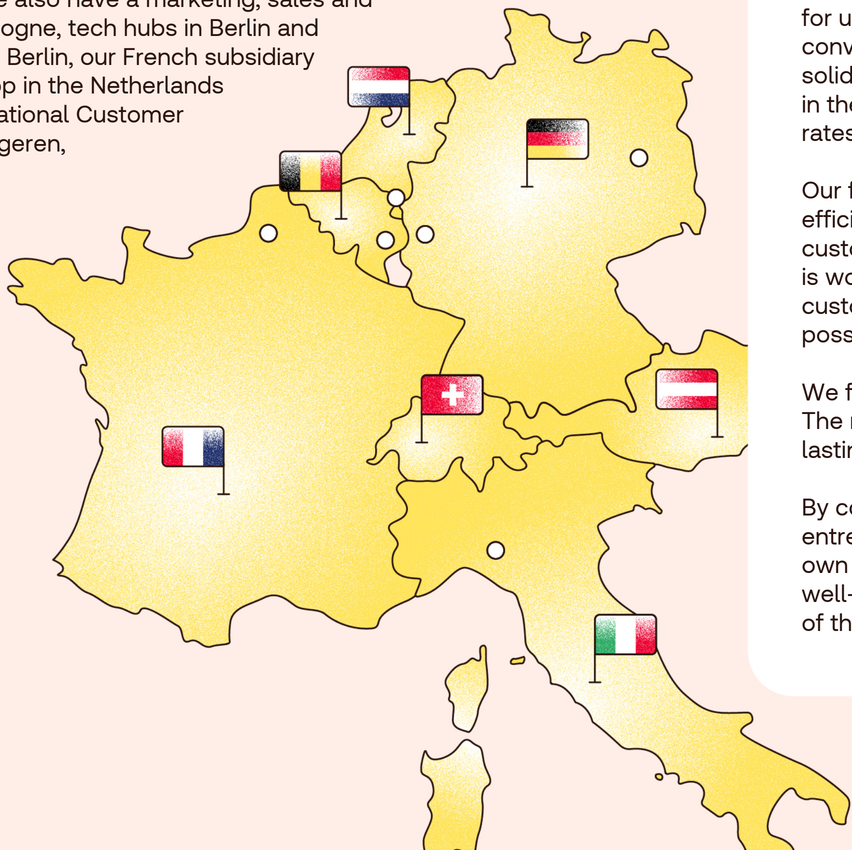
Caring across *countries.*

"Maximising market opportunities through *financial discipline and strength.*"

JASPER EENHORST, CFO OF REDCARE PHARMACY.

Market leaders in Germany, Austria, Belgium, Switzerland and Italy.

In addition to our headquarters in the Dutch city of Sevenum and our Italian distribution centre near Milan, the opening of a third distribution centre is scheduled for mid-2025 in the Czech Republic to serve our Austrian customers. We also have a marketing, sales and IT office in Cologne, tech hubs in Berlin and Munich, nu3 in Berlin, our French subsidiary in Lille, MedApp in the Netherlands and the International Customer Service in Tongeren, Belgium.



"At Redcare Pharmacy, we have built over the past many years a strong position in the expanding European online pharmacy market. With our comprehensive European footprint, we can swiftly scale our operations to serve the increasing demand for both prescription (Rx) and non-prescription medications (OTC) as well as other healthcare- and pharmacy-related products and services.

The nationwide adoption of e-prescriptions in Germany has presented a pivotal opportunity for us. By leveraging this advancement, we have successfully gained new customers while converting a substantial number of our existing non-prescription customers, too – further solidifying our leadership in the market. Our decision during the year to increase investments in the Rx area was supported by compelling e-Rx customer metrics, such as the repeat order rates and high overall customer satisfaction.

Our focus on continuous improvement – both in customer propositions and in operational efficiencies – allows us to seize market opportunities effectively and efficiently. And our customer-centric, data-driven, agile marketing approach enables us to respond rapidly to what is working and what not and changing market conditions, increasing brand values and fostering customer trust. This approach ensures our resources are used in the most effective way possible, with the aim of maximising impact and driving sustainable growth.

We focus on high customer satisfaction, for which the net promoter score (NPS) is an indicator. The results we track daily confirm that we are meeting our customers' needs and creating lasting value.

By concentrating on continuous improvement and growth, combining our discipline and entrepreneurship, we utilise our resources, capital and diverse revenue streams, including our own brands, marketplace and Rx products, to drive growth and profitability. Our company is well-positioned, both financially and strategically, to continue leading and shaping the future of the online pharmacy across Europe."

Strengthening our leadership across the European market.

Healthy people on a healthy planet.

Positive social impact for people and our society.

At our core, we are a pharmacy. Redcare is committed to improving access to essential medication and digital pharmaceutical services, empowering individuals to take care of their health. Our guiding vision, "Until every human has their health," embodies the positive social impact at the heart of our purpose, embedding sustainability as a fundamental aspect of our core business.

Sustainability is fully integrated into Redcare Pharmacy's growth strategy, which focuses on expanding healthcare access for patients and customers while fostering a supportive workplace for employees. A key challenge lies in minimising the environmental impact of our operations while respecting planetary boundaries. Our integrated management approach ensures that the company's sustainability pillars are embedded throughout the operations and value chain, making it central to how we create long-term value. This holistic approach to sustainability underscores our commitment to aligning business growth with social and environmental responsibility.

Planetary care.

- Circularity of products and packaging.
- Minimised pollution in the value chain.
- Strengthened biodiversity.
- *Climate protection and decarbonisation.*

Patient care.

- Patient health and pharmaceutical excellence.
- Robust data privacy and security.
- Responsible marketing.
- *Inclusive access to healthcare.*

Employee care.

- People development and equal opportunities.
- Culture of trust and integrity.
- Fair treatment of workers in the value chain.
- *Healthy, safe and satisfied employees.*

Because we care.

Care from all angles.

Recognising that healthy people need a healthy planet, Redcare has defined three overarching sustainability goals along three corresponding sustainability pillars:

Planetary care.

Ensuring 1.5°C aligned growth.

Our commitment to responsible business growth goes beyond expanding access to pharmaceutical services – it also emphasises minimising potential environmental impacts.

Redcare Pharmacy is committed to achieving net zero carbon emissions by 2040, leveraging the X-Degree Compatibility (XDC) methodology by "right.based on science" to align with the Paris 1.5°C Agreement.

Patient care.

Providing access to healthcare for everyone.

Redcare's commitment to improving healthcare access and inclusiveness across its markets is reflected in four key objectives:

- Online Rx availability: Expanding accessibility to electronic prescriptions across all markets, ensuring easier and faster access to essential pharmaceutical products.
- Digital EU wallet deployment: Implementing a digital EU wallet system for healthcare transactions and information storage, enabling seamless access to online pharmaceutical products and services across Europe, including Redcare's markets.
- Access to electronic health records (EHRs): Facilitating access to EHRs, including e-prescriptions and patient summaries, to support better healthcare outcomes, particularly for chronically ill patients.
- Inclusion initiatives: Launching programmes to ensure equitable healthcare access, such as providing tailored services for immobile or chronically ill patients.

Employee care.

Starting everything with people.

We start everything with people. We prioritise employee wellbeing and development by fostering equal opportunities and a supportive work environment. This commitment is reflected in initiatives that promote continuous learning, comprehensive health benefits and a culture of inclusivity. Being a pharmacy, our employee health programme is central to this approach. Beyond physical health measures like health scans, it emphasises mental health and resilience, offering tailored mental health support to address diverse work realities, including immediate access to therapeutic care.

Meet our *Managing Board.*

Olaf Heinrich has been the CEO of Redcare Pharmacy since 2023. As a true e-commerce expert, Olaf has played a pioneering role in shaping the European online pharmacy market, notably during his time as CEO of DocMorris for more than ten years. With extensive board-level experience in a publicly listed company, Olaf is a collaborative team player who leads Redcare Pharmacy's overall business strategy. His responsibilities include key corporate functions such as Legal, Public Affairs, Corporate Communications, E-Health, Health Insurance, Sustainable Development, Internal Audit, Business Development and HR.

Dirk Brüse, with Redcare Pharmacy since 2017, previously served as Executive Director, overseeing DACH / Italy Country Management, Marketing and Retail Media. In April 2024, he became a member of the Board as Chief Commercial Officer. With expertise in e-commerce, brand and digital marketing and social media, he's been instrumental in Redcare's digitalisation. Prior roles include senior positions at Vodafone and Digital Director and Chief Digital Officer at L'Oréal.

Jasper Eenhorst is the company's Chief Financial Officer (CFO). He is responsible for the broad scope of finance functions including Accounting, Tax and CSRD Reporting, Business and Financial Controlling, Governance and Compliance, Investor Relations and the own brand unit nu3. Jasper joined the company in 2020, coming from the global retailer Ahold Delhaize. He studied Business Economics at the Erasmus University in Rotterdam, the Netherlands, and at the university of Aix/Marseille in France.

Theresa Holler is Redcare Pharmacy's Chief Operating Officer (COO) as well as its responsible pharmacist. She studied pharmaceutics in Mainz, Germany, where she received her licence to practice pharmacy. Additionally, she also earned a Master of Science degree in consumer healthcare from Berlin's Charité.

Lode Fastré, serving as Chief Information Officer, brings over fifteen years of expertise in the online pharmacy sector. Beginning as an ICT manager, he founded Farmaline, later acquired by Redcare Pharmacy. Since joining in 2016, Lode Fastré has played a pivotal role in international expansion and technology initiatives. With his entrepreneurial background and deep understanding of Redcare Pharmacy's IT landscape, he stands as a driving force for innovation within the organisation.

From left to right:
Jasper Eenhorst, Dirk Brüse, Olaf Heinrich,
Theresa Holler and Lode Fastré.

Redcare PHARMACY

Review 2024.

The Managing Board of Redcare Pharmacy *looks back* on 2024.

Once again, it has been a remarkably successful year for Redcare Pharmacy – one that will undoubtedly stand out in the company's history, especially with the final roll-out of mandatory e-prescriptions.

Lode Fastré, CIO,
Dirk Brüse, CCO,
Theresa Holler, COO,
Olaf Heinrich, CEO,
and Jasper Eenhorst, CFO
(from left to right).

- After doubling sales in 2023 in just two years, Redcare Pharmacy crossed the EUR **2 billion threshold** in 2024.
- Following the mandatory introduction of electronic prescriptions in Germany in January 2024, Redcare Pharmacy launched its **eHealth-CardLink solution** within the Shop Apotheke app in early May. This led to a fast increase in app downloads and total Rx sales growth of 69% in Q4: 142.4 %.
- During last year's general meeting, **Dirk Brüse** was appointed as the **new Chief Commercial Officer** and **Lode Fastré** as the **new Chief Information Officer**. Both have been an integral part of the company's senior leadership team for about seven years.
- In late October, construction officially began on the **new distribution centre in the Czech Republic.** The facility will ensure faster delivery to customers in Austria, further strengthening customer satisfaction.
- In January 2024, **Morningstar Europe's Sustainalytics** – an independent ESG and corporate governance research, ratings and analytics company – upgraded Redcare's ESG rating from medium risk to low risk, placing it in the upper quartile of all global companies across all sectors.

With all these accomplishments, there is every reason to close the year on a positive note, reflecting on our successes and milestones achieved.

The Managing Board welcomes Dirk Brüse and Lode Fastré.

“It’s great to have found the *perfect fit* for our Board.”

Olaf:
As is now our tradition, we, as the Executive Management, come together at the beginning of each year to reflect on the journey and achievements of the past. But before we dive into last year’s review, I’d like to take a moment to officially **welcome Dirk and Lode to our team.** Both of you are truly valuable additions to our Managing Board, professionally and personally.

Theresa:
Absolutely. It’s great to have found the perfect fit within our own senior leadership team – individuals who already have a deep understanding of our company and the markets we serve.

Jasper:
Exactly, and it’s certainly been an advantage that we’ve known each other for many years. I appreciate that you’re both true team players and skilled with an entrepreneurial mindset.

Dirk:
As I mentioned back in April when we were appointed, I’m genuinely honoured – and still feel this way – to have been given such an exciting opportunity. Together with the incredible team around us, we will work to embrace new opportunities and lead the business to even greater success.

Lode:
For me, being part of Redcare Pharmacy means I am fully committed to driving IT innovation, continuing our tradition of excellence and further solidifying our leadership in Europe.

The Managing Board on e-Rx in Germany.

“We have made the e-prescription *truly digital* and our customers are delighted.”

Olaf:
The e-prescription has finally arrived in Germany. With its mandatory use since 1 January 2024, a decisive step has been taken in the digitalisation of the German healthcare system. With the launch of our eHealth-CardLink solution last May, we now offer patients across Germany **an easy, safe and convenient way** to get their prescription medications. By simply holding their German health insurance card up to their smartphone, patients can redeem their e-prescription directly via the Shop Apotheke app. We’ve made the e-prescription truly digital – and our customers are delighted.

How to *CardLink*?
As easy as paying by card.

Jasper:
Well, by finally enabling patients and customers to conveniently redeem their e-prescriptions via smartphone, they can experience a fully digital patient journey for the first time. It marks another important step in the digital transformation of the healthcare landscape, improving the lives of the people we serve, and offering our company **substantial opportunities for further growth.**

Dirk:
A recent study shows that the majority of people in Germany are open to ordering medicines from an online pharmacy, including both OTC and prescription drugs. With the nationwide adoption of e-Rx and the successful launch of CardLink, we’ve received very positive feedback from existing as well as new customers. We see our reliable and patient-friendly, digital journey as a **significant addition to the healthcare system** improving the lives of millions.

Lode:
The growing appreciation for this digital redemption channel is evident from both the increase in app downloads and the rise in the proportion of prescriptions redeemed via the app. Since the introduction of CardLink in May, **downloads of our app have significantly increased,** reaching around 940,000 by the fourth quarter of the year.

The Managing Board looks back on the financial performance.

"Exceptional sales growth of 32 % reaching EUR 2.4 billion – and Rx sales growth in Germany of 142.4 % in Q4."

Jasper:
Once again, it was a very good year. We can be pleased with our performance, also financially, as we continue to deliver double-digit sales growth and moreover, and mainly organically, of 32 % to EUR 2.4 billion, combined with a continued positive EBITDA margin.

Olaf:
Our performance remains outstanding, with our **active customer base growing to 12.5 million** by the end of the year and our market share continuing to expand. Europe's ongoing transition to online services, combined with the increasing adoption of e-prescriptions in Germany, places us in a strong position for further growth. In autumn, guided by the convincing momentum in Rx sales in Germany and the financial strength of the Group, we decided to **step up our marketing investment plans** for the remainder of the year to further drive e-Rx growth.

Marketing power to unleash the full *e-Rx potential.*

Jasper:
And that decision paid off. Rx sales in Germany alone grew 69 % and reached EUR 254M for the full year. **The momentum increased during the year with 142.4 % growth in Q4.** In terms of sales value, our share of the prescription market in Germany has more than tripled from 0.27 % in January 2024 to 0.66 % by the end of the year.

***Lode*:**
And this is just the beginning. What we've achieved, despite a challenging economic climate in Germany, is a testament to the **strength of our business model,** which continues to perform well even against macro-economic pressures.

Theresa:
Our continuous growth is closely tied to **optimising and expanding our operations**. With rising order volumes, also driven by e-prescriptions in Germany, we are expanding our logistics capacities. This includes freeing up space at our hub in Sevenum for German Rx orders and opening a second hall at our Milan distribution centre to meet growing demand in Italy.

Additionally, the construction of our **new distribution centre in the Czech Republic** officially began at the end of October. This site holds strategic importance – not only because it expands our storage capacity to meet the surge in Rx orders but because it also brings us closer to our customers in Austria, significantly reducing delivery times.

The Managing Board on Redcare's sustainable development.

"We *genuinely care* – not just about our patients but also about our employees and the planet."

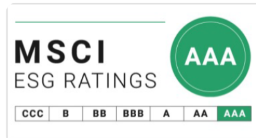
Olaf:
Health is at the heart of everything we do, and it's not by chance that care is such a prominent part of our name. We genuinely care – not just about our patients but also about our employees and the planet. In today's world, consumers increasingly prioritise companies that align with their values. So, advancing sustainable development is essential – not only because it's the right thing to do but also because it supports our long-term growth and helps us attract and retain top talent.

Lode:
It's actually quite simple: we see **climate and environmental protection** as essential to our mission. After all, a healthy life is only possible on a healthy planet. That's why we're fully committed to the 1.5-degree target outlined in the Paris Agreement.

Theresa:
We break down barriers to ensure that everyone has access to the medications they need, when they need them. By focusing on availability, accessibility and affordability, we're working to **create a more inclusive healthcare system.** Raising awareness about health and wellness is another crucial component of our approach. Patients who are more informed become empowered to take control of their health, which leads to better adherence to therapy and, ultimately, healthier outcomes.

Dirk:
Let's talk about our employees … taking care of every colleague is central to our sustainable development strategy, ensuring we support their **physical and mental wellbeing.** In 2024, we launched several impactful initiatives, including health scans across multiple sites to help employees identify potential health issues early on. We held dedicated Mental Health Weeks for both logistics and office teams, featuring webinars on stress management, resilience and wellbeing. And that's not all, we also introduced ergonomic training to promote healthier workplaces, both on-site and virtually. These efforts clearly reflect our commitment to **fostering a supportive and healthy work environment** for all our people.

Jasper:
When looking at our sustainability achievements, the AAA MSCI ESG rating and the Morningstar Sustainalytics low risk rating are examples of our success in this area. As part of our commitment to planetary care, we continue to drive sustainability through a range of initiatives. Our focus on **circular packaging and a sustainable product assortment** ensures we focus on reducing waste and offer eco-friendly alternatives. This year, we successfully launched our refillable category, further promoting sustainable consumption. And, with the introduction of an internal carbon tax we reinforced our dedication to reducing our environmental footprint, aligning our operations with long-term sustainability goals.



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Report of the Managing Board.

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Europe's leading online pharmacy – continuing healthcare innovation.

Since its founding in 2001 in Cologne, Germany, first as Shop Apotheke and later as Shop Apotheke Europe, Redcare Pharmacy N.V. has established itself as Europe's leading online pharmacy, providing millions of customers across Germany, Austria, Switzerland, Belgium, the Netherlands, France and Italy with top-tier healthcare solutions. Rebranded as Redcare Pharmacy in 2023, our new name embodies our mission to provide innovative and customer-centred pharmaceutical services across Europe. We do this by combining our pharmaceutical expertise with the power of technology and data.

At Redcare, we provide access to a wide assortment of products and high-quality services, with an emphasis on affordability, availability and awareness, while prioritising patient safety. Our product offerings range from prescription medication and OTC medication, to nutritional supplements and beauty and personal care products (BPC). Our own brands, Redcare, nu3, Skintist and Beavita supplement the wide range of other popular brands that comprise our ever-growing assortment, while our marketplace ensures access to additional health-related products for a one-stop pharmacy experience.

"Until every human has their *health.*"

The year in review: implementing our strategy.

As we look back at 2024, we reflect on a year marked by significant achievements and strategic advancements towards delivering profitable growth, while pursuing better health and care.

Making the most of the unique opportunity in Germany's Rx market.

From January 2024, Germany experienced the fast and widespread adoption of the e-prescription. Fuelled by this, as well as the launch of our in-app, fully digital redemption method CardLink and targeted marketing efforts, our Rx sales in Germany alone increased by 69%, driving total Rx sales growth of 64% for the year. The CardLink solution provides a seamless customer journey to redeem e-prescriptions by simply using a health card (eGK) and smartphone. Since its launch in May, our market share gain has been swift and successful, marking the first step towards becoming the leading online player in e-Rx in Germany.

Driving organic growth across our countries.

Simultaneously, we continued to maintain strong organic growth across our countries, upholding our leading position in Germany, Austria, Belgium and Switzerland while asserting for the first time the leading position in Italy. This was made possible by our relentless focus on customer satisfaction through the expansion of assortment, competitive pricing, improved delivery options and a generally seamless retail experience. These achievements are reflected in the solid performance of non-Rx sales, which grew by 21% and our ability to maintain a high level of customer satisfaction, with a net promoter score of 69. Our active customer base expanded to 12.5 million, an increase of 1.7 million compared to the previous year.

Exploiting our scalable, platform-driven model.

Through our scalable platform-driven model, we continued to expand our assortment by enlarging our existing marketplaces in Germany and Austria and adding new marketplaces for Italy and Belgium. We expanded our NOW! same-day delivery network in Germany by partnering with more pharmacies and also launched NOW! for same-day delivery in Austria and Belgium. In addition to this, we introduced new delivery and pick-up options for added convenience and a reduced environmental footprint. Our steadfast focus on sustainability throughout the years earned us improved ESG ratings, validating our efforts to reduce our environmental impact and strengthen governance.

Optimising capacity and distribution.

Fast and continuous growth requires capacity and planning for future capacity requirements. In 2024 we expanded the capacity of our distribution centre in Italy, enhanced the capacity of our prime logistics facility in the Netherlands and commissioned the construction of a new distribution facility in the Czech Republic from which to serve mainly Austria. These capital initiatives ensure the uninterrupted availability of optimal capacity in the medium-term.

Our Group financial results for the year underscore our success. In 2024, we achieved total sales of EUR 2.4 billion, representing growth of 32% year over year. These solid figures highlight our sustainable growth and strong market position. Customer-centricity has been instrumental in driving these outcomes.

Company profile.

Corporate structure.

Redcare Pharmacy N.V. has operations across seven countries in Europe, cumulatively serving over 12 million active customers. Our business is purely B2C-focused, providing customers with access to a range of more than 150,000 original products as of 31 December 2024. From the prime logistics hub and head office in Sevenum, the Netherlands, we currently distribute prescription and non-prescription medication as well as a vast assortment of beauty and personal care products to our customers in the DACH region – Germany, Austria and Switzerland – as well as in Belgium, the Netherlands and France. From our distribution centre in Milan, Italy, which has been operational since mid-2022, we exclusively serve customers throughout Italy.

Besides providing a strategically located distribution point, our presence in the Netherlands hinges on the country's regulatory advantages for our pharmaceutical mail order activities and our continued expansion in Europe. We are also strategically positioned to thrive in a market where there are few pan-European competitors. Our risk and opportunity management framework, detailed in the Risk and opportunities section, ensures we operate in a controlled yet flexible business environment.

Our operations are segmented into DACH (Germany, Austria and Switzerland) and International (Belgium, the Netherlands, France and Italy). The DACH segment remains our largest market, accounting for 82% of total sales in 2024. Since our MedApp acquisition in 2021 and our strategic partnership with Galenica in 2023 in MediService AG, we have expanded our Rx sales into additional key European markets.

Business activity and strategy.

Our growth in 2024 continued to be supported by demographic changes, rising health consciousness, the ongoing shift from offline to online retail and increased digitalisation in the health sector. Our innovative, data- and technology-driven approach and deep understanding of local markets has enabled us to capitalise on these trends, strengthening our market leadership.

This leadership, together with our expansive market reach and operational efficiency, provides a solid foundation for our growth strategy. Our strong value proposition is customer-centred, encompassing a comprehensive product range, competitive pricing, convenience and an exceptional retail and service experience. Additionally, we prioritise customer safety through advanced personalisation and medication safety checks. Our experienced management team ensures strategic execution, driving our sustainable growth.

We are always exploring new growth opportunities while reinforcing our leadership in existing markets, particularly Germany. By investing in innovation and expanding our product and service offerings on our platform, we meet evolving customer needs and maintain our competitive edge. Examples include partnerships with online doctor services and local physical pharmacies, which add third-party expertise to our healthcare offering; the addition of marketplaces for a wider assortment (currently available in Germany, Austria, Belgium and Italy); and strategic partnerships, such as the one with Galenica in Switzerland.

Our focus on efficiency and scale allows us to optimise procurement and achieve economies of scale, leading to competitive pricing. Additionally, we remain dedicated to continuously enhancing our product and service portfolio by also expanding our own brand offerings. We have made significant investments in enhanced pharmacy solutions and disease-specific programmes to help our customers manage their health effectively. These efforts include partnerships with telemedicine providers and same-day delivery services in key metropolitan areas, ensuring we provide the right products, knowledge and services.

The roll-out and nationwide adoption of e-scripts in Germany in 2024 represented a significant growth opportunity during the year, which will extend into the years ahead. We are committed to leveraging this development through strategic investments and marketing initiatives aimed at driving customer engagement and digital Rx sales. Ultimately, our strategy aims to improve the unit economics, achieve positive cash flow, and, over the long term, generate adjusted EBITDA profitability in excess of 8%.

Digital innovation.

Redcare Pharmacy focuses on providing retail and healthcare services without manufacturing its own products, so traditional research and development (R&D) isn't a core activity. However, the evolving pharmacy industry is reshaping how customers live, work and shop for healthcare products. In 2024, we invested EUR 33 million, a significant part of this to further enhance our technology, ensuring we remain a leader in digital innovation and deliver a seamless customer experience.

Our internally developed customer-facing systems allow us to adapt swiftly to changing market demands, while external partnerships help scale our capabilities when needed. Our in-house platform is tailored to meet customer needs efficiently.

We view AI as a crucial driver of operational efficiency. In response to the surge in generative AI advancements, we accelerated our AI strategy to enhance efficiency, reduce costs and introduce innovative features. This involves both custom in-house solutions and the adoption of top-tier technologies. Our AI initiatives focus on automating knowledge work and improving customer service, positioning us to scale effectively.

Our IT infrastructure is being scaled to support international expansion, optimising performance through rigorous load testing. Investments in IT governance ensure strategic alignment, value delivery and risk management. As health-related data increases, we prioritise IT security and implement robust measures to meet regulatory requirements. Additionally, we continuously enhance our ERP and warehouse management systems, leveraging external IT specialists to boost efficiency and support our growing sales volume.

General and industry-specific economic environment.

Economic developments in the euro area and Germany.

The eurozone experienced a gradual recovery in 2024, with the region's GDP growing by 0.8%, according to the European Central Bank (ECB). Despite challenges such as rising living costs and restrictive monetary policies, the region's economy showed signs of resilience. Looking ahead, GDP growth is forecast to increase to 1.3% in 2025. Inflation, measured by the harmonised consumer price index (HCPI), declined from an average of 5.4% in 2023 to 2.5% in 2024. It is expected to decrease further to 2.2% in 2025, moving closer to the ECB's target.

Germany, as the largest single market for Redcare Pharmacy, faced economic stagnation in 2024. The Council of Economic Experts reported a slight economic contraction of 0.1%, reflecting ongoing challenges. However, there is hope for moderate growth of 0.4% in 2025, albeit that it is lower than earlier forecasts. Inflation in Germany averaged 2.2% in 2024 and is expected to moderate to 2.1% in 2025. The German labour market remained under pressure as a result of the weak economic momentum, although demographic changes provided some relief. Real disposable income saw a slight improvement, supported by wage increases and declining inflation, which helped sustain private consumption.[2]

Overview of the overall pharmacy market in Europe.

The European pharmacy market, encompassing Rx, OTC drugs and pharmacy-related BPC products, is of a significant size and has shown steady growth. According to Grand View Research, the market is projected to sustain a compound annual growth rate (CAGR) of 5.4% from 2021 to 2028. In 2023, revenues reached EUR 314 billion, a 2.6% increase from the previous year, and are anticipated to hit EUR 380.4 billion by 2028. This growth is driven by demographic shifts, a higher prevalence of chronic diseases and a stable demand for healthcare products stemming from a stronger focus on prevention and self-medication.

Germany remains the largest pharmaceutical market in Europe, with total revenues of EUR 66.42 billion (excluding VAT) in 2023. Prescription drugs dominate the market, contributing EUR 55.7 billion, followed by OTC drugs at EUR 5.3 billion. Supplementary products usually found in pharmacies account for the balance of EUR 5.4 billion. According to an ABDA report, in 2023 e-pharmacies captured 21.3% of OTC revenue, with some estimates placing the share closer to 25%. In contrast, e-pharmacies' share of Rx sales over the same period was less than one percent.

France and Italy follow Germany as key markets, with revenues of EUR 43 billion and EUR 25.8 billion, respectively, in 2022. Spain (EUR 18.5 billion) and Poland (EUR 10.6 billion) complete the top five. The European pharmacy market is expected to continue evolving, influenced by trends such as changing consumer preferences, increased digitalisation of health services and special local circumstances.

Increasingly, consumers value convenience and ease of access, which include access to a wider assortment of both products and services for self-care. To cater for these changing trends, more brick-and-mortar pharmacies are making use of technology and the digital space, which are the foundations of the online pharmacy business model. Consequently, with its advanced, customer-centred digital model, Redcare Pharmacy is well positioned to increase access to pharmaceutical products in Europe and simultaneously increase its share of the market.

The average pharmacy density in Europe – defined as the number of brick-and-mortar pharmacies per 100,000 inhabitants – is 32, but for many countries, including Germany, it is much lower. As the number of physical pharmacies continues to decline due to structural changes, online pharmacies are able to bridge the gap and effortlessly serve more customers. This highlights the growing importance of online pharmacies in the European pharmaceutical landscape.[3]

Overview of the online pharmacy market.

The European e-commerce market continues to show significant growth, albeit at a more moderate pace compared to previous years. In 2023, the total B2C e-commerce revenue in Europe grew by 3%, from EUR 864 billion to EUR 887 billion, as reported by EuroCommerce. This growth underscores the ongoing digital transformation, but regional

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[2] Sources
1. European Central Bank (ECB) Projections: ecb.europa.eu
2. Economic Forecast for Germany: Reuters

[3] Sources
1. Grand View Research: grandviewresearch.com
2. Statista: statista.com
3. ABDA: German Pharmacies - Figures, Data, Facts 2024

disparities remain, highlighting the need for a harmonised EU-wide regulatory framework to maximise e-commerce's potential.

Despite this overall growth, the penetration of e-commerce in the pharmacy sector – covering prescription and OTC medications as well as BPC products – remains lower than in more established sectors such as apparel and electronics. EuroCommerce notes that while the online pharmacy market is experiencing rapid expansion, it has yet to catch up with the higher levels of digital sales seen in these sectors. In some countries, this is because online access to prescription medication remains restricted by regulation or because patients continue to value the personal relationship they have with their local pharmacist. According to Statista, the European online pharmacy market is expected to generate revenues of EUR 15.39 billion in 2024, with an annual growth rate of 11.98%, reaching EUR 27.10 billion by 2029. This steady increase is being driven by growing consumer demand for convenience and the expansion of digital healthcare offerings.

Combined, Europe's top 10 online pharmacy markets generate EUR 10 billion revenue. The top 10 include Germany, France, Italy, Belgium and Austria, that is, five of Redcare's seven markets. As one of the most developed, Germany's e-pharmacy market is an important component of Europe's pharmaceutical sector and contributes a significant proportion of the overall sales. Its future growth prospects are even more attractive, considering the size of the population – over 80 million – the high per-capita expenditure on health and the low online penetration rate for Rx. Although regulation has permitted the online sale of prescription medication since 2004, the pharmacy sector and patients are only now benefiting from this, following the nationwide adoption of e-scripts in January 2024.

Other countries like Sweden, the Netherlands and Denmark are also advancing in the e-pharmacy space, with significant investments in digital health infrastructure that support the home delivery of medications and enhance consumer engagement, as highlighted by Euractiv.

Furthermore, the online pharmacy market is advocating for EU-wide access to medications through digital platforms. Industry leaders stress the importance of regulatory support to harmonise the sector and unlock its full potential. Euractiv emphasises that as more EU states adopt e-scripts and home delivery models, the market is set for significant growth.

Overall, the European online pharmacy sector is experiencing dynamic growth, supported by technological innovations and evolving regulations. However, continued efforts are necessary to address regulatory inconsistencies and further increase e-commerce penetration across the healthcare segment.[4]

Competitive environment in the online pharmacy market.

The e-commerce channel enables e-pharmacies to offer a wider range of products compared to local brick-and-mortar pharmacies, as they are not limited by physical shelf space. Success in this market depends on several critical factors: offering competitively priced products to attract and retain customers, establishing and maintaining strong brand and domain awareness, and developing robust e-commerce capabilities, including scalable IT platforms, optimised logistics and efficient fulfilment processes. It also involves maintaining a diverse product offering to meet consumer demand efficiently.

Redcare's competitors range from other online pharmacies specialising in OTC medications and prescription pharmaceuticals to local brick-and-mortar pharmacies and major online retail platforms expanding into the healthcare market. While brick-and-mortar pharmacies often lack advanced e-commerce infrastructure, restrictions on pharmacy ownership across Europe can also limit their expansion capabilities. Some large e-commerce companies have begun to offer a limited selection of OTC products but still lack pharmacy licences and the necessary pharmaceutical expertise.

Additionally, there is an emerging trend of quick-delivery and general retail platforms exploring partnerships with pharmacy services, which poses a competitive threat. Their brand strength, extensive customer networks and efficient logistics infrastructure make them potential competitors in the market. The rise of convenience-driven solutions for pharmacy products indicates a rapidly evolving landscape.

To stay competitive, we continue to focus on our strengths, including our established brand reputation, comprehensive range of health products, and advanced digital and delivery solutions. Our ongoing investments in e-Rx technology and partnerships with healthcare providers aim to set us apart, providing a best-in-class digital and pharmacy experience.

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[4] Sources

1. EuroCommerce: eurocommerce.eu
2. Statista: de.statista.com
3. Euractiv: euractiv.de
4. EAEP: EAEP E-Pharmacy Market Report 2023

Regulatory environment.

Redcare Pharmacy’s business is continuously subject to regulatory changes. A responsible trade in medications requires specialised knowledge and due diligence. To ensure these conditions are met, both the European Union and its member states have implemented comprehensive regulatory frameworks. Consequently, Redcare Pharmacy's operations are governed by restrictions related to the medical and pharmaceutical aspects of the products it delivers, as well as by regulations concerning e-commerce.

A significant European Court of Justice (ECJ) ruling in December 2003 confirmed that the principle of free movement of goods within the EU also applies to non-prescription medications. National laws prohibiting the mail-order sale of these products were deemed incompatible with EU law. As a result, cross-border sales of non-prescription medications are permitted within the EU for registered pharmacies. Following this ruling, online suppliers gained access to the OTC market, with their share growing to over 20% in Germany over the years.

Ban on Rx bonuses in Germany.

Since December 2020, pharmacies, including foreign mail-order pharmacies, have been prohibited from offering discounts or bonuses on prescription medications. This ban was introduced to reinforce fixed pricing and regulate competition between physical and online pharmacies. The measure has sparked ongoing debate, with questions raised about whether Rx bonuses act as undue purchase incentives or provide a fair competitive balance. The European Court of Justice (ECJ) provided a judgement on this matter on 27 February 2025. The court confirmed that EU pharmacies are entitled to grant direct Rx-bonuses but also ruled that vouchers on the pharmacy assortment including OTC can be limited by EU member states, provided that such limitation is justified to protect public health. Redcare is currently reviewing the exact consequences of this judgement.

Introduction of e-prescriptions in Germany.

Since 1 January 2024, the use of electronic prescriptions for all statutory health insurance members has become mandatory. Physicians must issue electronic prescriptions when prescribing medication, which patients can redeem with their health card (eGK) at brick-and-mortar pharmacies and, since the introduction of the CardLink solution, also through various digital platforms. This development supports the digitalisation of healthcare and presents both new challenges and opportunities for online pharmacies.

Digital Act and electronic patient records (ePA).

The Digital Act, which came into force in March 2024, further accelerates the digitalisation of the healthcare system. One key element is the introduction of electronic patient records (ePA) for all statutory health insurance members, starting in 2025, with an opt-out option. Patients may choose to opt out if they do not wish to use the ePA. The ePA will store comprehensive patient health information, allowing for more coordinated and efficient healthcare. For Redcare Pharmacy, the ePA could enable more personalised and data-driven pharmaceutical services, but it also requires strict adherence to data privacy regulations.

European Health Data Space (EHDS).

The EU is working on establishing a European Health Data Space (EHDS) to facilitate the cross-border exchange of health data. This initiative aims to improve access to healthcare information and foster collaboration across EU member states. For Redcare Pharmacy, this could simplify regulatory processes for handling patient data and facilitate cross-border operations, thereby expanding its market reach. Additionally, the EHDS could enhance service offerings by providing more integrated healthcare solutions.

Regulations in other EU countries.

Many EU member states still have national restrictions limiting the growth of pharmacy chains and prohibiting third-party ownership of pharmacies. These regulations can affect the expansion and growth potential of pharmacy businesses. However, in the Netherlands, there are no such restrictions, allowing pharmacies to be owned by legal entities or individuals. Regardless of ownership structure, the pharmaceutical responsibility always lies with the designated responsible pharmacist.

Economic report.

Forecast vs. actuals.

In 2024, Redcare Pharmacy adjusted its full-year forecast on 3 October, anticipating stronger non-Rx sales and increased investments in the e-Rx segment in Germany. By year end, total Group sales reached EUR 2.37 billion, well within the revised forecast range of EUR 2.35 to 2.5 billion.

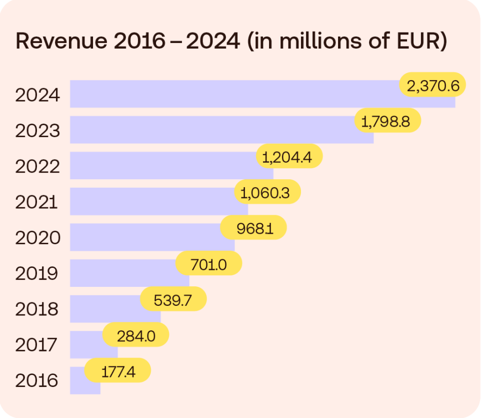
Metric	Initial forecast	Revised forecast (3 October)	Actual	Guidance met
Total sales	€ 2.3 to 2.5 billion	€ 2.35 to 2.5 billion	€ 2.37 billion	Yes
Non-Rx sales growth	15% to 25%	20% to 25%	20.8%	Yes
MediService sales growth	Mid-single digits	Lower half of single digits	2.9%	Yes (Adjusted)
Adjusted EBITDA margin	2% to 4%	1.2% to 2.2%	1.4%	Yes (Adjusted)

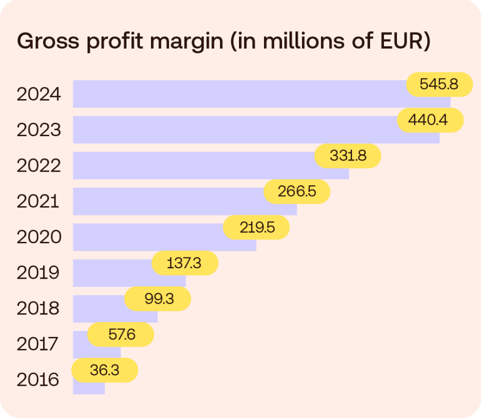
Redcare's non-Rx sales grew by 20.8%, meeting expectations, while MediService sales increased by 2.9%, in line with the revised guidance for lower single-digit growth. The adjusted EBITDA margin ended at 1.4%, reflecting effective cost and margin management balanced with higher marketing expenses.

Revenue and earnings position.

Sales of prescription and non-prescription pharmaceuticals as well as medications and pharmacy-related beauty and personal care products are subject to seasonal fluctuations, with demand for pharmaceuticals especially high during the first and fourth quarters of the year.

Revenue increased from EUR 1,798.8 million in 2023 to EUR 2,370.6 million in 2024, driven by a mix of organic growth and contributions from strategic partnerships. Consolidated gross profit rose to EUR 545.8 million, with the gross margin adjusting to 23.0% due to the growing share of lower-margin Rx products.





The Company reports two main business segments:
- DACH segment: Sales in Germany, Austria and Switzerland grew by 33.1%, with Rx sales experiencing significant momentum due to the continued roll-out of e-prescriptions. The gross profit for the segment was EUR 437.8 million, resulting in a gross margin of 22.6%.
- International segment: Sales across Belgium, the Netherlands, France and Italy increased by 26.4%, reaching EUR 436.5 million. The gross margin was 24.7%, 0.2 percentage points above last year's 24.5%.

For better comparison, we also provide adjusted figures, which reflect extraordinary items (the non-cash IFRS-specific expenses on accounting of the business acquisitions, the non-cash IFRS expenses to the Employee Stock Option Plan and one-off costs related to business projects).

A detailed reconciliation of adjustments can be found in the following table:

in EUR 1,000	Adjustments 2024					Adjustments 2023				
	Non-adjusted	1	2	3	Adjusted	Non-adjusted	1	2	3	Adjusted
Revenue	2,370,575	0	0	0	2,370,575	1,798,758	0	0	0	1,798,758
Cost of sales	-1,824,796	0	0	0	-1,824,796	-1,358,375	0	0	0	-1,358,375
Gross profit	545,779	0	0	0	545,779	440,383	0	0	0	440,383
Other income	345	0	0	0	345	319	0	0	0	319
Selling & Distribution	-443,987	0	21	0	-443,966	-336,447	0	700	0	-335,747
Administrative expenses	-72,907	3,182	872	0	-68,853	-64,262	3,507	1,211	8,084	-51,460
EBITDA	29,230	3,182	893	0	33,305	39,993	3,507	1,911	8,084	53,495
Depreciation	-68,217	0	0	0	-68,217	-57,288	0	0	0	-57,288
EBIT	-38,987	3,182	893	0	-34,912	-17,295	3,507	1,911	8,084	-3,793
Net finance cost and income tax	-7,369	0	0	0	-7,369	5,689	0	0	-12,873	-7,184
Net loss	-46,356	3,182	893	0	-42,281	-11,606	3,507	1,911	-4,789	-10,977

Description of adjustment:
1. IFRS expenses of the Employee Stock Option Plans. Also see note 27. These expenses are non-cash for Redcare Pharmacy.
2. One-off external project expenses related to other projects (for example expansion and acquisition projects). This mainly concerns external advisory costs.
3. Other major non-recurring one-offs. Prior-year numbers are comprised of two elements: (1) In 2023 this concerned the impact of contingent considerations to former owners of the acquired companies smartpatient and MedApp. In light of these acquisitions of 100% of the shares of smartpatient and MedApp, the total purchase price for the shares which Redcare Pharmacy agreed upon with the selling shareholders amounts to EUR 70.6 million and EUR 8 million, respectively. Along with the acquisitions, contingent considerations are provided to the former owners which contain a service condition. Payments in the form of cash and shares under this contingent consideration forfeit if employment is terminated. The total contingent consideration amounts to EUR 47.8 million. On the basis of an IFRIC decision on IFRS 3.B55 Business Combinations – the contingent part of this purchase price should be accounted for as consideration for post-combination services – employee expenses during the vesting period. The total impact of the recognition of the cash component and share component of the contingent considerations of both business combinations in the result of the year 2023 amounts to EUR 8.1 million. These costs are included in the employment expenses presented in the profit and loss statement under “administrative expenses”. The P&L impact of this accounting method distorts the view on our underlying financial result of our business for management reporting purposes, which is the reason we adjust for it in the presented adjusted EBITDA. Reference is made to note 28 to the consolidated financial statements of the 2022 financial year for a detailed explanation. (2) The 2023 year included a release (gain) with no cash impact of EUR 12.9 million due to a fair value adjustment of the contingent consideration liability related to the acquisition of First A later renamed to GoPuls.

During the reporting period, sales surged by 31.8% from EUR 1,798.8 million in 2023 to EUR 2,371 million in 2024. Organic growth accounted for 25.6% of the sales.

Consolidated gross income climbed 23.9% in the year under review from EUR 440.4 million to EUR 545.8 million. Gross margin as a proportion of sales decreased from 24.5% in 2023 to 23.0% in 2024. This change was due to the mix of lower-margin prescription sales of MediService, which had only been consolidated as of mid-May in 2023. Before the impact of mix, gross profit across the group strengthened.

Selling and distribution (S&D) expenses increased by 107.6 million, from EUR 336.4 million in 2023 to EUR 444.0 million, an increase of 32%. Notwithstanding additional marketing investments to capitalise on the Rx opportunity and higher average wage rates, the S&D margin remained stable at 18.7%, compared to 2023. Efficiency gains and economies of scale offset cost pressures and contributed to this stability.

Administrative costs, including depreciation and amortisation, increased by around 14% to EUR 83.1 million from EUR 72.9 million in 2023. However, in relation to sales, administrative efficiency improved, with administrative costs decreasing from 4.1% to 3.5% of revenue, reflecting effective cost management despite overall growth.

With depreciation expenses of EUR 68.2 million, EBIT declined from EUR -17.3 million in 2023 to EUR -38.9 million in 2024, reflecting the impact of strategic investments in logistics, technology infrastructure and higher marketing expenses. Net finance costs amounted to EUR 9.3 million in 2024, compared to net finance income of EUR 2.7 million in 2023. The change was mainly due to a one-off finance income effect of EUR 12.9 million in the prior year, related to the discounting of liabilities in connection with a previous acquisition. Excluding this effect, finance costs remained largely stable, with higher interest income from deposits and current accounts partially offsetting other financial expenses. The net loss for the year was EUR -46.4 million, compared to the net loss of EUR -11.6 million in 2023.

Revenue and earnings by segment.

Segment information

non adjusted and adjusted (in EUR 1,000)	2024			2023		
	DACH	International	Total	DACH	International	Total
Revenue	1,934,077	436,498	2,370,575	1,453,551	345,207	1,798,758
Cost of sales	-1,496,302	-328,494	-1,824,796	-1,097,883	-260,492	-1,358,375
Adjusted cost of sales	-1,496,302	-328,494	-1,824,796	-1,097,883	-260,492	-1,358,375
Gross profit	437,775	108,004	545,779	355,668	84,715	440,383
Adjusted gross profit	437,775	108,004	545,779	355,668	84,715	440,383
% of revenue	22.6%	24.7%	23.0%	24.5%	24.5%	24.5%
Other income	335	10	345	290	29	319
Adjusted other income	335	10	345	290	29	319
Selling & distribution	-341,844	-102,143	-443,987	-248,129	-88,318	-336,447
Adjusted selling and distribution	-341,835	-102,131	-443,966	-247,593	-88,154	-335,747
Administrative expense	-48,879	-24,028	-72,907	-41,591	-22,671	-64,262
Adjusted administrative expenses	-46,373	-22,480	-68,853	-33,611	-17,849	-51,460
EBITDA	47,387	-18,157	29,230	66,238	-26,245	39,993
Adjusted EBITDA	49,902	-16,596	33,305	74,754	-21,259	53,495
Depreciation	-44,338	-23,879	-68,217	-37,009	-20,279	-57,288
Adjusted depreciation	-44,338	-23,879	-68,217	-37,009	-20,279	-57,288
EBIT	3,049	-42,036	-38,987	29,229	-46,524	-17,295
Adjusted EBIT	5,564	-40,475	-34,912	37,745	-41,538	-3,793
Net finance cost and income tax			-7,369			5,689
Adjusted net finance cost			-7,369			-7,184
Net loss			-46,356			-11,606
Adjusted net loss			-42,281			-10,977

Redcare Pharmacy's operations are divided into two primary segments: DACH and International. The DACH segment represents our core market, comprising sales of prescription medications (in Germany and Switzerland), OTC pharmaceutical products, functional foods, and pharmacy-exclusive beauty and healthcare items in Germany, Austria and Switzerland. The integration of MediService has significantly increased the share of prescription drug sales.

The International segment encompasses sales of OTC pharmaceutical products, functional foods, beauty and healthcare items in our other European markets, including Belgium, France, Italy and the Netherlands, where our MedApp pharmacy also handles prescription drugs.

Overall, segment performance demonstrated steady growth in 2024. Consolidated adjusted EBITDA amounted to EUR 33.3 million, lower than the EUR 53.5 million recorded in 2023. The adjusted EBITDA margin decreased to 1.4%, predominantly due to our strategic decision to increase marketing expenditure aimed at capitalising on the e-Rx opportunity in Germany.

DACH segment performance.

In 2024, the DACH segment's sales across the German, Austrian and Swiss markets grew by 33.1%, supported by a 64.0% increase in Rx sales. In Germany, Rx growth amounted to 68.7%. Non-Rx sales rose by 18.9%. The DACH segment accounted for 82% of Redcare's total consolidated sales, reaching EUR 1,934.1 million, up from EUR 1,453.6 million in 2023, when it represented 82% of total sales.

The cost of sales in this segment increased from EUR 1,097.9 million to EUR 1,496.3 million, influenced by a higher proportion of lower-margin prescription drug sales. Consequently, the gross profit margin declined from 24.5% to 22.6%.

Selling and distribution (S&D) expenses, as a percentage of sales, increased from 17.0% to 17.7%, reflecting higher Rx marketing spending while also demonstrating efficiency gains. Adjusted EBITDA for the segment was EUR 49.9 million, with a margin of 2.6%, down from 5.1% in 2023. This decline was due mainly to elevated marketing investments to accelerate e-Rx adoption.

International segment performance.

International revenue, encompassing the Netherlands, Belgium, France and Italy, grew by 26.4% to EUR 436.5 million, compared to EUR 345.2 million in 2023. The share of international sales was 18% of total consolidated sales, reflecting a minor shift from the prior 19% due to the DACH segment's growth and MediService's influence.

The cost of sales in this segment increased from EUR 260.5 million to EUR 328.5 million, resulting in a gross profit of EUR 108.0 million. The gross margin slightly increased to 24.7% from 24.5%, mainly due to price and product mix. Adjusted EBITDA showed a marked improvement, reaching EUR -16.6 million compared to EUR -21.2 million in 2023. The adjusted EBITDA margin improved significantly to -3.8%, up from -6.2%, reflecting the success of enhanced order management and effective cost control measures.

Cash flow.

in EUR million	2024	2023
Operating loss for the period	-39.0	-17.3
Net cash flow for/from operating activities	22.1	61.5
Net cash flow for/from investing activities	8.4	-60.0
Net cash flow for/from financing activities	-17.9	15.0
Cash and cash equivalents at the beginning of the period	84.2	66.8
Change in cash and cash equivalents	12.6	16.5
Cash and cash equivalents at the end of the period	96.9	84.2

In the year under review, cash and cash equivalents increased from EUR 84.2 million to EUR 96.9 million. EUR 3.7 million was invested in short-term securities (fixed deposits) during 2024 as part of active cash management, while disposals of such financial assets amounted to EUR 40.0 million. These transactions are reflected in other financial assets totalling EUR 80.7 million. By year-end, cash and equivalents, including these short-term deposits, amounted to EUR 177.6 million.

Operational cash flow for 2024 was EUR 22.1 million, following EUR 61.5 million in 2023. This decline was primarily driven by the significantly lower operating result, as well as further inventory adjustments and shifts in trade payables.

The investing cash flow stood at EUR 8.4 million compared to EUR -60.0 million in 2023. While this positive balance was largely driven by the disposal of other financial assets amounting to EUR 40.0 million, it also reflects continued investments in the Company's growth. Significant outflows were made for investments in intangible assets of EUR 33.4 million and property, plant, and equipment of EUR 8.7 million, supporting the development of our infrastructure and digital capabilities. In comparison, the prior year's investing cash flow included outflows related to the acquisition of a subsidiary, amounting to EUR 23.4 million.

Financing activities resulted in an outflow of EUR 17.9 million in 2024, mainly driven by dividend payments to minority shareholders and lease payments. In contrast, 2023 saw an inflow of EUR 15.0 million, primarily due to a capital increase of EUR 29.4 million and proceeds from the exercise of options amounting to EUR 2.6 million.

Throughout 2024, Redcare Pharmacy maintained its ability to meet all financial obligations.

Assets and liabilities.

At the balance sheet date, total assets amounted to EUR 1,003.3 million, slightly down compared to year-end 2023 (EUR 1,021.6 million). Total non-current assets decreased by EUR 18.8 million, driven by movements in intangible assets of EUR 16.8 million resulting from depreciation and amortisation.

Current assets increased by EUR 0.5 million, from EUR 499.5 million to EUR 500.0 million. Inventories rose from EUR 135.8 million to EUR 153.8 million, reflecting the overall higher business volume. Cash and cash equivalents increased from EUR 84.2 million to EUR 96.9 million. Cash and cash equivalents exclude marketable securities and fixed-term deposits; these short-term financial assets amounted to EUR 80.7 million at the end of the reporting period (EUR 127.1 million at the beginning of the year). The total of cash and cash equivalents and current financial assets amounted to EUR 177.6 million at the balance sheet date, down from EUR 204.2 million at the start of the year.

Loans and borrowings within non-current liabilities were up slightly by EUR 1.6 million, amounting to EUR 237.6 million. An increase of EUR 26.4 million in trade and other payables, from EUR 157.6 million to EUR 183.9 million, was mainly related to seasonal effects and the general expansion of the business volume.

Total equity decreased by EUR 42.7 million, from EUR 552.0 million to EUR 509.3 million, mainly due to accumulated losses recognised during the period and a decline in equity attributable to owners of the Company.

The equity ratio was 50.8% at the reporting date.

Non-financial performance indicators.

In addition to financial performance indicators, Redcare Pharmacy also uses non-financial performance indicators to manage the business. These indicators reflect our significant business expansion and strategic focus on improving customer engagement and operational efficiency.

Our performance metrics, particularly the growth in the active customer base and repeat orders, underscore our effective customer-centred strategy and the scalability of our digital platform. As we move forward, we remain committed to leveraging these indicators to drive sustained growth and operational efficiency.

	2024	2023
Site visits	509,913,725	439,676,007
Mobile visits	389,947,483	330,088,835
KPI - mobile share	76%	75%
Number of orders	36,505,710	29,413,020
Repeat orders	88%	85%
Return rate	0.78%	0.78%
Number of active customers	12,536,581	10,848,777
Average basket size	€60.98	€59.40

Site visits and mobile engagement.

The total number of site visits rose from 439.7 million in 2023 to 509.9 million in 2024, demonstrating our strong online presence. Mobile visits, in particular, increased from 330.1 million to 389.9 million, reinforcing the success of our mobile-first approach. The mobile share of visits continued to grow, moving from 75% to 76%, highlighting the importance of our mobile platforms in engaging our customer base.

Active customer base.

The number of active customers, a critical indicator of our market penetration and customer retention, increased from 10.8 million in 2023 to 12.5 million in 2024 (+1.7 million). An active customer is defined as one who has placed at least one order within the past 12 months, and this growth underscores our ability to attract and retain users.

Number of orders and average basket size.

The total number of orders processed rose from 29.4 million in 2023 to 36.5 million in 2024. This increase reflects not only higher customer engagement but also the success of our marketing and promotional activities. The average basket size, another crucial metric, grew from EUR 59.40 in 2023 to EUR 60.98 in 2024, driven by strategic initiatives to boost cross-selling, upselling and higher Rx volumes.

Repeat orders.

Customer loyalty, as indicated by the repeat order rate, improved from 85% in 2023 to 88% in 2024. This metric is important, as marketing costs for retaining existing customers are significantly lower than those for acquiring new ones, which directly contributes to higher profitability.

Return rate.

One of our strategic advantages is our low return rate, which remained unchanged at 0.78% in 2024. The minimal return rate for pharmaceutical and BPC products continues to be a cost-saving factor, positively impacting our overall profitability.

Subsequent events.

There were no significant events after the reporting date that would materially impact the consolidated financial statements.

Outlook.

Gross domestic product growth for the eurozone in 2025 is forecast at around 1.3%. For the Euro Area specifically, GDP growth is forecasted at around 1.0%. Despite ongoing geopolitical tensions and elevated policy uncertainties that may influence overall business confidence, consumer demand is expected to strengthen. Rising real incomes and improving financial conditions could drive increased consumer spending, offering positive prospects for companies focused on consumer markets.

In Germany, the economic forecast for 2025 anticipates cautious growth of approximately 0.4%, primarily due to weaker manufacturing performance. However, consumer-oriented sectors could see a recovery as inflation eases and monetary policies become more supportive. Businesses operating in consumer markets can capitalise on these trends through strategic initiatives aimed at innovation, enhancing consumer experiences and targeted marketing.

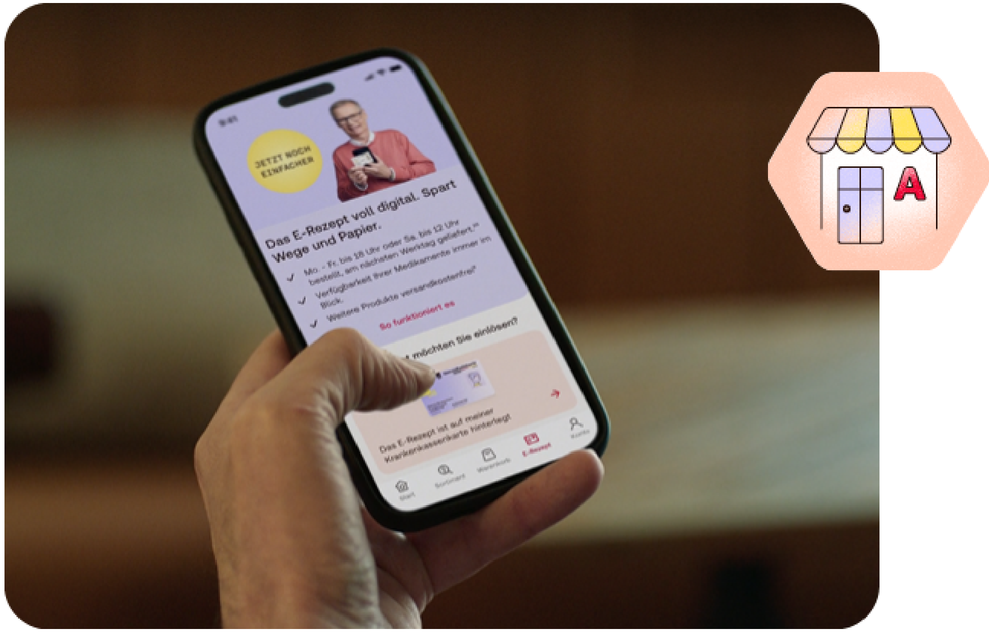
Overall, despite modest growth forecasts, there are favourable opportunities for consumer-focused companies willing to adapt to changing economic dynamics and leverage improving consumer sentiment.

Operational outlook for the Redcare Pharmacy Group.

Following an exceptional year 2024, Redcare Pharmacy expects continued strong growth in 2025, further consolidating its position as Europe's leading online pharmacy. We anticipate continued market share gains in both the DACH region and international markets. In particular, the now fully established e-prescription is expected to significantly boost Rx sales as more customers choose digital solutions for their prescription medications.

The ongoing shift from offline to online pharmacies across Europe, coupled with continued digitalisation, provides ideal conditions for sustained growth in 2025. To support our growth ambitions, we will continue targeted investments, focusing on expanding capacity, automating logistics processes and further developing our IT infrastructure.

Parallel to driving growth, we remain committed to improving profitability through economies of scale, efficiencies and additional revenue streams. Strategically, Redcare Pharmacy continues to evolve into a technology-driven, customer-centric e-pharmacy platform in pursuit of our vision "Until every human has their health". Ensuring high customer satisfaction remains core to our strategy. We will further expand our own branded products, medication management and pharmacy expert services, while continually broadening our offering through strategic partnerships to deliver an enhanced customer experience.



Sustainability statements.

We believe that true health goes beyond medical products and pharmaceutical services. It includes the wellbeing of our people and a healthy environment – for a sustainable future.

Introduction.

Caring for what matters: patients, employees and the planet.

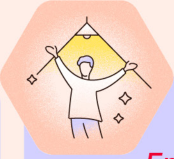
1

Patient care.

Our core business is to provide access to good healthcare and social inclusion for all.

Inclusive access to healthcare.	ESRS S4
Patient health and pharma-ceutical excellence.	ESRS S4
Responsible marketing.	ESRS S4
Robust data privacy and security.	ESRS S4

Learn more .....



2

Employee care.

We look after our employees and their health. Because starting everything with people is our priority.

Healthy, safe and satisfied employees.	ESRS S1
People development and equal opportunities.	ESRS S1
Culture of trust and integrity.	ESRS G1
Fair treatment of workers in the value chain.	ESRS S2

Learn more .....

3

Planetary care.

We are committed to reduce our environmental footprint in our operations and along the value chain.

Climate protection and decarbonisation.	ESRS E1
Circularity of products and packaging.	ESRS E5
Minimised pollution in the value chain.	ESRS E2
Preserved biodiversity.	ESRS E4

Learn more .....

Our sustainability strategy is based on three pillars.

They reflect our responsibility for our main stakeholder groups: patient care, employee care, planetary care. Each of these pillars consists of further building blocks, the material topics. A total of 12 of these core topics serve as our strategic compass and define our goals and measures with a clear focus. Together, they express our single purpose: creating long-term value for all stakeholders.

Approved by rating agencies.

The assessments of major rating agencies confirm the effectiveness of our sustainability strategy. Since 2023 we keep a MSCI AAA rating and achieved a Sustainalytics LOW RISK rating in 2024.

MSCI ESG RATINGS AAA
CCC B BB BBB A AA AAA

Rated MORNINGSTAR SUSTAINALYTICS

ESRS stands for “European Sustainability Reporting Standards”.

Basis for preparation.

Level of reporting.

Redcare Pharmacy N.V. started in 2020 with the integrated reporting of its sustainability and ESG impact and efforts as part of its annual financial reports and according to definitions of the GRI (Global Reporting Initiative) framework. This year marks Redcare's first reporting that has been prepared according to the newly introduced European Sustainability Reporting Standards (ESRS) guidelines issued by the European Financial Reporting Advisory Group (EFRAG). For this transformation, Redcare undertook an extensive multi-phase process to identify impacts, risks and opportunities (IROs), and assess their materiality from an impact and financial perspective as the basis for determining the disclosures in this sustainability statement. Where possible, disclosures are incorporated by reference to other sections of this report.

This year's sustainability statement has been prepared with reference to Article 29a of EU Directive 2013/34/EU, including:
- Compliance with the requirements of the ESRS.
- Compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

As per the publication date of this report, the implementation of the CSRD into Dutch law is not finalised and as a result, Redcare's reporting and assurance in accordance with the CSRD is voluntary.

No data points are published that derive from other EU legislation. We provide the mandatory disclosure requirements and refer to other parts of the Annual Report for more information: "Incorporation by reference". We have chosen to incorporate some of the strategy and corporate governance disclosures from the cross-cutting standard ESRS 2 in other sections of this report (Corporate Governance, Report of the Supervisory Board, Risk management and Remuneration report) as the information is best read in close conjunction with other information in these sections. The reference table shows references to other sections in this report.

Reporting methodology.

Redcare has defined its sustainability reporting principles in compliance with the ESRS standards. These standards also outline estimations and underlying assumptions taken in the preparation of sustainability statements required, especially in terms of value chain information.

The non-financial data disclosed in this report is derived from various sources; the way data is processed differs across our operating subsidiaries and departments. This causes a degree of uncertainty, because of limitations in measuring and estimating data. We continue to work on improving our ESG data control environment and data collection processes. Please refer to the Definitions appendix, where we elaborate on the methodology and assumptions used in the reporting of our indicators.
The sustainability statements cover Redcare's upstream, own operations and downstream value chain as outlined in the materiality assessment section of this report and defined per metric in the sustainability reporting principles. The reporting applies the short, medium- or long-term time horizons as defined by ESRS. All greenhouse gas-related data points (GHG Scopes 1-3), related to ESRS E1, are reported based on the Greenhouse Gas Protocol guidance and requirements. We disclose our GHG emissions in CO_2e, the universal unit of measurement used to express and compare emissions from various greenhouse gases based on their global warming potential, which is converted to the equivalent amount of carbon dioxide. We have adopted the six key greenhouse gases recognized by the Kyoto Protocol: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFC), perfluorocarbons (PFC) and sulfur hexafluoride (SF_6). The metrics reported are not validated by an external body other than the assurance provider.

Assurance on sustainability information.

In addition to the statutory audit of the financial statements and in compliance with the CSRD, our external auditor, Forvis Mazars Accountants N.V., has been requested to provide limited assurance on the sustainability statements. The external auditor's assurance report is presented in the Other information.

Consolidation.

The sustainability statements are prepared from a consolidated perspective. This consolidated basis, scope and reporting period for these statements, including the operational boundaries for ESRS E1, are fully aligned to the financial statements. Thus, the consolidated quantitative sustainability statements comprise the parent company Redcare Pharmacy N.V. as well as subsidiaries under common control by Redcare Pharmacy N.V. (Redcare's full list of subsidiaries is listed in the Group information). The operations in scope for sustainability reporting are reported in the Definitions in the appendix. In addition, where information is not available for certain entities of Redcare, estimations are made and this is specified per material matter in detail at each disclosure. Associates and joint ventures are not included in the consolidated sustainability statements for the calculations. Redcare has not used the option to omit information on the basis of the intellectual property, know-how or innovation clause.

Assumptions and estimates.

The report preparation requires a number of different estimations to take place that can potentially affect the total reported value certainty, as they are performed by a number of data managers based on their judgement and experience. The estimates and assumptions used stem from factors encountered during data collection and analysis processes and are performed to the best extent possible.
Every reporting period, all estimations and assumptions performed are reviewed and improved, if applicable, and subsequently described in Redcare's ESRS-aligned reporting manual. Only methods of data estimation or assumptions allowed are described in the reporting manual for all categories in the scope of reporting for Redcare.This enables us that any uncertainties can be traced back to a common methodology, in case new assumptions or methodologies need to be utilised in the future.

The DMA is subject to continuous monitoring to ensure it reflects new insights or developments in our sustainability matters in the coming years.

Estimations are especially relevant for carbon footprint calculations, mainly in scope 3 for (the majority share of) category Scope 3.1 Purchased goods and services, as well as 100% of 3.11 Use of sold products and 3.12 End-of-life treatment of sold products category reporting, as these are the largest categories that primarily utilise secondary data sources. These categories are predominantly based on third-party Product Carbon Footprint (PCF) analyses. These analyses stem from indirect data and judgements from third-party experts handling data with limited primary information available. Other areas where estimates are involved include determining the waste generated in operations. The specific methods applied in determining the data points are explained in the Definitions section

Value chain estimations.

Climate change.

For those Scope 3 categories which utilise indirect data (e.g. industry averages), the methodologies are described in detail in the Definitions appendix on a sub-category basis. Additionally, all relevant emission factor databases utilised for primary and secondary data emission calculations are provided in the Definitions appendix.

Other value chain estimations.

For value chain emission calculations (primarily all Scope 3 categories), a large amount of total emissions (~93% as of 2024) are estimated based on secondary data sources and relevant emission factors.

Redcare continuously strives to utilise value chain partner-specific data whenever it becomes available, which is key for an accurate assessment and tracking of the complete value chain emissions relevant to Redcare operations. As of 2024, an estimated 7% of Scope 3 emissions reported by Redcare Pharmacy are based on primary data, a number which is expected to grow in the future with more widely available primary data. As long as industry specific product related emission reporting is not standardised, applied by suppliers and the data is not made available to Redcare, the primary focus for further improvement of result quality is the coverage of our outsourced PCF (product carbon footprint) analyses for own brand products. This will allow us to improve the quality of total estimation across our product range reported within categories 3.1 Purchased goods and services, 3.11 Use of sold products and 3.12 End-of-life treatment of sold products.

Comparative information and changes in preparation or presentation of sustainability reporting.

ESRS requires companies to disclose one year of comparative information for all disclosed quantitative metrics and monetary amounts, as well as comparative information for narrative disclosures "when relevant to an understanding of the current period's sustainability statement" (ESRS 1, 7.1). As 2024 is the first financial year that Redcare Pharmacy is applying CSRD requirements, not all data points have comparable historical data available. Data was not collected in the prior period in a way that allows either retrospective application of a new definition of a metric or target, or retrospective restatement to correct a prior-period error, and it may be impractical to recreate the information.

For data points without comparable historical data, Redcare refers to ESRS 1, 10.3, which states that "in order to ease the first-time application of this Standard, the undertaking is not required to disclose the comparative information required by section ESRS 1, 7.1" Where comparative information is not reported based upon this rule this is marked with an asterisk in the metrics tables and exclusion is noted below the table.

Setting and adjusting baselines and correction of errors.

In order to provide meaningful and consistent comparison of ESG indicators, such as GHG emissions reduction over time, we set a performance date as a baseline against which to compare the progress of our current performance. This performance date is referred to as the baseline year. We use the year 2020 as the baseline year for GHG emissions Scope 1, 2 and 3. The base year of 2020 was set as such in 2021, as it was the earliest applicable and comparable baseline year at the time. Adjustments (recalculations) were performed in the years following to make sure that the base year 2020 emission representation stays as a valid baseline in terms of emission development for Redcare in comparison to the 2024 results reported. Although 2020 was the outbreak of Covid pandemic, 2020 is considered representative as compared to other businesses the impacts on GHG emissions resulting from the outbreak are not an anomaly, but had a lasting effect. These include changes in employee commuting behaviour or increased sales.

For consistent tracking of performance over time, the baseline may need to be recalculated due to changed circumstances, for example divestments and acquisitions and other changes, including in the calculation methodology or the correction of errors. The purpose of the recalculation is to enable the like-for-like comparison of the actual performance data and the baseline. The discovery of significant errors is also corrected in the comparative figures, where possible. Where this is not possible, it is indicated. Impacts are considered significant (or material) if omitting, misstating or obscuring them could reasonably be expected to influence decisions that the primary users of ESG data make on the basis of that data.

Strategy and governance for sustainable growth.

Business model.

Being one of Europe's largest e-pharmacies, we place care at the heart of everything we do, guiding people through their health. By offering pharmaceutical products and services across the continent, we enable individuals to take care of their health in the best way possible. This includes offering a wide assortment of prescription drugs (Rx), over-the-counter (OTC) drugs as well as beauty and personal care products (BPC) via our online shops. Our product offering is supported by various digital services to conveniently serve customers who aim for the best health outcomes, ranging from services that support Rx and OTC customers 24/7 with pharmaceutical expertise; various delivery options, including same-day services with partner pharmacies in Germany and Austria; the extension of our assortment through a platform model; as well as a growing portfolio of OTC and BPC own-brand products. In collaboration with upstream and downstream partners our value chain is designed to deliver the best pharmaceutical, digital retail and delivery experience.

We operate in seven European countries, namely Germany, Austria and Switzerland (reported as the segment DACH) as well as Italy, Belgium, the Netherlands and France (reported as the segment International). In 2024, Redcare served 12.5 million active customers. Our significant customer groups include everyone ordering Rx, OTC or BPC products in one of these markets. The introduction of the e-prescription in Germany at the start of 2024 is a key enabler for our business model. The online sale of Rx is only allowed in Germany and prohibited in the remaining markets. Beyond this, in Switzerland the online sale of OTC products is not allowed as well. Our main revenue streams can be classified as a combination of NACE code 47.91.9 "Other mail order and Internet retail trade" and NACE code 47.73.0 "Pharmacies". Redcare is not active in the fossil gas sector, the cultivation of tobacco, the use of controversial weapons and the production of chemicals.

Value chain.

Our strategy is designed to rewrite the future of pharmacy: "Until every human has their health". As the one-stop pharmacy for people, we want to create societal and business impact beyond our own operations. We believe that by being people-centred in everything we do, we create the highest impact for our stakeholders in the long run – this is anchored in our five core principles:

These five principles aim to secure access to and development of key input capital. In our own operations this entails human, intellectual and financial capital. These five principles further build trustful relationships beyond the boundaries of our own organisation, including social, manufactured and natural capital.

Considering Redcare's operations, the core business activities are firstly B2C (Business to Consumers) including online retail, own-brand products and medication management. Secondly, the B2B (Business to Business) activities – mainly marketplace, wholesale and retail media – are further driving the value creation to deliver the best pharmaceutical, digital retail and delivery experience to customers and patients. Both activity types need operations and pharma, commercial, IT, finance and corporate skills and resources.

Our key stakeholders include customers and patients, investors and employees. Customers and patients rely on Redcare for quality and accessible healthcare products and services; their trust and satisfaction are critical to Redcare for sustaining business growth. Investors are crucial as they provide the financial support necessary for growth and innovation, while employees are the backbone of Redcare, driving the company's success through their dedication and expertise. The below graphic provides an overview of Redcare's healthcare activities and relationships with affected stakeholders in the value chain that deliver the inputs needed to pursue our core activities:

Redcare’s value chain.

Value creating activities and dependencies for delivering value.

Upstream activities.

More than 327,500 OTC and BPC products and over 43,500 Rx products are purchased.

Manufacturing and raw materials.

OTC, Rx and beauty products are produced by our suppliers.

Inbound logistics.

Products are delivered to our warehouses.

Redcare operations.

More than 2,500 employees across five divisions creating long-term societal impact.

B2C Healthcare.

Online retail, enhanced pharmacy solutions, own brand.

B2B Healthcare.

Marketplace, retail media, wholesale.

Operations & Pharma.
Finance.
Commercial.
IT.
Corporate Functions.

Downstream activities.

We serve more than 12.5 M customers in seven European markets.

Local partner pharmacies.

Product use and end-of-life.

Customers benefit from our services and OTC, Rx and beauty products.

Market-place.

Outbound logistics.

Shipping to our customers by parcel couriers.

Deliver the best pharma-ceutical, digital retail and delivery experience.

Together with *stakeholders* and for stakeholders.

Relationships with affected stakeholders.

- Customers and patients.
- Employees.
- Investors and capital markets.
- Healthcare system players.
- Regulators and public sector.
- Planet.
- Suppliers and business partners.
- Workers in the value chain (VC).
- Workers in the VC.

“Until every human has their *health.*”

Along all stages of our value chain we assess our impact on people and the planet and which risks and opportunities are inherent to our value chain, business model and strategy. For the assessment of activities and relationships within these functions, all entities consolidated in Redcare's financial statements, as well as all seven geographic markets, were considered.

Scoping of our value chain stages and respective activities and relationships upstream and downstream was based upon a life-cycle assessment of products sold, which identified raw material and processing, product manufacturing, packaging and transport as main upstream activities, while distribution to the customer, product use and end-of-life were found to be the main downstream activities.

Our approach to sustainability.

At our core we are a pharmacy. Redcare is dedicated to improving access to the right medication and digital pharmaceutical services so that people can take care of their health in the best way possible. "Until every human has their health." Through our core business activities we create positive social impact for people and our society. Redcare's commitment to sustainability is fully integrated into its growth strategy, which aims to expand healthcare access for patients and customers and provide a great place to work for our employees. Redcare's main sustainability challenge is to minimise the environmental impact of these core activities considering planetary boundaries.

Our integrated strategy highlights our holistic commitment to sustainability, ensuring long-term value creation that aligns business growth with social and environmental responsibility. While the below description of key sustainability goals outlines how material impacts in own operations and along the value chain are linked to Redcare's strategy and business model, it also shows how negative and positive material impacts affect, or are likely to affect, people or the environment.

Integration of sustainability into strategy.

Recognising that healthy people need a healthy planet, Redcare has defined three overarching sustainability goals along three corresponding sustainability pillars:

1 **Patient care**: Providing access to healthcare for everyone.
Four main objectives demonstrate Redcare's commitment to improve healthcare access and inclusiveness for customer groups across Redcare's current markets.

- **Online Rx availability**: Ensuring electronic prescriptions are accessible throughout Redcare's markets so that people have easier and faster access to pharmaceutical products.
- **Digital EU wallet deployment**: Implementing a digital EU wallet system for healthcare transactions and information storage, available EU-wide, including Redcare's markets and allowing customers simpler access to online pharmaceutical products and services.
- **Access to electronic health records (EHRs):** Facilitating access to EHRs, including e-prescriptions and patient summaries to improve healthcare activities, especially for chronically ill patients.
- **Inclusion initiatives**: Implementing activities and initiatives aimed at ensuring that no one is left behind. This includes, for instance, ensuring that immobile or chronically ill patients have access to good pharmaceutical services and products.

This pillar is associated with the four material topics: inclusive access to healthcare, patient health and pharmaceutical excellence, responsible marketing, robust data privacy and security. Policies for these four material topics were extended to ESRS standards or newly developed over the course of 2024 and have been available via Redcare's website since December. We aim to expand our services and thus expand access to healthcare for everyone along our four "Access to Healthcare Goals" (see section S4 Consumers and end-users)). Doing that in a responsible way includes pharmaceutical excellence, responsible marketing and robust data and privacy protection.

2 **Employee care**: Starting everything with people.
We prioritise employee wellbeing and development with equal opportunities, fostering a supportive work environment through continuous learning initiatives, health benefits and a culture of inclusivity. Reflecting our pharmacy core, our employee health programme is key in this. Going beyond physical health initiatives such as health scans, this specifically focuses on mental health and resilience through tailor-made mental health offers for different work realities, including, for instance, immediate access to therapeutic support.

Employee care includes social sustainability matters in the area of own workforce and workers in the value chain, reflected in the material topics healthy, safe and satisfied employees and people development and equal opportunities (see policies and targets in section S1 Own workforce) and fair treatment of workers in the value chain (see section S2 Workers in the value chain). Furthermore, the material governance topic culture of trust and integrity is part of starting everything internally but also in relationships with external people and organisations (see policies in section G1 Business conduct).

3 **Planetary care**: Ensuring 1.5°C aligned growth in line with the Paris Agreement.
Our responsible business growth commitment not only focuses on expanding access to pharmaceutical services but also emphasises reducing potential negative environmental impacts. We are committed to achieving net zero carbon emissions by 2040, applying the X-Degree Compatibility (XDC) methodology by "right. based on science" to align with the Paris Agreement's 1.5°C goal. Details are to be found in Redcare Climate Policy, published in 2024, or in the section climate change and energy in this report.

This pillar and the corresponding overarching environmental goal includes our environmental sustainability topics climate protection & decarbonisation, circularity of products & packaging, minimised pollution in the value chain and preserved biodiversity (see policy and targets in section E1 Climate change).

While Redcare has made a thorough and reasonable effort this year and over the past years to understand and disclose the material impacts of its operations and value chain, the current report represents the most comprehensive assessment achievable within the reporting period. Significant steps have been taken to identify and address risks, opportunities and both positive and negative impacts on people and the environment. However, as part of our commitment to continuous improvement, future investigations will be conducted to further refine our double materiality assessment. Time horizons for material impacts can be found in the IRO tables included in each section. Redcare has assessed the resilience of its strategy with regards to climate change. However, assessments on resilience for other material topics remains in progress. The next report will further build on this foundation by providing a detailed analysis of whether and how material impacts are connected to Redcare's strategy and business model.

Our governance to effectively execute our strategy.

The following statements deal with Redcare's sustainability governance, roles and responsibilities as well as respective ESRS reporting requirements. More general information on the composition, diversity, the representation of employees, experience and independence of members of the Managing Board and the Supervisory Board, are described in the Corporate Governance report.

Given the holistic integration of sustainability into our strategy, overall ownership of sustainability lies with the CEO and is established through a direct reporting line of the Director Sustainable Development. Both are highlighted in purple in the below graphic. The Director Sustainable Development is tasked with the overall initiation and coordination of assessing materiality, developing governance processes, controls and procedures used to monitor, manage and oversee IROs. Accountability for dedicated actions and targets addressing material IROs is assigned to individual Managing Board members and managers in their direct reporting line who own the relevant functional department. The Director is equipped with a team of dedicated sustainability experts including central (i.e. in the core sustainability team) and de-central roles (i.e. in functional departments such as procurement). This matrix organisational structure with dedicated responsibilities of experts in the organisation not only allows a holistic business integration with the most effective outcomes but also aims to ensure a long-term focus on overall strategic decision-making.

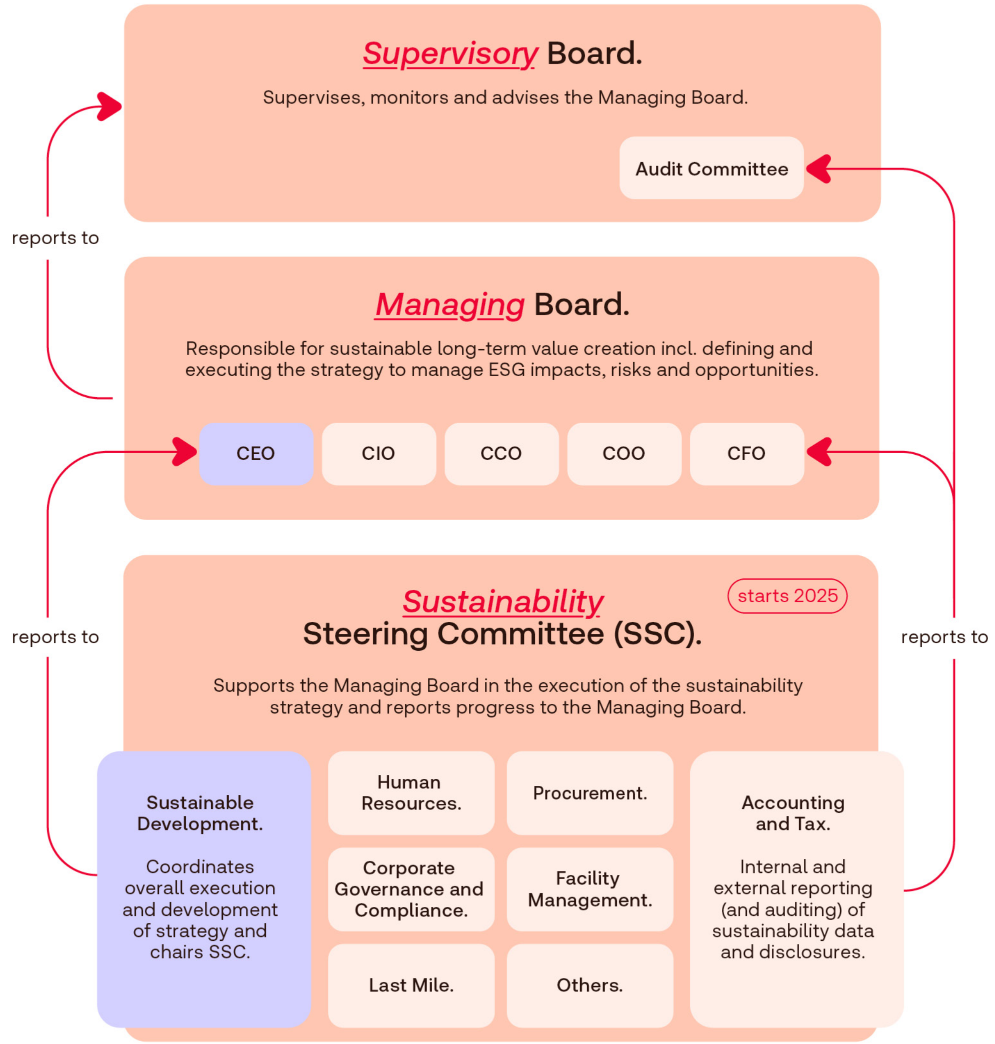
Our internal reporting process ensures progress

Redcare's integrated approach to sustainability is mirrored in the overarching processes for sustainability reporting. The core team from Accounting and Sustainable Development is responsible for disclosures in the Annual Report, led by the Executive Director Accounting and Tax and the Director Sustainable Development. The preparation involves a more cross-functional approach, including, among other areas, the Controlling, Human Resources, Corporate Compliance and Governance, Facility Management or Procurement departments. In this regard, an internal control system was established in the course of 2024 that is aligned to financial reporting. In an annual assessment, risks for material misstatements are identified, including a report on the complexity of processes and probability of errors and omissions. This risk assessment is reviewed by the Managing Board and Audit Committee. In addition, the mitigation of risks is addressed to a major extent in our quarterly internal reporting processes, as explained in the following paragraphs.

An important element of managing material IROs, ensuring progress in sustainability and an internal control framework at the same time, is the internal reporting and steering process. The results of material sustainability KPIs and the performance against annual targets are presented to the Managing and Supervisory Boards on a quarterly basis. In addition, progress on the implementation of strategic sustainability initiatives was reported in bi-monthly update meetings to the Steering Committee which consists of the Managing Board and dedicated members from senior management who directly report to the Managing Board. From Q4 onwards, these reports have been aligned to the IROs identified in Redcare's double materiality assessment and the metrics related to the material topics. The quarterly review forms the basis of tracking progress toward achievement of sustainability targets and management of material IROs. This includes reviewing the effectiveness of actions taken, considering both quantitative and qualitative measures.

The role of the Sustainability Steering Committee.

In 2024, a Sustainability Steering Committee (SSC) was implemented which starts its work from 2025 onwards. The SSC will consist of the accountable managers for material sustainability topics; the accountability is defined on level two (i.e. directly reporting to the Managing Board). The SSC will be chaired by the Director Sustainable Development, while the Executive Director Accounting and Tax will be a permanent member in order to oversee the integration with Redcare's risk and control framework as well as to initiate and steer progress on the quality of sustainability data. The SSC steers progress and aligns on potential trade-offs across departments as well as strategic developments such as the double materiality assessment review or the annual planning. Furthermore, it reviews and approves the quarterly report of actuals for the sustainability KPIs, which will subsequently be presented to the Managing and Supervisory Boards.



The role of the Managing Board and Supervisory Board.

The Managing Board is responsible for the development of a sustainable business strategy and addresses Redcare's material sustainability topics in actions and respective resources in its Annual Operating Plan. This includes decision-making competencies with regard to policies, actions and targets. In addition this includes an assessment of and changes to sustainability-related aspects of Redcare's strategy and business model, as expressly mentioned in the Managing Board's charter.

In 2024, the Managing Board was consulted for the identification and assessment of material IROs and reviewed and signed off the outcome of the assessment. Furthermore, the Managing Board defined a level of ambition per material topic and aligned for which material topics and until when additional or extended policies, actions and targets are to be developed by the company to extend the scope of the current sustainability strategy. This process resulted in the disclosure of policies for the following material topics which became effective in December: inclusive access to healthcare, patient health and pharmaceutical excellence, responsible marketing, solid data privacy and security, as well as climate protection and decarbonisation. Further, the disclosure of our Speak Up Policy in October addresses the material topics people development and equal opportunities as well as culture of trust and integrity.

The Supervisory Board monitors and advices the sustainability strategy development and execution including the identification and management of IROs. A quarterly update is given to both, the Supervisory Board as a whole on the strategy and its execution and to the Audit Committee on reporting and auditing.

The Board competence matrix highlights key areas of expertise and diversity across the two boards, emphasising skills relevant to sustainability risks and opportunities. For their profiles, reference is made to the sections Report of the Supervisory Board and Meet our Managing Board. In addition, the governing bodies have access to internal experts accountable for overseeing the material topics. Dedicated training could be organised on demand, was not yet deemed necessary in 2024.

Integration of sustainability-related performance in incentive schemes.

Since 2023, Redcare has integrated sustainability-related performance in the incentive schemes applicable to the Managing Board. The general characteristics are laid out in our Remuneration Policy. Twenty percent of the long-term (i.e. three years) incentive scheme for all members of the Managing Board is linked to sustainability indicators. The ESG performance criterion defined is a climate-related KPI, which is aligned to the key KPI that Redcare steers internally across departments, namely GHG emissions per order, including Scope 1, 2 and 3, and excluding emissions from products sold via the platform. The target is set by the Supervisory Board in consultation with the Director Sustainable Development. The performance framework goes beyond the Scope 1 and 2 GHG emission reduction targets reported in the sustainability statements, as it also includes shares of Scope 3 emissions aligned to the application scope of the internal carbon pricing.

Board competence matrix

	Geographical experience	*Gender*	*Independence*	**General management, strategy, M&A, corporate sustainability**	**Finance, accounting, financial reporting and internal risk management and control**	**Commercial, marketing, digital channels**	**Technology, data, AI & cybersecurity**	**Legal, regulatory, (pharma-) compliance, governance**	**HR, organisation and management development, human rights**	**Procurement, operations, logistics, supply chain**
Material sustainability topics (details here)				Inclusive access to healthcare	Climate protection and decarbonisation, Solid data privacy and security, Responsible marketing	Responsible marketing, Circularity of products and packaging	Solid data privacy and security	Fair treatment of workers in the value chain, Patient health and pharmaceutical excellence, Inclusive access to healthcare, Culture of trust and integrity	Healthy, safe and satisfied employees, People development and equal opportunities, Culture of trust and integrity, Fair treatment of workers in the value chain	Climate protection and decarbonisation, Minimised pollution in the value chain, Preserved biodiversity, Circularity of products and packaging
Key internal experts who are leveraged by governing bodies to oversee sustainability topics				Director Enhanced Pharmacy Solutions, Executive Director Legal, Director Public Affairs	Executive Director Controlling, Director Corporate Compliance and Governance, Director Sustainable Development, Information Security Officer, Executive Director Marketing	Executive Director Marketing, Director Sustainable Development	Executive Director, Data and AI Information Security Officer	Director Corporate Compliance and Governance, Executive Director Legal, Executive Director Pharma and Quality, Director Enhanced Pharmacy Solutions, Director Public Affairs	Director Corporate Compliance and Governance, Director Human Resources	Executive Director Procurement, Executive Director Operations & Supply Chain, Director Last Mile, Associate Director Facility Management, Director, Sustainable Development
Supervisory Board										
Björn Söder	EMEA	m	X	X	X	X		X		
Frank Köhler	EMEA	m	X	X		X				X
Jérôme Cochet	EMEA	m	X	X		X	X			
Henriette Peucker	EMEA	f	X	X	X			X	X	
Jaska de Bakker	EMEA, APAC	f	X	X	X		X	X	X	X
		40% female Supervisory Board members	100% independent Supervisory Board members							
Managing Board										
Olaf Heinrich	EMEA, NA	m		X	X	X	X	X	X	X
Dirk Brüse	EMEA	m		X		X	X		X	X
Jasper Eenhorst	EMEA	m		X	X	X		X		X
Theresa Holler	EMEA	f		X				X		X
Lode Fastré	EMEA	m		X	X	X	X			
		20% female Managing Board members								

Materiality assessment and stakeholder engagement.

We have conducted our first double materiality assessment (DMA) in compliance with ESRS requirements. The Redcare process consists of five key phases:

The Redcare process consists of five key phases.

A more detailed description of the five phases is outlined below including general assumptions and methodologies.

Process to define materiality.

Redcare's process to identify, assess and prioritise material topics consists of five phases. The process was conducted to assess the impact as well as the financial materiality; both are summarised. Whenever the working group is mentioned, reference is being made to a core team of Sustainability and Finance managers who consult internal experts across departments for different stages of the process. This includes – among other areas – HR, Procurement, Operations, Supply Chain, Last Mile, Product Development and Platform. When the DMA Committee is mentioned, reference is being made to the working group, extended to include an Executive Board member.

Phase 1: scoping.

Activities, relationships and affected stakeholders along Redcare's value chain were defined. This was done by the core team, comprising Corporate Governance and Compliance as well as the Legal function and reviewed by the DMA Committee. In the section 'Strategy and governance for sustainable growth' the outcome defining the value chain and the relationships to affected stakeholders is described in detail.

Phase 2: shortlisting.

In an initial brainstorm of the working group, an extensive list of potential IROs across the value chain activities was prepared, using the sub-sub-topic list contained in ESRS 1 - AR16 as an initial guideline. Based on internal and external sources, this list was first checked for potential industry-specific IROs relative to our activities and relationships and then narrowed down to a shortlist of IROs for further analysis in steps two and three by the working group. Insights from due diligence process such as customer feedback as explained in the Statement on sustainability due diligence did inform this step. The criteria for not listing an IRO for further assessment were twofold: the aspect was neither mentioned in the internal or external sources, nor identified by any internal subject-matter expert as a potential risk or opportunity. External stakeholders were given the chance to extend the shortlist in the next phase, to allow that no concerning aspect had been overlooked in phase four and to apply our qualitative threshold, as already defined in the shortlisting process.

Phase 3: stakeholder analysis.

The analysis of internal and external stakeholders' views was conducted for topics for which at least one IRO was shortlisted, in order to obtain their perspectives. Our Stakeholder Engagement Policy outlines in more detail how we continuously engage with stakeholders and why it is important for Redcare to understand their perspectives and expectations towards the Company, in order to consider these as part of our due diligence approach when developing our strategy. Building on this continuous engagement, we specifically assessed our stakeholders' views for this DMA on a one-time basis to assess the double materiality dimensions of ESRS-listed topics by using the methodologies in the table below. We have received a response from all stakeholder groups. The Managing Board and Supervisory Board are informed by the Director Sustainable Development about views and interests of affected stakeholders with regard to Redcare's sustainability-related impacts on an annual basis.

Stakeholder groups	Direct engagement	Indirect engagement
Customers and patients	Online questionnaire sent to customers in largest market Germany	Expert interviews with commercial management
Employees and workers in the value chain	Online questionnaire sent to all employees	Expert interviews with HR management; desk research for the value chain
Investors and capital market players	Online questionnaire sent to more than 20 largest investors	ESG ratings, expert interviews with CFO
Suppliers and business partners	Online questionnaire to suppliers of largest market Germany and all third-party marketplace sellers	Expert interviews with commercial, procurement and logistics management
Healthcare system players, regulators and the public sector		Management interviews with Public Affairs, Legal, e-Health experts and the CEO
Planet Earth		Extensive desk research screening environmental data by leveraging large language models (LLM)

During our stakeholder engagement process, all groups were asked to provide feedback on the impacts, risks and opportunities they identified concerning the topics outlined in the ESRS standards. Internal expert interviews and questionnaires with Redcare's suppliers, investors, customers and employees ensure that Company- and sector-specific perspectives are reflected. Furthermore, stakeholders were encouraged to highlight any other topics they deemed relevant or significant but that were not included in the initial list of topics. After thorough analysis, it was found that no new topics unique to Redcare had emerged.

One of the main challenges when engaging and collecting detailed feedback from stakeholders is the risk of response bias towards potentially more input on financial impacts and opportunities than impacts on people and especially the environment. In order to mitigate this risk, we also identified planet earth as a silent stakeholder and leveraged a LLM to integrate the environmental perspective. While we are working to engage with our suppliers and business partners to enhance collaboration, obtaining transparent data remains a challenge. To encourage higher participation and transparency, our suppliers were given the option to answer questions anonymously, allowing them to share information more openly. With regard to local communities' perspectives (which are potentially affected stakeholders), the assumption is taken that our customer surveys reflects general public sentiments in our markets while our desk research gave insights into upstream topics. No consultations with affected communities were conducted, and their specific characteristics remain unknown.

Desk research on value chain topics as well as the customer survey are assumed to sufficiently cover expert views consolidated in reports or academic literature. The literature we researched consists of the sources listed below and was part of Redcare's reasonable effort to gain insights into the value chain. The result was the inclusion of the topic of workers in the value chain, as certain production stages of medication in especially Asian countries poses a risk to workers' rights due to the level of working and human rights standards. Redcare did not develop an understanding on specific types of groups of workers in the value chain or own workforce.

- Sector-specific ESG materiality reports:
  ESG materiality reports, including those from ESG rating agencies such as S&P and industry-specific standards such as SASB, provide details on topics for the pharmaceutical sector. These are complemented by the ESG Industry Ratings Report from MSCI which offers tailored insights specific to Redcare's operations and industry.

- Scientific papers and articles:
  As our value chain is influenced by activities typical of both the e-commerce and pharmaceutical industry, we researched articles and reports published on the environmental and social impact of both industries.

- Competitive industry analysis:
  We also researched the sustainability reports of seven of our direct and indirect competitors, including other online pharmacies, general e-commerce and pharma industry players.

Phase 4: 360° analysis.

A structured, deliberate analysis was performed by the core team to:

1. Validate the stakeholder analysis and to identify potential stakeholder prioritisations and assessments that require a closer look. These can be Redcare-specific circumstances that cannot be known to outside stakeholders.
2. Review these cases in dedicated sessions with internal experts, including the respective Executive Board member.
3. Analyse the IROs along the above-mentioned parameters for their materiality.

The actual assessment on the IRO level conducted by the working group was supported by an external sustainability expert with more than 20 years' experience in materiality assessments. The 360° analysis also includes the consideration of potential, positive-impact topics and opportunities.

Methodology.

Impact materiality.
The ESRS parameters were applied to evaluate the severity of these impacts. Impact materiality is distinguished between positive and negative impacts, and was assessed based on two key factors: severity (which considers the scale, scope and, in the case of negative impacts, remediability of impacts) and likelihood. However for (potential) human rights impacts, severity takes precedence over likelihood. In our assessment, we used the scale / parameters for severity and likelihood as described for financial materiality below. For severity, the scale, scope and remediability of impacts are embedded.

Financial materiality.
We assess financial materiality based on the magnitude and likelihood of potential financial effects. The likelihood criteria is reflected similarly to the impact materiality. For both impact and financial materiality we have defined the time horizons as short, medium and long term, in line with the definition outlined in the CSRD, namely:

- short term: < 1 year
- medium term: 1 to 5 years
- long term: > 5 years

All parameters were assessed on a scale of five, ranging from very low, to low, medium, high and very high. A gross perspective was taken to assess the IROs. With regards to the inside-out perspective, reductions were applied when impacts were indirect and / or hard to singularly attribute to Redcare, or relatively small compared to impacts by other actors.

Qualitative thresholds were set for values equal to or higher than three on the scale of five. This decision is derived from the general financial accounting rationale to define information as material as soon as it is 'of interest for a stakeholder' in a way that it could influence the stakeholder's decision about Redcare. A descriptive translation for this threshold would be "concerning". The quantitative threshold was set to evaluate the financial materiality with a focus on risks while opportunities had been discussed more qualitatively.

Impact (potential financial effects)

Parameter	Description	Revenue
Very high	Very large (potential) financial impact	>4%
High	Large (potential) financial impact	>2-4%
Medium	Moderate (potential) financial impact	>1-2%
Low	Small (potential) financial impact	>0.5-1%
Very low	Insignificant (potential) financial impact	<0.5%

Severity

Parameter	Description
Very high	Impact is disastrous, global effect, and / or irremediable
High	Impact is very concerning, large scope, and / or very hard to remediate
Medium	Impact is concerning, medium scope, and / or harder to remediate
Low	Impact is noticeable, concentrated, and / or remediable with some effort
Very low	Impact is negligible, limited scope and / or easily and fully remediable

Input parameters.

The external data sources for the shortlisting of potentially material IROs were collected with the aim of having a full industry and geographical coverage. Since the e-pharmacy sector is not sufficiently covered in research, we combined industry reports for the pharma as well as the e-commerce sector such as an EU publication on 'E-commerce and the European Green Deal'. This was supplemented with a competitor analysis following the same approach and backed up by ESG ratings for our sub-industry, which is "healthcare and pharmaceutical services". No screening or consultation regarding water and marine resources was conducted during the materiality assessment.

Phase 5: final integration and review.

In the final phase, the consolidated picture of IROs was discussed, reviewed and approved by the Managing Board at the topics level, while the dedicated IROs were considered per aspect.

Compared to the prior reporting periods where Redcare applied the GRI Standards, this report was prepared according to ESRS for the very first time. Thus, the DMA process was conducted for the first time with no changes to material impacts, risks and opportunities to be reported. The DMA is planned to be reviewed on an annual basis.

Sustainability-related risks are prioritised equally relative to other risks. This is ensured by the integration of "Sustainability" as a dedicated risk domain in Redcare's Enterprise Risk Management (ERM) approach (also outlined in this report in the chapter Risk management). The structured DMA approach with a focus on impacts arising from activities along the value chain strengthens the sustainability risk domain and thus the overall ERM process, as risks and opportunities are often the effect of these impacts, such as in the form of reputational risks or dependencies on resources. Furthermore, the risks identified during the DMA process are listed for further assessment and monitoring by the sustainability domain holder in the annual screening process, in line with the overall ERM process. If applicable, opportunities identified as material for Redcare are integrated in the corporate strategy and annual operating planning process by the Sustainability function.

In the following section the outcome of the assessment, namely material topics, are explained and displayed in a matrix as well as along the value chain. A more granular view per material topic including the dedicated IROs that were identified is shown per sustainability topic, including a description, an indication of the value chain stage and the time horizon per topical standard. An overview of all material disclosure requirements is provided in the ESRS index at the end of the sustainability statements.

Overview of material topics.

The material topics that were identified are shown per sustainability topic, including a description, an indication of the value chain stage and the time horizon per topical standard. An overview of all material disclosure requirements is provided in the ESRS index at the end of the sustainability statements. There are no changes to material impacts, risks and opportunities to be reported compared to previous reporting periods, as 2024 is the first period in which these impacts, risks and opportunities have been defined.

1 Inclusive access to healthcare.

Redcare's core business model is about creating positive social impact through digitalisation. With our products and services, we are removing barriers to inclusive access to healthcare for individual people and the society as a whole. This is described in our "four A's" and covers not only medicines and products offered but also the pharmaceutical services that improve people's health: accessibility, availability, affordability and awareness.

2 Patient health and pharmaceutical excellence.

As a pharmacy, our operations inherently impact people's health, making it essential to ensure the highest quality and safety standards to prevent potential negative impacts. These potential negative impacts relate to the proper intake of original, high-quality medicines, implementing mitigation measures against drug abuse or protecting vulnerable groups such as children. In addition, there are financial risks associated with incidents involving our pharmaceutical products and services that may cause negative health outcomes for individuals.

3 Responsible marketing.

As a provider of medications and health services, our marketing practices are critical to ensuring patient well-being while upholding standards of ethical and responsible communication. By prioritising responsible and educational marketing, we can effectively inform patients about proper medication use and its associated health benefits. This approach not only contributes to improved public health outcomes but also fosters consumer trust, strengthens brand recognition, enhances customer loyalty, and ultimately drives business growth. Conversely, irresponsible marketing, particularly when targeting vulnerable groups, can result in significant risks, including harm to individuals, reputational damage and financial penalties.

4 Robust data privacy and security.

Protecting customer data privacy and ensuring the security of sensitive information is fundamental to safeguarding the interests of our customers. Breaches or violations, such as unauthorised access to credit card details or prescription information, can cause significant harm to individuals. Additionally, growing concerns about how personal information is used, particularly for secondary purposes like targeted advertising, highlight the need for transparency and accountability. Failure to uphold robust data privacy and security measures poses risks, including substantial fines, litigation from affected customers or partners, and lasting reputational damage.

5 Healthy, safe and satisfied employees.

Redcare's employees are the key driver of value creation. We are offering secure employment opportunities for more than 2,000 employees. By engaging with our employees, we recognise the opportunity to foster a positive work environment, taking care of people's (physical and mental) health and safety. This drives employee retention and employer attractiveness.

6 Culture of trust and integrity.

A strong culture of integrity and trust is essential for ensuring the sustainability of business operations. However, a poor culture and compliance failures (such as corruption and bribery) can lead to severe negative impacts, including fraudulent activity, intentional misinformation and insider dealings, which harm stakeholders, erode trust and could lead to loss of business or fines. On the other hand, political engagement that aligns with advancing the digital health system presents a positive impact. Such engagement can deliver meaningful benefits for patients and society, including improved access to digital healthcare, cost efficiencies and better information. Conversely, ineffective political engagement risks failing to unlock these benefits, leaving patients underserved.

7 People development and equal opportunities.

Redcare's employees are the key drivers of value creation. By creating a workplace culture where our employees feel that they can develop, are treated fairly and where a culture of inclusiveness and diversity is fostered, helps not only to retain and attract people but is also a source of innovation and productivity. Redcare engages with its employees in various ways to ensure their continuous growth, striving to offer them a safe environment where they feel free to express their views and ensuring their voices are heard. On an increasingly competitive talent market this is relevant for all functions, but especially for IT and pharma and operations roles.

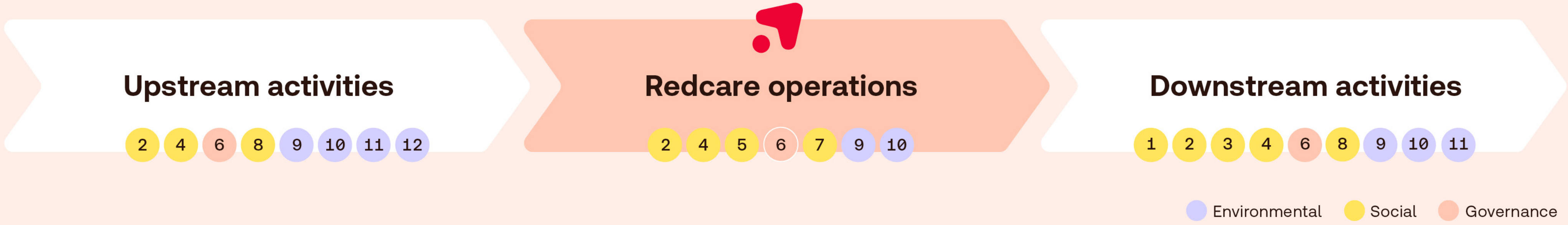
8 Fair treatment of workers in the value chain.
People employed by our suppliers, their suppliers or further tiers in the supply chain may be negatively impacted if good working conditions and human rights standards are not sufficiently implemented. Simultaneously, EU regulations such as the Corporate Sustainability Due Diligence Directive require us to take action to ensure that human rights are respected along the value chain. Redcare is developing standards and processes that go beyond its Supplier Code of Conduct to mitigate potential negative impacts for people working in the value chain and to ensure compliance with (evolving) legal requirements.

9 Climate protection and decarbonisation.
Redcare's impact on people and the planet resulting from business activities, including the emissions of greenhouse gases (GHG) in Scope 1, 2 and 3 and energy use. This encompasses our own operations and our value chain upstream and downstream including purchased goods and services. The most significant drivers of our corporate carbon footprint are upstream emissions in raw material and production stages of our suppliers of Rx, OTC and BPC products sold via our retail platform. Besides mitigation and decarbonisation efforts relating to the above, this topic includes potential impacts on the availability and affordability of medicines and risks associated with climate change mitigation efforts and adaptation needs which include both physical risks (e.g. extreme weather events) and transitional risks (e.g. increasing regulatory requirements).

10 Circularity of products and packaging.
Resources used for products' and shipping packaging negatively impact the environment if the packaging design is linear, not circular. Costs and availability of circular packaging and materials may be impacted due to increased regulation and/or customer demand. Moreover, products' and shipping packaging can affect the health of people negatively if not treated properly in after-use stages. At the same time, products sold by Redcare, especially medications, do have special quality and safety requirements for packaging. To reduce the negative impact but also to address the financial risk related to sustainable shipping packaging as a driver of customer satisfaction and loyalty, Redcare drives initiatives reducing material and increasing recycling rates of its own shipping packaging. Furthermore, Redcare implements waste management systems for products and packaging waste at its own locations to decrease waste and increase recycling rates.

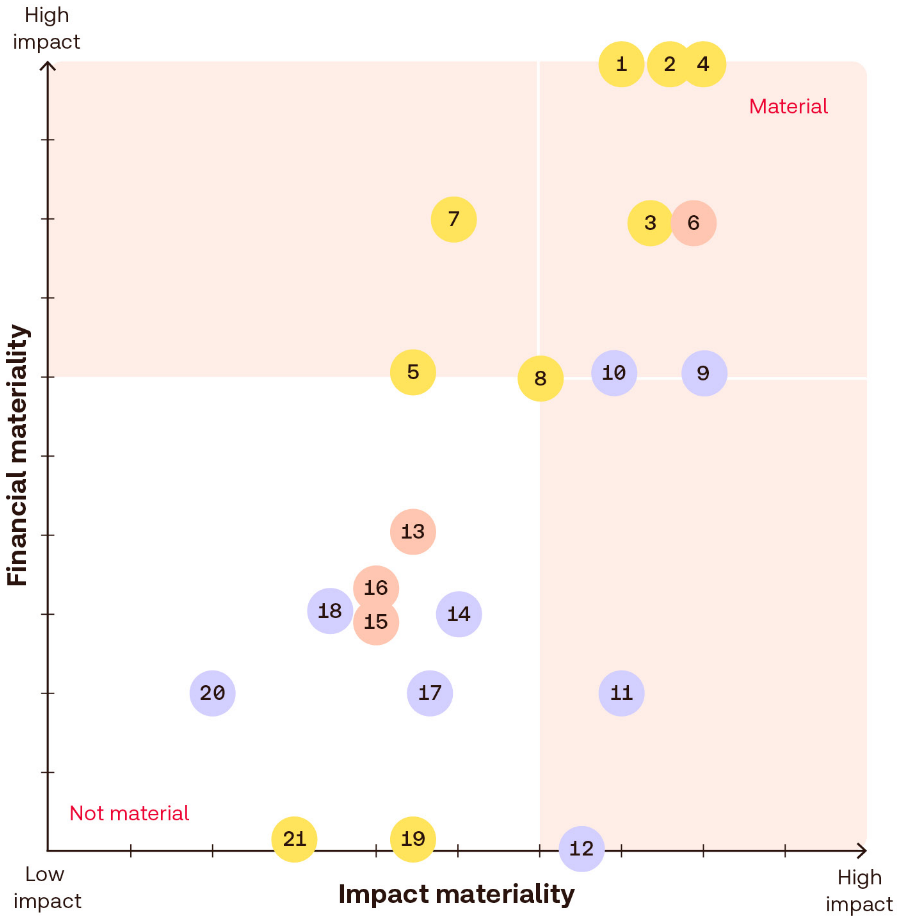
11 Minimised pollution in the value chain.
Potential impacts on the quality of water could occur in the upstream and downstream value chain. In the use- and after-use-phases of products sold via Redcare these environmental impacts can be caused through the intake and excretion of medication and the improper disposal of products and their packaging. Upstream water pollution could be caused in production stages where Redcare suppliers source in areas with lower environmental standards.

12 Preserved biodiversity.
Redcare sells products whose production involves the extraction of natural resources which could potentially have a negative ecosystem quality. As such, Redcare's purchasing and value chain activities can influence biodiversity impacts. Redcare plans to further assess these potential impacts in collaboration with its suppliers to identify ways to mitigate these impacts.



Our materiality matrix: People come first.

The matrix below shows the result of the assessment of sustainability topics.



Environmental
Social
Governance

Material

1 Inclusive access to healthcare
2 Patient health and pharmaceutical excellence
3 Responsible marketing
4 Robust data privacy and security
5 Healthy, safe and satisfied employees
6 Culture of trust and integrity
7 People development and equal opportunities
8 Fair treatment of workers in the value chain
9 Climate protection and decarbonisation
10 Circularity of products and packaging
11 Minimised pollution in the value chain
12 Preserved biodiversity

Not material

13 Supplier management and payment practice
14 Microplastics
15 Animal welfare
16 Protection of whistleblowers
17 Pollution of living organisms and food resources
18 Water usage
19 Equal treatment and opportunities in the value chain
20 Ocean resources
21 Rights of local and indigenous people

Environmental information.

A healthy life is only possible on a healthy planet. This belief drives our commitment to minimising environmental impact across the entire value chain. To achieve this, we have implemented clear policies, actions and targets for the strategically identified material topics.

Detailed information about strategic sustainability pillar, “planetary care”, is provided in this section of the sustainability report.

Planetary care: A healthy life on a healthy planet.

We're committed to the Paris Agreement and limiting global warming to 1.5 °C.

To reach this objective, we've set a near-term target to reduce our Scope 1 and 2 emissions by 80% by the end of 2025 compared to our 2020 baseline. Through renewable energy and decarbonisation initiatives, we have already achieved a 74% reduction in these emissions without relying on greenhouse gas removals.

Looking ahead, we have already started to expand our focus to include Scope 3 emissions, which originate from our value chain. By collaborating with suppliers, we aim to reduce these indirect emissions and aim sustainable practices across our partnerships.

9 Climate protection and decarbonisation.

By setting clearly defined targets and actively measuring and minimising our impact, we ensure that climate protection is a crucial part of our business activities.

- Despite strong business growth, we have already reduced *emissions* in our own operations by 74%.
- We cooperate with our suppliers to *reduce Scope 3 emissions*.
- Our *internal carbon pricing* incentivises sustainable decision-making.
- By *purchasing carbon credits*, we have offset parts of our footprint.

10 Circularity of products and packaging.

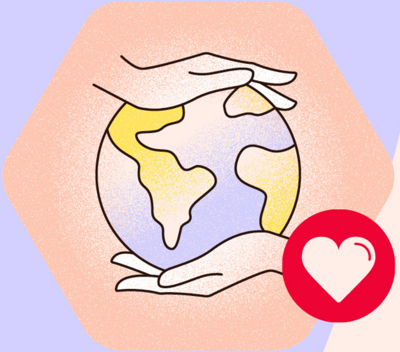
We reduce material consumption and leverage recycling practices.

11 Minimised pollution in the value chain.

We aim to prevent potential upstream and downstream pollution.

12 Preserved biodiversity.

We develop an approach to preserve biodiversity and ecosystems with our suppliers.



Caring for the earth, caring for us all.

87 PERCENT

renewable energy use across all locations.

74 PERCENT

reduction of Scope 1 & 2 emissions compared to 2020.

94 PERCENT

share of reused or recycled materials used for shipping.

Climate change and energy.

This section deals with Redcare's approach to manage material impacts, risks and opportunities which were identified regarding climate change mitigation, adaptation and energy. It discloses the respective ESRS E1 Climate Change requirements linked to Redcare's material topic climate protection and decarbonisation.

ESRS E1 Climate change.
Mitigation, adaptation, energy.

9 Climate protection and decarbonisation.

Redcare's policies.

- *Climate policy* (published in 2024).

Key actions and achievements in 2024.

- Reduced Scope 1 and 2 emissions by 74% vs 2020.
- Reduced per order (Scope 1-3) emissions by 7% vs 2023.
- Share of renewable energy 87%.

Key targets and objectives.

- Reduce Scope 1 and 2 emissions by 80% by 2025 (vs base year 2020).
- Align company strategy and actions to 1.5°.
- Develop an ESRS aligned transition plan.

Impacts, risks and opportunities

For detailed information on the process of identifying the material risks and opportunities please refer to the section on Materiality assessment and stakeholder engagement. The negative impacts and financial risks related to climate change and energy occur from the whole value chain (for details see table below).

Redcare is exploring the feasibility and reasonability of conducting a comprehensive climate risk scenario (including screening of its assets and business activities for exposure to climate-related hazards). It investigates a resilience analysis based on best-suited, universally recognised guidelines, such as ISO 14091:2021, to further extend its materiality assessment in line with ESRS requirements. This is simultaneously one step in the process of integrating sustainability-related risks into Redcare's Enterprise Risk Management in 2025. In 2024, Redcare did not screen whether specific assets and business activities may be exposed to climate-related hazards and what kind thereof.

Climate protection and decarbonisation.

Climate change mitigation.

Material impact or risk	Description	Time horizon	Risk type
Negative impact Upstream value chain, own operations, downstream VC Impacts of GHG emissions on climate change.	GHG emissions emitted along corporate value chains are contributing to climate change.	Short-term	/
Negative impact Upstream value chain, own operations, downstream VC Impacts of climate change mitigation efforts on affordability of medications.	Costs associated with mitigation efforts along the value chain are likely to drive up prices for medications and thus negatively affect affordability and thus accessibility of medications.	Mid-term	/
Risk Upstream value chain, own operations, downstream value chain Increasing regulatory requirements.	Regulatory pressures, as well as associated market dynamics, lead to increasing CapEx and OpEx for GHG emission reduction projects along the value chain.	Mid-term	Climate-related transitional risk

Climate change adaptation.

Material impact or risk	Description	Time horizon	Risk type
Negative impact Upstream value chain, own operations, downstream VC Impacts of climate change on the availability of medications.	Climate change may lead to increased costs for medications (e.g. due to higher operating costs), making them less affordable, or even disrupt the entire supply chain, leading to the inability to supply customers with medications.	Mid-term	/
Risk Upstream value chain, own operations, downstream value chain Climate change induced disruptions of supply.	Climate-induced supply chain disruptions may limit ability to supply customers with medications.	Short-term	Climate-related physical risk

Energy.

Material impact or risk	Description	Time horizon	Risk type
Negative impact Upstream value chain, own operations, downstream VC Impacts of energy usage.	Inefficient use of energy along the value chain or the failure to shift to resilient energy solutions strains energy grid capacity and energy supply availability.	Short-term	/
Risk Upstream value chain, own operations, downstream VC Energy supply disruptions.	Geopolitical developments or infrastructure failures could lead to disruptions of energy supply for own operations and / or suppliers, thereby impacting costs and revenues.	Short-term	First part: not climate-related, second part: climate-related physical risk

Our approach and policies.

Redcare is committed to four primary climate objectives intending to address all IROs by reducing emissions along the entire value chain and building strong stakeholder collaboration (climate change mitigation and energy IROs) to minimise supply chain risks (climate-change adaptation IROs), outlined in our Climate Policy:

1. We aim to ensure that our strategy and actions are compatible with the limiting of global warming to 1.5°C in line with the Paris Agreement.
2. We are dedicated to openly communicate our actions and progress towards our targets to ensure that our stakeholders are fully informed, and to enable our stakeholders to understand past, current and future mitigation efforts.
3. We aim to foster stakeholder engagement along our entire value chain; this is inevitable in order to realise our targets.
4. By mitigating climate-related risks, as well as their negative impact on our operations, we aim to ensure the availability and affordability of medications in the face of climate- and energy-induced disruptions.

Furthermore, the Climate Policy developed in 2024 provides the following information:

- Scope: Redcare Pharmacy N.V. including all Redcare entities.

- Responsibilities: Responsibility for driving climate action lies at the CEO level. Operational leadership is headed by our Director Sustainable Development, who oversees the implementation and monitoring of our climate initiatives.

- Monitoring process:
  - In order to consistently reduce the negative impact on the environment, we conduct internal steering and monitoring of annual targets on a quarterly basis. This includes Managing Board and Supervisory Board reporting, which is aligned to financial steering processes.
  - An internal carbon pricing scheme internalises costs on the environment as a carbon fee for functions which are in control of activities that contribute to our carbon footprint. This not only enables our management to take decisions which are aligned to our sustainable growth strategy, but also redirects capital to decarbonisation measures.
  - Our Managing Board members' remuneration (long-term incentives) incorporates decarbonisation targets with further details provided in the Remuneration report.

- Standards and methodologies: Redcare applies the Greenhouse Gas Protocol and the science-based X-Degree Compatibility (XDC) methodology by the climate tech provider "right. based on science", as described in more detail in the Climate Policy. The XDC methodology is a temperature alignment framework assessing the global warming impact of economic emissions on the basis of the FaIR climate modelling approach endorsed by the Intergovernmental Panel on Climate Change (IPCC).

- Availability: Public on corporate website.

The Climate Policy underpins the objective to ensure that our strategy and actions are compatible with the limiting of global warming to 1.5°C in line with the Paris Agreement including our net zero 2040[5] commitment. A climate transition plan is set to be developed in 2025, which may not only include setting mid-term, time-bound, intensity-based reduction targets, including Scope 3 emissions, but also the alignment objectives and strategies with the criteria established in Commission Delegated Regulation (EU) 2021/2139. The development of the transition plan will enable Redcare to disclose more specifically the scope, methodologies and frameworks applied. It elaborates on what the key remaining decarbonisation levers are, the resource allocation to drive decarbonisation, including CapEx and OpEx allocations, and whether or how residual emissions can be neutralised. Redcare is not ware of key assets or products that are associated with locked-in greenhouse gas emissions, but acknowledges a lack of insights into especially upstream raw material and manufacturing processes. A thorough assessment on locked-in greenhouse gas emissions will be part of identifying decarbonisation levers during the transition plan process.

Based on our key actions, achievements and targets, we assess that our business model and strategy is resilient with regard to climate change and energy. This assessment was made considering the outcomes of our Double Materiality Assessment and Enterprise Risk Management system.

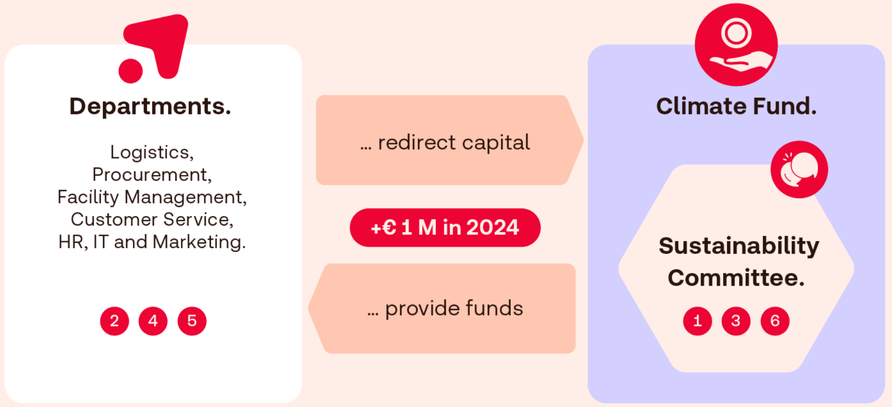
[5] The commitment to achieve net zero emissions by 2040 as publicly disclosed from 2022 onwards is going to be re-evaluated and potentially refined alongside the development of an ESRS-compliant transition plan in 2025. This includes among other aspects the ESRS E1-7 60-61 disclosures.

Actions and resources.

The major achievements in Scope 1 and 2 emission reduction in absolute terms stem from the renewable energy initiatives in our own operations (see table Energy consumption and mix). A combination of heat pumps and electricity originating from renewable sources for our main logistics and warehouse locations in Sevenum and Settala ensures minimised emissions for electricity, heating and cooling. The latter is especially significant in light of medication storage. This set-up is planned for the new warehouse and logistics location in Pilsen as well. Furthermore, we have successfully switched other locations to procure electricity from renewable sources, such as our locations in Viersen and Tongeren. This is not only a significant step towards reaching 100% electricity from renewable sources planned for 2024, but also towards reducing Scope 2 emissions. However, these actions are below what we had expected to achieve in terms of switching to 100% renewable electricity. We had to acknowledge that from a technical and contractual perspective our ambition could not feasibly be realised. In 2024, 98.1% of total electricity consumed in our locations was procured from renewable sources.

Going beyond Scope 1 and 2 emissions, Redcare has achieved scale effects in terms of its emission intensity reduction (see table GHG Intensity). The per order reduction of 12% vs base year 2020 including product emissions and 6% excluding product-related emissions was achieved in 2024. The Gross Value Added (GVA = EBITDA + labour costs) reduction of 16% including product emissions and 10% excluding product emissions was reported in 2024.

Internal carbon pricing to incentivise *climate protection.*



1. The Sustainability Committee sets the carbon price (€35 per tonne CO_2e in 2024).
2. Departments calculate and report emissions.
3. The Sustainability Committee approves the reported CO_2 emission data.
4. Departments pay an internal tax for reported emissions under their control for the carbon price into the fund.
5. Departments can access the climate fund to finance decarbonisation efforts.
6. The committee decides which decarbonisation measures are to be financed.

Redcare's internal carbon pricing scheme covers the above illustrated departments and related activities. This carbon pricing scheme intends to incentivise sustainable decision-making across the Company and is applied by Redcare on a purely voluntary basis, as Redcare is not covered by any sectoral carbon taxation or trading scheme. In 2024, cost centres covered by the internal carbon fee had to factor these costs in their financial planning, assess them in the financial forecasting cycles and build accruals. As stated in table Internal Pricing Scheme, a total of EUR 1,015,424 was internally collected as revenue from the carbon pricing mechanism and transferred into a fund which can be accessed by these departments to finance their activity-specific decarbonisation measures. The Sustainability Steering Committee will collectively decide in which of the proposed measures Redcare invests based upon the highest emission reduction potential and other stakeholder KPIs.

While the majority of the fund revenues are accessible for departments from 2025 onwards, a share of EUR 145,000 was used in 2024 to purchase and cancel offsetting credits, as disclosed in the table GHG removals, from the below nature-based projects:

- **Waterboro** is home to one of the largest Pitch Pine barrens in Maine, USA. Recognising the threat of deforestation, this project aims to restore critical biomass and protect biodiversity.

- **Roxbury** is a sparsely populated town in southern Maine, United States. This project gives the area a respite from industrial activities such as sawmills and shoe factories and is committed to achieving a balance between economic development and environmental preservation.

- **The Beech Hill** project, situated in the picturesque Hillsborough Parish of greater New Brunswick, Canada, benefits not only from the protection of its natural surroundings, but also from the strategic placement in an evolving economic landscape.

Over the past two years, Redcare has invested in transparency on its upstream emissions and improved the data quality of purchased goods and services with a focus on its main revenue streams, i.e. products we sell to customers via our platform in the retail business. Together with an external partner, we performed the Product Carbon Footprint (PCF) analysis of more than 1,050 products. These results allowed extrapolation across our assortment, enabling us to steer decarbonisation together with our suppliers with all major GHG Scope 3 categories in focus. The extrapolation does not include third-party sellers' emissions from our marketplace activities, as products sold through the marketplace are out of Redcare Scope 3 reporting boundary, regarding categories 3.1 Purchased goods and services, 3.11 Use of sold products and 3.12 End-of-life treatment of sold products.

Powering a sustainable future: reducing emissions with renewable energy.

We have achieved a 74% reduction in our Scope 1 and 2 emissions, decreasing from 1,674 tCO_2e in base year 2020 to just 430 tCO_2e in 2024. This was made possible by transitioning to renewable energy, which accounts for 87% of our total energy consumption in 2024. Our head office and facilities in Sevenum, Ennevelin and Milan are now fully powered by green energy. The state-of-the-art 40,000-square-metre logistics facility in Sevenum, certified "excellent" by BREEAM, exemplifies this commitment. The site integrates rooftop solar panels for renewable electricity production and heat pumps to process more than 100,000 parcels per day efficiently.

74 PERCENT reduction of Scope 1 and 2 emissions compared to base year 2020.

87 PERCENT renewable energy use in 2024.

Planned actions and targets.

Redcare has set a short-term target for 2025 to reduce Scope 1 and 2 emissions by 80% compared to its base year (2020), which is 1.5°C compatible. Despite this ambitious absolute emission reduction target (considering Redcare's significant growth, including expansion to new logistics locations) we have reached a reduction of 74% in the past five years through our renewable energy procurement initiatives. This target supports our Climate Policy by ensuring our strategy and actions are compatible with the limiting of global warming to 1.5°C, and is in line with our consolidated reporting approach, covering all operations. The target was defined based upon consultation of internal and external experts, but no other stakeholders. This is a pure reduction target to be achieved without the use of GHG removals and developed in alignment to our GHG accounting approach as defined in Basis for preparation. Table Scope 1 & 2 reduction target shows total emission targets for Scope 1 and 2 to be reached by 2025 compared to the total emissions reported for the base year. It also displays the current 2024 progress towards this target. The target is market-based; Redcare has not set a location-based reduction target. Redcare also has not set time-bound reduction targets for Scope 3 emissions or targets for the year 2030, but plans to disclose these with its transition plan (to be developed in 2025).

The two main remaining levers to achieve the 2025 targets are the electrification of the MediService company cars and switching to renewable electricity procurement for two remaining locations (Smartpatient Warsaw and MedApp Eindhoven). The feasibility of these measures in 2025 is, however, at risk due to dependencies of current contracts. The continuation of the targets is likely to be reassessed as part of mid-term target setting in line with a transition plan development.

Scope 1 & 2 reduction target

	Unit	Base year 2020	2024	Target 2025	Delta
Scope 1 & 2 target					
Absolute Scope 1 & 2 (market-based) emission	tCO_2e	1,674	430	335	-95
Percentage Scope 1 & 2 (market-based) emission reduction	%	n.a.	-74	-80	6 pp

Results 2024.

The energy mix at Redcare is categorised following the GHG Protocol Scope 1 and 2 guidelines into direct and indirect energy use. Direct energy use reported encompasses all energy generated and consumed on-site at Redcare facilities, including the fuel used for company owned or controlled vehicles. Indirect energy use reported covers the consumption of purchased electricity and heat. In 2024, a share of 87.1% of Redcare Pharmacy's total energy consumption was generated through renewable energy sources. Our head office and logistics location in Sevenum, as well as our facilities in Ennevelin and Milan[6], are fully powered by renewable energy sources. The table Energy Consumption and mix shows the energy consumption at Redcare in 2023 and 2024 at all facilities in the scope of reporting.

Energy consumption and mix

	Unit	2024	2023 *
Total energy consumption from renewable sources	**MWh**	**9,070**	**7,619**
Fuel consumption for renewable sources, including biomass, biofuels, biogas, hydrogen from renewable sources	MWh	0	0
Consumption of purchased or acquired electricity and heat from renewable sources	MWh	9,070	7,619
The consumption of self-generated non-fuel renewable energy	MWh	0	0
Total energy consumption from nuclear sources	**MWh**	**0**	**0**
Total energy consumption from fossil sources	**MWh**	**1,346**	**1,551**
Fuel consumption from coal and coal products	MWh	0	
Fuel consumption from crude oil and petroleum products	MWh	375	
Fuel consumption from natural gas	MWh	578	
Fuel consumption from other fossil sources	MWh	0	
Consumption of purchased or acquired electricity and heat from fossil sources	MWh	393	
Total energy consumption own operations	**MWh**	**10,416**	**9,170**
Renewable source share in total energy consumption	**%**	**87.1**	**83.1**
Fossil source share in total energy consumption	**%**	**12.9**	**16.9**

*Comparative figures excluded based upon ESRS 1 10.3

The table Energy consumption intensity shows respective intensities of energy consumed in relation to the high climate impact sector activities. All revenues of Redcare were determined to fall under the definition of high climate impact sector activities (identified as "47.91 - Retail sale via mail order houses or via Internet" in Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council). No other revenues are therefore accounted and reported.

Energy consumption intensity

	Unit	2024	2023 *
Total energy consumed, high climate impact sector activities	**MWh**	**10,416**	
Total net revenue from high climate impact sector activities	EUR x1.000	2,370,575	
Total net revenue from activities other than in high climate impact sectors	EUR x1.000	0	
Total net revenue[7]	EUR x1.000	2,370,575	
Energy intensity from activities in high climate impact sectors (total energy consumption per net revenue)	**MWh/M€**	**4.39**	

*Comparative figures excluded based upon ESRS 1 10.3

6 The disclosed renewable electricity use in Milan location, which corresponds to 13.0% of the total procured energy consumption in Redcare operations, was not supplemented with the requested Guarantee of Origin certificates from our energy supplier in time for annual disclosures publication. Nonetheless, the energy procured for Milano location was contractually agreed with by the supplier to be 100% renewable electricity covered by the Guarantees of Origin certificates. Therefore, this share of electricity consumed is considered as renewable in our disclosures.

7 Net revenue reconciles to net revenue in the financial statements, see page 168 and notes to the financial statements on page 188.

The table Purchased bundled and unbundled emission share shows the Scope 2 market-based emissions and their shares in relation to the contractual instruments utilised in the procurement of energy. A split between energy contracts bundled or unbundled with proof of origin certificates e.g. Guarantees of Origin as well as non-renewable energy contracts is provided.

Purchased bundled and unbundled emission share

	Unit	2024	2023 *
Total bundled market-based energy emissions	t CO2e	22	
Total unbundled market-based energy emission	t CO2e	0	
Total market-based energy related emissions	t CO2e	77	
Percentage of Scope 2 GHG emissions covered under contractual instruments used for sale and purchase of energy bundled with attributes about energy generation	%	17	
Guarantee of Origin (GO)	%	0	
Non-renewable energy contract	%	0	
Percentage of Scope 2 GHG emissions covered under contractual instruments used for sale and purchase of energy unbundled from the attributes about energy generation	%	0	
Guarantee of Origin (GO)	%	0	
Total (Scope 2) energy consumption backed by contractual instruments	MWh	9,306	
Total (Scope 2) energy consumption	MWh	9,464	
Percentage of Scope 2 energy use covered under bundled or unbundled contractual instruments about energy generation	%	98	

*Comparative figures excluded based upon ESRS 1 10.3

Gross Scopes 1, 2, 3 and total GHG emissions.

In comparison to the 2023 report, during the 2024 reporting period we have included the upstream and downstream emissions of products intended for resale to customers (OTC, Rx and BPC products Redcare sells to customers) in the calculation of our corporate carbon footprint. The emission factor databases used to calculate all reported GHG emissions are provided in detail in the Definitions section in the appendix. The table Scope 1, 2, 3 GHG emissions shows total GHG emissions per scope and the table GHG intensity shows intensities.

Total net revenue used as the basis for calculating the "GHG intensity values per net revenue reported" corresponds to the reported net revenue in the consolidated statement of profit and loss.

Scope 3 (indirect) emissions are those emissions that are a result of the upstream and downstream activities in the value chain outside of our own operations. We have determined 9 of 15 Scope 3 categories listed in the GHG Protocol and GHG Protocol Scope 3 Technical Guidance supplement as material. Emissions relating to category 2 (Capital goods), 8 (Upstream leased assets), 10 (Processing of sold products), 13 (Downstream leased assets), 14 (Franchises) and 15 (Investments) have been excluded from our Scope 3 value chain footprint, as these are deemed irrelevant or immaterial for Redcare operations.

The values shown are after changes to the comparatives and base year have been performed.

Scope 1, 2, 3 GHG emissions

		2020 *	2023 *	2024	Delta 2024 vs 2023 * (%)	2025 Target	Annual % target / base year
Direct GHG emissions (Scope 1)							
Total Scope 1 GHG emissions	tCO_2e	451	321	301	(6)%		
Covered by EU Emissions Trading System	%	0	0	0	0		
Indirect GHG emissions (Scope 2)							
Total location-based	tCO_2e	1,513	3,228	2,719	(16)%		
Total market-based	tCO_2e	1,223	192	129	(33)%		
Indirect GHG emissions (Scope 3)	**tCO_2e**	**90,855**	**151,201**	**173,412**	**15 %**		
Emissions calculated using primary Scope 3 data	tCO_2e			12,497			
% of GHG Scope 3 based on primary data	%			7.2			
C1: Purchased goods and services	tCO_2e	73,198	123,685	141,067	14 %		
C3: Fuel- and energy-related activities	tCO_2e	411	400	209	(48)%		
C4: Upstream transportation and distribution	tCO_2e	615	1,093	1,317	20 %		
C5: Waste generated in operations	tCO_2e	97	173	132	(23)%		
C6: Business travel	tCO_2e	149	554	1,114	101 %		
C7: Employee commuting	tCO_2e	2,692	5,523	6,383	16 %		
C9: Downstream transport and distribution	tCO_2e	4,617	8,918	10,229	15 %		
C11: Use of sold products	tCO_2e	5,509	5,538	6,569	19 %		
C12: End-of-life treatment of sold products	tCO_2e	3,569	5,317	6,392	20 %		
Total GHG emissions (market-based)	tCO_2e	92,529	151,715	173,842	15 %		
Total GHG emissions (location-based)	**tCO_2e**	**92,819**	**154,751**	**176,433**	**14 %**		
GHG emissions (market-based), excl. product emissions	tCO_2e	*14,346*	*24,610*	*29,012*	18 %		

**Comparative figures excluded based upon ESRS 1 10.3*

Scope 3 emissions are reported using various data sources, a share of which comes from primary sources. Primary data includes data that is provided to Redcare by suppliers or other value chain partners; it also includes data that is measured directly by responsible employees for the activities reported across our own operations and value chain. This can be either activity data (e.g. specific distance travelled and transport method used by employees for commuting) or direct emission data calculated by value chain partners (e.g. product-level emission data received from suppliers). Whenever primary data is not available, secondary data is used. Some examples of secondary data include: data from databases, government statistics, financial (spend) data, proxy data or other data sources allowed by GHG Protocol Scope 3 guidance. Category-specific Scope 3 guidance on primary and secondary data requirements was followed to determine data classification as primary or secondary according to Corporate Value Chain (Scope 3) Accounting and Reporting Standard. In 2024, 7.2% of the Scope 3 emissions were calculated using primary data sources.

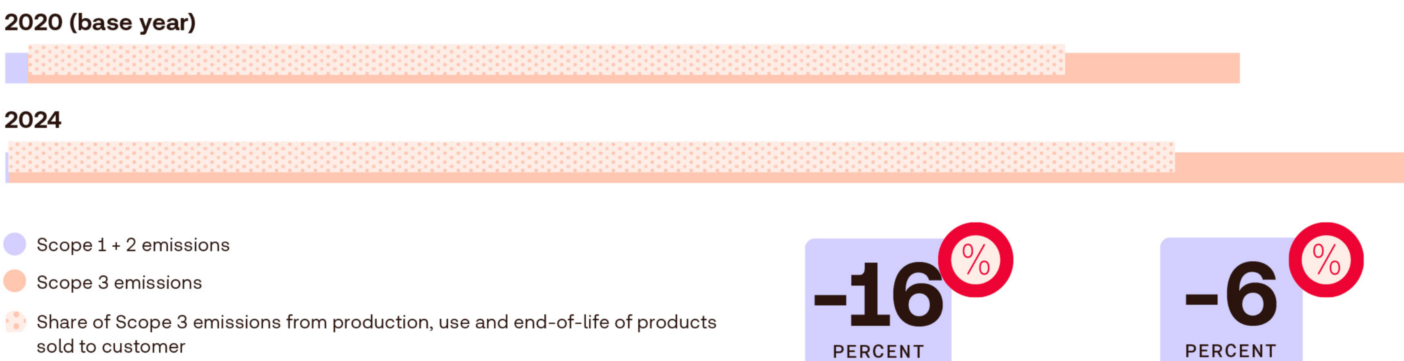
83% of total GHG emissions come from the production, use and end-of-life of products sold to customers. In the case of OTC and Rx products people rely on these products for their health (for Rx these are even prescribed by doctors and as pharmacy we legally bound to sell them). With our suppliers we strategically engage to reduce the *emission intensity per GVA* as a main KPI to steer towards 1.5° alignment.
At the same time our main internal KPI to steer reduction is the *GHG intensity per order*, which excludes product emissions. This is to have a prioritised focus on the areas where we do see a higher influence such as logistics or energy related emissions – these are for instance covered by our internal carbon pricing or our management targets.

GHG intensity

	Unit	2024	2023 *	2020 *	Delta vs. 2023 *	Delta vs. base year *
GHG intensity, location-based, per net revenue	tCO_2e/M€	74.43				
GHG intensity, market-based, per net revenue	tCO_2e/M€	73.33				
GHG intensity per net revenue (market-based), excl. product emissions	tCO_2e/M€	12.24				
GHG intensity, location-based, per GVA	tCO_2e/M€	951.96	938.97	1,122.92	1 %	(15)%
GHG intensity, market-based, per GVA	tCO_2e/M€	937.98	920.55	1,119.41	2 %	(16)%
GHG intensity per GVA (market-based), excl. product emissions	tCO_2e/M€	156.54	149.32	173.55	5 %	(10)%
GHG intensity, per order, Scope 1	$kgCO_2e$/order	0.008	0.011	0.027	(24)%	(69)%
GHG intensity, per order, Scope 2 (market-based)	$kgCO_2e$/order	0.004	0.007	0.074	(45)%	(95)%
GHG intensity, per order, Scope 3	$kgCO_2e$/order	4.860	5.200	5.467	(7)%	(11)%
Total GHG intensity, per order (market-based)	**$kgCO_2e$/order**	**4.872**	**5.218**	**5.568**	**(7)%**	**(12)%**
GHG intensity per order (market-based), excl. product emissions	$kgCO_2e$/order	0.813	0.846	0.863	(4)%	(6)%

*Comparative figures excluded based upon ESRS 1 10.3

Our carbon *footprint.*



-16 % PERCENT

GHG intensity per M€ GVA incl. product emissions vs base year.

-6 % PERCENT

GHG intensity per order excl. product emissions vs base year.

Changes to the comparatives and base year.

Only the items disclosed in the Annual Report 2023 and that were restated in 2024 are shown in the tables below.

Note 1: In 2024, we performed additional Scope 3 category analyses in order to include sold Product Carbon Footprint, specifically for products which are sold to customers as a core Redcare business activity. This analysis yielded results that significantly impacted the total reported GHG emission analysis of current and previous years, with specific impacts on categories 3.1 Purchased goods and services, 3.11 Use of sold products and 3.12 End-of-life treatment of sold products. As these new categories were analysed back until the base year (2020), the data on estimated emissions up to the base year were also added to our emission data restatements. This provides us a comparative development of value chain emissions between different reporting periods of current and past years.

Note 2: The 2023 acquired entity MediService has been included in the emissions reported in the Annual Report 2023. During 2024 data quality improvements are noted to the categories of Scope 1 Company car fuel use and Scope 3 Employee commuting. This resulted in an increase of 232 tCO_2e for total emissions reported in the base year 2020.

The improvements to the MediService data quality described in note 2 also had an additional impact to the previously reported 2023 emission totals. In total, Scope 1, 2 & 3 (market-based) emissions increased by 258 tCO_2e when comparing to total Scope 3 emissions reported in 2023.

Restatement of base year

	Unit	2020 as per Annual Report 2023	Note 1: Extension of scope	Note 2: Correction of Scope 1, 2, 3 data	2020 restated
Total CO_2-equivalent emissions – market-based approach	tCO_2e	14,114	78,184	232	92,529
Total CO_2-equivalent emissions – location-based approach	tCO_2e	14,399	78,184	237	92,819
Scope 1	tCO_2e	384	0	67	451
Scope 2 (market-based)	tCO_2e	1,228	0	(5)	1,223
Scope 2 (location-based)	tCO_2e	1,513	0	0	1,513
Scope 3	tCO_2e	12,501	78,184	170	90,855

GHG removals financed.

In total 10,000 credits were purchased in 2024 and cancelled by Redcare in January 2025. We purchased the credits via 44.moles, a German-based provider of carbon sequestration credits and services to ensure that each credit meets standards of environmental integrity through geo-location tracking and unique identifiers. The table GHG removals outlines the specifics of GHG removals through carbon credit use by Redcare. All carbon credits purchased originated from projects outside Redcare's value chain.

GHG removals

		2024		2023 *	
	Unit	**Tonnes**	**%**	**Tonnes**	**%**
Type of credit					
Reduction & removal projects (biogenic sink)	tCO2e	10,000	100		
Beech Hill, Canada	*tCO2e*	*3,333*	*33.33*		
Waterboro	*tCO2e*	*3,333*	*33.33*		
Roxbury	*tCO2e*	*3,334*	*33.34*		
Reduction & removal projects (technological sink)	tCO2e	0	0		
Total credits		**10,000**	**100**		
Quality standard					
ECCC Greenhouse Gas Offset Credit System	tCO2e	3,333	33.33		
American Carbon Registry (ACR)	tCO2e	6,667	66.67		
Total quality standard credits share	**tCO2e**	**10,000**	**100**		
Projects in the EU	tCO2e	0	— %		
Qualifies as adjustment under Article 6 of the Paris Agreement	tCO2e	0	— %		
GHG emissions associated with removal activity	tCO2e	10,000			
Removal projects total	%		100		
Percentage that qualifies as corresponding adjustment	%		— %		

*Comparative figures excluded based upon ESRS 1 10.3

Internal carbon pricing.

Redcare's internal carbon pricing scheme comprises a carbon fee internally applied and transferred into our climate fund as described in more detail in the section 'Actions and resources' of this chapter.

In 2024 the price was set to be EUR 35 per tonne of emissions. Scope 1, 2 and 3 emissions as reported by Redcare under KPI "GHG emissions (Total emissions)" with the exemption of a significant share of category 3.1. Purchased goods and services, as well as complete exemption of categories 3.11 Use of sold products and 3.12 End-of-life treatment of sold products. These exclusions are related to the emissions of the products sold to customers. The carbon price used is consistent with the price used in the financial statements.

Critically assessing the price set, it needs to be considered that Redcare is not applying a scientific guidance or science-based pricing trajectories for future development of the carbon price. However, the motivation is to use this instrument to incentivise long-term decision-making within our organisation. A gradual price increase is considered to be effective to educate management on the emissions caused by activities within their responsibility and to enable integration in financial planning. Having seen significant success in decarbonisation of our own operations through prices ranging between EUR 6 and EUR 14.50, the price increase in 2024 towards EUR 35 is a significant step to foster Scope 3 emission reductions.

Price and scope of internal carbon pricing scheme

	Unit	2024	2023 *
Set price per tCO_2e	€/tCO_2e	35.00	
Emissions in scope	tCO_2e	29,012	
Total internal carbon fee	**EUR**	**1,015,424**	

*Comparative figures excluded based upon ESRS 1 10.3

Gross GHG emissions covered

		2024		2023 *	
	Unit	Tonnes in scope	% of total scope	Tonnes in scope *	% of total scope *
Scope 1 GHG emissions covered	tCO_2e	301	100.0		
Scope 2 (market-based) GHG emissions covered	tCO_2e	129	100.0		
Scope 3 GHG emissions covered	tCO_2e	28,582	16.5		
Total Scope 1/2/3 (market-based) emissions covered	**tCO_2e**	**29,012**	**16.7**		

*Comparative figures excluded based upon ESRS 1 10.3

Pollution.

Mitigating environmental pollution is vital for a healthy life on a healthy planet. Our specific measures and strategies to address material impacts, risks and opportunities related to air pollution through GHG emissions and packaging waste are detailed in the sections on "Climate change and energy", and "Circularity". This chapter primarily focuses on water pollution and the (potential) negative impacts which have been identified as material along the value chain related to ESRS E2 Pollution. The list of sites in scope includes those where logistics and warehouse activities takes place as defined in the Definitions appendix.

ESRS E2 Pollution.
Pollution of water, substances of concern, microplastic.

11 Minimised pollution in the value chain.

Redcare's policies.	Key actions and achievements in 2024.	Key targets and objectives.
Planned to be developed by 2026.		

Impacts, risks and opportunities.

For detailed information on the process of identifying the material risks and opportunities please refer to the section Materiality assessment and stakeholder engagement. The negative impacts related to water pollution occur primarily from upstream and downstream activities in our value chain, such as the manufacturing of medicines in regions with less stringent pollution control regulations, and downstream activities, such as the inappropriate disposal or the excretion of consumed medications (including microplastics used in products). These impacts were identified based on desk research analysing scientific papers, combined with external expert consultations and stakeholder surveys. The list of substances referred to in the ESRS has been screened to identify if any substances of concern are used or emitted in Redcare's own operations.

Minimised pollution in the value chain.

Pollution of water, substances of concern, microplastic.

Material impact	Description	Time horizon
Negative impact Upstream value chain Pollution of water.	Potential pollution of water in the production phase of medications and their ingredients in sourcing regions with lower environmental standards.	Short-term
Negative impact Downstream value chain Pollution of water.	Potential pollution of water with hazardous substances and / or microplastics, due to the excretion of consumed medications or the inappropriate disposal of products (and their packaging) sold via Redcare.	Short-term

Our approach and planned actions.

Our supplier Code of Conduct sets out our commitment to minimise impacts on the environment that go beyond our own operations. Redcare has not yet implemented formal policies or targets to manage water pollution outside its own operations but plans to develop appropriate measures to measure and mitigate negative impacts by 2026. Redcare's business model involves an extensive assortment of medication and related products. Therefore, a key challenge will be to develop processes to gather the data to measure the impact in line with ESRS on upstream and downstream activities as well as to identify effective mitigation measures outside our own operations. Redcare's policy, strategy and actions regarding water pollution remain under development due to a prioritised focus on progressing high impact sustainability topics, and meeting reporting compliance.

Applying the transitional provisions for gathering comprehensive value chain data, Redcare's efforts to obtain the necessary information include the use of internally and publicly available sources. Internally, means screening our product information management system and involving our internal experts from the Quality & Pharma departments and an external lab. Publicly available sources such as scientific research helped us to understand the root cause of water pollution in Redcare's (downstream) supply chain related to substances of concern and microplastic. But it also showed that the industry lacks unified standards to measure these impacts. To report on material metrics related to the data points E2-4 and E2-5, Redcare is dependent on supplier-specific data and plans to collaboratively engage with key suppliers. This is necessary to build up reporting and steering systems as well as processes as a basis for developing the measures stated above until 2026.

There were no major incidents and deposits causing operational or capital expenditures or provisions of environmental protection or remediation costs in the period under review.

Biodiversity and ecosystems.

This chapter primarily focuses on biodiversity quality and the (potential) negative impact which was identified as material along the value chain and the respective disclosures on ESRS E4 Biodiversity and ecosystems covering the Redcare's material topic preserved biodiversity.

ESRS E4 Biodiversity & ecosystems.
Direct impact drivers for contributions to biodiversity loss and ecosystems degradation.

12 Preserved biodiversity.

Redcare's policies.	Key actions and achievements in 2024.	Key targets and objectives.
Planned to be developed by 2026.		

Impacts, risks and opportunities.

For detailed information on the process of identifying the material risks and opportunities please refer to the sections on Materiality assessment and stakeholder engagement. We have performed a desk research to identify impacts, risks and opportunities, with only a high-level assessment of dependencies, transition, physical and systemic risks and opportunities. Redcare has not assessed specific upstream sites, raw materials production or sourcing, involved upstream communities in materiality assessments, nor implemented measures to avoid ecosystem impacts on potentially affected communities upstream. Redcare's contribution to direct impact drivers on biodiversity loss and associated mitigating measures therefore remains to be fully assessed and disclosed. Consultations with affected communities have not been conducted. As materiality assessments are an ongoing process, Redcare has not detected material impacts, risks or opportunities in its own operations and consequently it has not detected material sites. Redcare has not identified upstream potential material negative impacts related to land degradation, desertification, soil sealing and / or threatened species. Redcare plans to refine its materiality assessment through an environmental impact risk assessment of its own sites, including an assessment of the impact on biodiversity. We will evaluate if a detailed assessment with consultations is reasonable by the end of 2026.

Preserved biodiversity.

Direct impact drivers of ecosystem loss.

Material impact	Description	Time horizon
Negative impact Upstream value chain Contributions to biodiversity and ecosystem quality.	Resource use for – and production of products sold via Redcare – could potentially have negative impacts on biodiversity or ecosystem quality.	Short-term

Our approach and planned actions.

Redcare's DMA has identified a potential negative impact in its upstream activities that could lead to a loss of biodiversity and ecosystem quality owing to resource use in the products being sold to customers. As mentioned in the section on Pollution, our supplier Code of Conduct includes a general commitment to minimise impact on the environment outside of our own operations. Redcare has not implemented policies, actions and targets to specifically manage biodiversity yet as materiality was only assessed in 2024 but plans to do so by 2026. In line with our plan to reduce pollution, we intend to apply appropriate guidelines and frameworks when doing so.

Resource use and circular economy.

This section covers Redcare's statements on resource use and circular economy including the disclosures on resource inflows, outflows and waste within ESRS E5 Resource Use and Circular Economy. The material topic Redcare has identified is circularity of products and packaging.

ESRS E5 Resource use and circular economy.
Resource outflows related to products and services, waste.

10 Circularity of products and packaging.

Redcare's policies.

Key actions and achievements in 2024.

- Launched refillable product category in our online shops.
- 96.8% Recyclable content in packaging of parcels shipped.

Key targets and objectives.

- Achieve ISO 14001 certification until 2026.

Planned to be further developed in 2025.

Impacts, risks and opportunities.

For detailed information on the process of identifying the material risks and opportunities please refer to the sections on Materiality assessment and stakeholder engagement. The material negative environmental impacts and risks occur downstream in relation to circularity activities of business partners and customers as well as customer behaviour. Transition risks were assessed and identified in the form of changing customer perceptions towards packaging. This section thus includes the disclosures on the material in- and outflows and waste. Redcare has not conducted consultations in particular with potentially affected communities.

Circularity of products and packaging.

Resource outflows related to products and services, waste.

Material impact or risk	Description	Time horizon
Negative impact Downstream value chain Disposal of (non-recyclable) packaging waste.	Resources used for the packaging of shipped products negatively impact the environment if they are linear rather than circular.	Mid-term
Negative impact Downstream value chain Health & environmental impacts from waste disposal.	The packaging of products shipped can affect the health of people negatively if not treated properly in after-life stages.	Mid-term
Risk Downstream value chain Customer perception of packaging waste.	An increase in unsustainable packaging material at customers' homes impacts customer satisfaction and loyalty. Switching to sustainable packaging materials may increase business costs.	Mid-term

Our approach and policies.

We think in *lifetimes.*
We build what lasts, so we can be there for life.

Thinking in lifetimes means embracing circularity to provide a healthy planet for lifetimes. This section explains how we reduce, reuse and recycle to embrace circularity for our core business activities. Our fast business growth not only requires us but also challenges us to close the loops for the resources and materials needed in order to contribute to a future where life within planetary boundaries is possible. Being a pharmacy, it is our key priority to ensure the safety and quality of the products we deliver to our customers. This means for instance additional complexity in minimising the environmental impact of our shipping packaging. The same holds true for products and their packaging we retail from suppliers to our customers.

The double materiality assessment conducted in 2024 has revealed that circularity-related IROs are primarily found in the upstream supply chain, production and consumption of resources by our manufacturers, as well as in the downstream supply chain at the customer or patient. In order to address these potential IROs, Redcare is planning a reassessment of the IROs in 2025 with the aim of gaining an even better understanding of the main impacts with regard to the Redcare assortment. Based upon that, the development of policies, actions and targets that include the engagement of suppliers and customers in the management of these IROs is planned.

Hitherto, Redcare focused on circularity initiatives in its own operations which mainly include our shipping packaging and our waste management across locations as visualised in the Material flow and waste stream overview. The data collection, reporting and steering processes had been established for all international locations in the past years so that from this reporting period onwards, all locations and their activities are in the scope of our approach to circularity and included in the below statements.

No composition-altering production activities occur in facilities within Redcare's operational control, which is why the materials we categorise as inflows also constitute the outflows from our facilities. The only difference between material inflows and outflows is the reclassification of materials into specific waste streams due to degradation, accidental damage or disposal of unused packaging materials.

We distinguish four key types of material inflows:

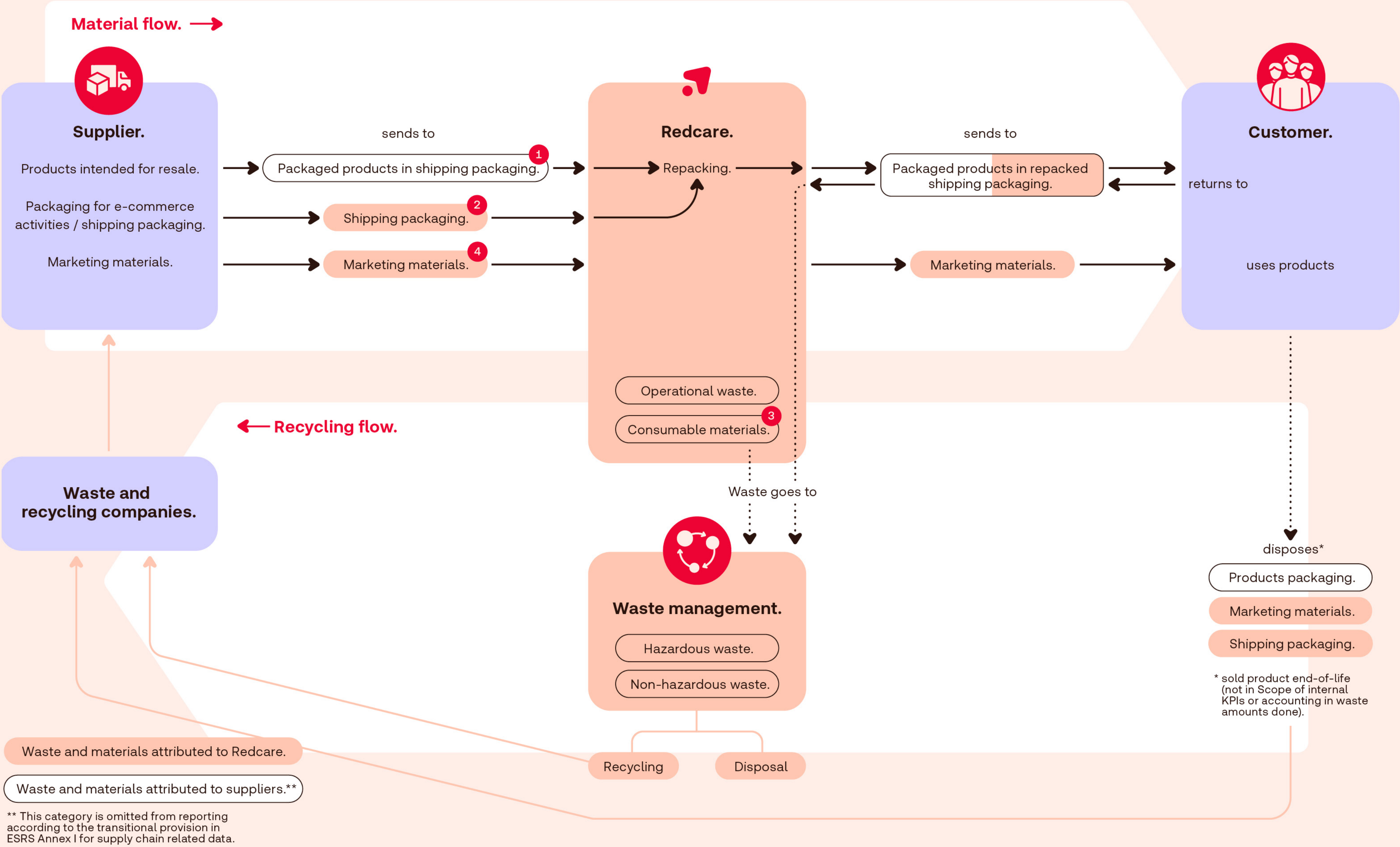
1. Products' packaging refers to the materials used for primary and secondary packaging of products sold such as bottles, blisters, etc. (this category is omitted from reporting according to the transitional provision in ESRS Annex I for supply chain-related data). Reasonable effort has been taken to collect data directly from major suppliers as this in not sufficiently available in internal sources. For the first year of reporting, the information that is reasonable and supportable to estimate the materials had not been available to Redcare.

2. Shipping packaging refers to the materials used to ship, protect and secure goods during transportation, ensuring they arrive safely and intact at their destination.

3. Consumable materials are those used in operational facilities, such as storage boxes, packaging tape and foil, printing paper, pallets, etc.

4. Marketing materials refers to physical materials used for our marketing activities, such as marketing flyers, cards, promotional leaflets, booklets, catalogues, etc.

Material flow and waste stream.



Redcare further reports on material inflows in terms of the share of sustainably sourced biological materials, reused and recycled materials used (inflow) as well as recyclability of parcel packaging used (outflow). This helps Redcare gauge its efforts in resource conservation and define targets to mitigate the negative impact related to resource use in packaging materials. For the packaging and marketing materials, Redcare aims to find recycled or reused input and recyclable output solutions and increase the sustainable share of total materials used.

Our primary focus is to minimise material usage by prioritising reduction and reuse wherever possible. For unavoidable waste in our operations, we continuously enhance our separation processes and collaborate with business partners across the supply chain to increase recycling rates. The materials we handle can be categorised into those generated at our office locations and those from our facilities and warehouses. Office waste is similar to household municipal waste, consisting of paper, plastics, residual materials, and discarded IT hardware. In contrast, our facilities and warehouses manage specialised materials, such as packaging from suppliers and customer returns. As a pharmacy, we also handle medical waste, which is reported in the table Resource outflows - waste as hazardous waste.

Actions and resources.

Redcare has started the ISO 14001 implementation which will serve as our standard for an environmental management system (EMS) across our logistics locations.

An important effect on resource use and waste KPIs is our return rate, which we manage to keep constantly below one percent (0.74% in 2024). Beyond minimising environmental impacts, the low rate further illustrates our dedication to product quality and customer satisfaction.

Circular packaging.

Reducing materials is the main driver for circularity and for decoupling the negative impact of our activities from our business growth. This is why we steer the amount of materials used in relation to parcels shipped to our customer.

In 2024 the primary focus of our circularity initiatives was our largest logistics location in Sevenum, where several internal and location-specific targets were reached:

- We increased the recycled input share of packaging materials, reaching our target of 94% recycled inputs while keeping the weight of packaging materials per order below 0.160 kg.
- We introduced a new protective paper-based material for fragile goods, not only reducing the material used per order compared to the plastic bubble wrap foil used before, but for respective orders also significantly reducing breakage rates and improving the net promoter score.
- We completed the transition of all carton sizes for different shipping options to 100% recycled materials.
- We also completely changed the packing process of our cooling packs with ambient packaging (i.e. packaging designed to ensure certain temperature bands for pharmaceutical products), reducing the packaging weight by nearly 50% for these orders.

Waste management:
To minimise waste, we held regular employee sales with attractive discounts on products no longer suitable for customer sale. Additionally, we implemented a waste separation system at the Sevenum location as another step to increase our waste recycling shares.

Planned actions and targets.

In the past years, we have made significant progress in waste management and reached our targets for our 2024 circular packaging initiatives, including the reduction of waste and materials and the increase of recyclable content as well as recycled material in packaging. We reached a share of recycled material input (resource inflows) of 94 percent and a share of recyclability of materials used (resource outflows) is 97 percent. In order to ensure ongoing integration of circularity and continuous improvement of environmental performance in our core business activities and across all international locations, we aim to be certified for ISO 14001 for our logistic locations by 2026. We will develop standardised processes based on the impact and risks assessments as an integral part of our environmental management system roll-out. Furthermore, Redcare aims to develop policies, actions and targets to effectively mitigate the identified impact and risks, especially upstream and downstream, and disclose a holistic approach to circularity in 2025. This will also include data gathering from suppliers in merely the upstream value chain to understand product and product packaging-related materials and waste impacts which are currently not available for Redcare in our internal product information management systems. Our targets are in line with the mandatory EU packaging and packaging waste regulation.

Sustainable packaging: *protecting* products and the planet.

Our innovative packaging solutions set new standards for sustainability. We have transitioned our packaging cartons to recycled materials, achieving a 94% recycled packaging material input across all packaging materials. For fragile goods, we replaced plastic bubble wrap with a protective paper-based material, significantly reducing breakage rates while enhancing customer satisfaction. Additionally, changes to our packaging processes have reduced the weight of ambient packaging by 50%, cutting resource consumption and minimising the environmental impact. Through these initiatives, we are delivering products safely while protecting the planet.

94 PERCENT recycled material input of packaging materials.

50 PERCENT weight reduction for ambient packaging.

Results.

The quantitative results regarding the impacts explained above and the respective mitigation actions are to be found below. In light of the ESRS transitional provisions, Redcare concentrates in this section on data relating to own operations and omits reporting on product packaging for this reporting period as value chain data collection processes and systems are not yet established.

Resource inflows - Materials used per order

	Unit	2024	2023 *
Total weight of materials used	t	5,355	
Materials used per order	**kg / order**	**0.150**	

*Comparative figures excluded based upon ESRS 1 10.3

The table Resource inflows provides an overview of material resource inflows, broken down by the aforementioned categories (ii–iv) for 2024, category (i) is excluded from reporting in alignment with ESRS 1 10.3. Currently, the category of reused and recycled materials only includes recycled inputs, thus there is no risk of double-counting.

Resource inflows

	Unit	2024	2023 *
Total weight of shipping materials used	t	4,501	
Total weight of consumable materials used	t	59	
Total weight of marketing materials used	t	795	
Total weight of materials used	**t**	**5,355**	
Total weight of sustainable biological materials used	t	167	
Total weight of materials used	t	5,355	
Share of sustainable biological materials used	**%**	**3.1**	
Total weight of reused & recycled materials	t	4,283	
Total weight of materials used	t	5,355	
Share of reused / recycled materials used	**%**	**80.0**	
Share of reused / recycled input of shipping packaging materials	**%**	**94.4**	

*Comparative figures excluded based upon ESRS 1 10.3

A detailed overview of waste generated in 2024 with a category breakdown and treatment methods attributed is presented in table Resource outflows - waste.

The total waste generated is used in order to determine the total Redcare-wide per order waste disposal. The order amount total includes information from Redcare entities related to parcel shipping to the customers (order fulfilment). Orders fulfilled outside of our own operations by third parties (orders stemming from marketplace) are also excluded.

Resource outflows - waste

		2024			2023 *		
	Unit	**Hazardous**	**Non-hazardous**	**Total**	**Hazardous**	**Non-hazardous**	**Total**
Total waste generated	t			2,258			2,109
Waste generated per order	**kg / order**			**0.063**			**0.073**
Recycled waste	**t**	**0**	**1,841**	**1,841**	**—**	**1,723**	**1,723**
Disposed waste	**t**	**18**	**399**	**417**	**10**	**377**	**387**
Incinerated waste	t	18	399	417			
Landfilled waste	t	0	0	0			
Other disposal of waste	t	0	0	0			
Total waste generated	**t**	**18**	**2,240**	**2,258**	**10**	**2,100**	**2,109**
Total non-recycled waste	t			417			387
Total recycled waste	t			1,841			1,723
Non-recycled waste share	**%**			**18.5**			**18.3**

*Comparative figures excluded based upon ESRS 1 10.3

The table below provides an overview of the total amount of recyclable parcel packaging material utilised in 2024 and its share of the total parcel packaging used for order fulfilment within own-stock business. Packaging materials utilised in parcel preparation and delivery are in scope for reporting. This data point is reported for the first time in 2024 and as there is no historical data that is possible to be directly compared, the 2023 results are not included for comparison purposes.

The resource outflows for 2024 shows that 96.8% of total parcel packaging material is recyclable. This value represents our commitment to responsible sourcing of materials across the value chain, taking into consideration not only the materials we buy for internal use, but also their end-of-life potential for recycling.

Resource outflows - share of recyclable content in parcel packaging

	Unit	**2024**	**2023 ***
Total weight of recyclable parcel packaging	t	4,408	
Overall total weight of parcel packaging	t	4,552	
Recyclable content in parcel packaging share	**%**	**96.8**	

*Comparative figures excluded based upon ESRS 1 10.3

EU Taxonomy disclosure.

Introduction.

The EU Taxonomy identifies a list of environmentally sustainable economic activities. The main aim is to provide companies, policymakers and investors with a common definition for directing investments towards sustainable projects and activities in order to reach the European Green Deal's objectives. The taxonomy therefore serves as a classification system to assess whether economic activities contribute towards one of the following six environmental objectives:

1. Climate change mitigation.
2. Climate change adaptation.
3. Sustainable use and protection of water and marine resources.
4. Transition to a circular economy.
5. Pollution prevention and control.
6. Protection and restoration of biodiversity and ecosystems.

The EU Taxonomy sets out reporting requirements, including the disclosure of information on the eligibility and alignment of a company's activities relative to the objectives, using key performance indicators (KPIs) for the proportion of sustainable turnover, capital expenditure (CapEx) and operational expenditure (OpEx). It also provides a list of activities which are relevant for reporting the aforementioned KPIs for the six different environmental objectives. The taxonomy regulation is supplemented by delegated acts which contain detailed technical screening criteria for determining when an economic activity can be considered sustainable. For Taxonomy-alignment two criteria need to be fulfilled: the technical screening criteria (a substantial contribution to the topic and that the activity does no significant harm to any other objective) and the guarantee of minimum safeguards.

As a company with more than 500 employees, Redcare Pharmacy falls into the scope of companies which are required to report eligibility and alignment for all six objectives. In order to do this, we performed a bottom-up analysis. Firstly, all activities were screened by the Sustainable Development and Finance departments to identify those that are relevant. Subsequently, all activities were discussed with several departments in the Company to determine which are eligible. Finally, the eligible activities were analysed for alignment to the EU Taxonomy.

All eligible activities were screened according to Article 3 to determine whether they fulfil the technical screening criteria, do no significant harm to any other objective and guarantee the minimum standards of human rights according to Article 18. Only activities fulfilling all criteria mentioned in Article 3 were selected as aligned activities. The discrepancy between eligibility rates and alignment rates comes from activities where we could not substantiate the assessment on the "do no significant harm criteria" and / or minimum social safeguards.

Screening Redcare Pharmacy's activities for eligibility to the environmental objectives resulted in the conclusion that certain activities match the activity description of climate change mitigation, while no activities which contribute to the remaining taxonomy objectives were identified.

Calculation process KPIs.

Turnover, CapEx and OpEx were calculated using the Company's existing accounting and reporting structures. Business activities are labelled and posted by the Finance department as either turnover, CapEx or OpEx, so that the differentiation between the three is guaranteed. The different ledger accounts allocate expenditure and income to the various reporting categories. The Company has only identified eligible activities for Climate Change Mitigation, which means that there are no activities that could contribute towards multiple objectives. Therefore, it can be guaranteed that no double counting between the different objectives takes place.

In 2024, the taxonomy accounting was fully integrated into the ESRS reporting process. Continuous improvements to the taxonomy-reporting process and the development of controlling mechanisms keep the risk of errors to a minimum. The analysis for EU Taxonomy has been performed for the scope of entities equal to the scope of the consolidated financial reporting. No CapEx plans are in place. No CapEx or OpEx is planned for implementing actions for EU Taxonomy KPIs. Climate actions and resources will be planned and steered within the company's transition plan.

Our EU Taxonomy KPIs.

Based on the information currently available and a thorough analysis, Redcare Pharmacy has determined the 2024 EU Taxonomy-eligible and aligned economic activities per KPI as follows. None of the Company's activities are enabling activities and transitional activities as described in Section 2 of Article 10.

EU Taxonomy turnover assessment.

For Redcare Pharmacy’s revenue streams, the EU Taxonomy-eligible revenue is determined to be 0.005%, namely EUR 0.120 million of the total revenue of EUR 2.371 billion.

Reference is made to note 5 of the notes to the consolidated Financial Statements. Since Redcare Pharmacy’s main revenue streams are not outlined in the delegated regulations, there is a high non-eligibility rate. The most valid classification according to the statistical classification of economic activities in the European Community (NACE) on which the EU Taxonomy relies, would be as follows: G47 – Retail trade, except for motor vehicles and motorcycles, since retail of pharmaceuticals and beauty and personal care

products is the core business of an e-pharmacy. For NACE G47, however, no eligibility is defined yet.

The EU Taxonomy-eligible revenue of Redcare Pharmacy is marginal and related to the following economic activities:
- the collection and transport of non-hazardous waste in source-segregated fractions, which covers waste management practices at the two main warehouse and distribution facilities in Sevenum and Milan;
- the operation of personal mobility devices, cycle logistics, covering the GoPuls entity’s revenues from zero-emission delivery services operated via bicycles in urban areas.

EU Taxonomy CapEx assessment.

For Redcare Pharmacy’s CapEx streams, there is no EU Taxonomy-eligible CapEx in 2024 out of the total CapEx of EUR 42.2 million. Reference is made to the amounts presented as Additions in Note 13 and Note 14 of the Notes to the consolidated Financial Statements.

This can be mainly explained by the reassessment of entity GoPuls' business model. As GoPuls is doing emission-free bicycle delivery services, which is an taxonomy-eligible activity, all investments have been counted as eligible as well. After the reassessment in 2024 and the alignment with Article 8 the conclusion was made, that these investments do not directly relate to do the emission-free deliveries. Thus, no investments have into consideration in 2024.

Additionally there were also no further investments in charging stations as in prior years.

EU Taxonomy OpEx assessment.

In general, the KPI OpEx as defined under the EU Taxonomy only covers direct, non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair and any other direct expenditures relating to the operation of property, plant and equipment, e.g. cleaning costs. For Redcare Pharmacy, the sum of these costs results in overall operating costs of EUR 5.952 million, a share of 1.02% of our total selling and distribution and administrative expenses. The proportion of total OpEx that relates to taxonomy-eligible activities is determined by assessing the economic activities of the costs that are not capitalised but directly relate to assets on the balance sheet. In total, EUR 0.201 million and thus a share of 3.4 % are eligible activities.

The EU Taxonomy-eligible OpEx costs can be linked to the following economic activities:
- data-driven solutions for GHG emissions reductions, including costs for software solutions to account and steer carbon emissions in line with Redcare Pharmacy’s net zero 2040 commitment;
- operation of personal mobility devices and cycle logistics, including the costs for short-term leases of bicycles needed for emission-free deliveries;
- the installation, maintenance and repair of energy efficiency equipment, which are costs for the maintenance of a heat pump at the Milan location;

Proportion of turnover from products or services associated with taxonomy-aligned economic activities - 2024

				Substantial contribution criteria						Does not significantly harm									
Economic activities	**Code(s)**	**Absolute turnover (in EUR x 1.000)**	**Proportion of turnover**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, 2023**	**Category enabling activity**	**Category transitional activity**
		EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITY																			
A.1. Environmentally sustainable activities (Taxonomy aligned)																			
6.4. Operation of personal mobility devices, cycle logistics	N77.21	0	—%	N	N	N	N	N	N	N	N	N	N	N	N	N	— %		
5.5. Collection and transport of non-hazardous waste in source segregated fractions	E38.11	0	—%	N	N	N	N	N	N	N	N	N	N	N	N	N	— %		
Turnover of environmentally sustainable activities (Taxonomy-aligned)		0	—%	—%	—%	—%	— %	—%	—%								— %		
Of which enabling		0	—%														— %	E	
Of which transitional		0	—%														— %		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
6.4. Operation of personal mobility devices, cycle logistics	N77.21	21	0.001%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.01 %		
5.5. Collection and transport of non-hazardous waste in source segregated fractions	E38.11	98	0.004%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.01 %		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		120	0.005%														0.02 %		
Total A.1. and A.2.		120	0.005%														0.02 %		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities		2,370,455	99.995%																
Total (A+B)		2,370,575	100.00%																

Proportion of capex from products or services associated with taxonomy-aligned economic activities - 2024

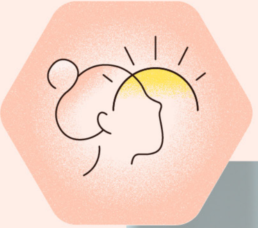
				Substantial contribution criteria						Does not significantly harm									
Economic activities	**Code(s)**	**Absolute CapEx (in EUR x 1.000)**	**Proportion of CapEx**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circulat economy**	**Pollution**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, 2023**	**Category enabling activity**	**Category transitional activity**
		EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITY																			
A.1. Environmentally sustainable activities (Taxonomy aligned)																			
6.4. Operation of personal mobility devices, cycle logistics	N77.21	0	—%	N	N	N	N	N	N	N	N	N	N	N	N	N	— %		
6.13. Infrastructure for personal mobility, cycle logistics	F43.32	0	—%	N	N	N	N	N	N	N	N	N	N	N	N	N	— %		
CapEx of environmentally sustainable activities (Taxonomy-aligned)		0	—%	—%	—%	—%	—%	—%	—%								— %		
of which Enabling		0	—%														— %	E	
Of which Transitional		0	—%														— %		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL										
6.4. Operation of personal mobility devices, cycle logistics	N77.21	0	—%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.23 %		
6.13. Infrastructure for personal mobility, cycle logistics	F43.32	0	—%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.20 %		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	—%														2.43 %		
Total A.1. and A.2.		0	—%														2.43 %		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy non-eligible activities		42,150	100.00%																
Total (A+B)		42,150	100.00%																

Proportion of opex from products or services associated with taxonomy-aligned economic activities - 2024

				Substantial contribution criteria						Does not significantly harm									
Economic activities	**Code(s)**	**Absolute OpEx (in EUR x 1.000)**	**Proportion of OpEx**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circulat economy**	**Pollution**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, 2023**	**Category enabling activity**	**Category transitional activity**
		EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITY																			
A.1. Environmentally sustainable activities (Taxonomy aligned)																			
6.4. Operation of personal mobility devices, cycle logistics (short-term bike lease)	N77.21	0	—%	N	N	N	N	N	N	N	N	N	N	N	N	N	— %		
8.2. Data-driven solutions for GHG emissions reductions	J62	0	—%	N	N	N	N	N	N	N	N	N	N	N	N	N	— %		
7.3. Installation, maintenance and repair of energy efficiency equipment	F43.32	0	—%	N	N	N	N	N	N	N	N	N	N	N	N	N	— %		
OpEx of environmentally sustainable activities (Taxonomy-aligned)		0	—%	—%	—%	—%	—%	—%	—%								— %		
of which Enabling		—	—%														— %	E	
Of which Transitional		—	—%														— %		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
6.4. Operation of personal mobility devices, cycle logistics (short-term bike lease)	N77.21	52.05 092	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.61 %		
8.2. Data-driven solutions for GHG emissions reductions	J62	80.5	1.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.12 %		
7.3. Installation, maintenance and repair of energy efficiency equipment	F43.32	68	1.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.36 %		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		201	3.4%														5.09 %		
Total A.1. and A.2.		201	3.4%														5.09 %		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy non-eligible activities		5,751	96.6%																
Total (A+B)		5,952	100.0%																

Redcare does not carry out, fund or have exposures to the construction, operation or research and development of nuclear installations or fossil gas fuels generation, for none of the KPIs.

Row		2024
Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat / cool using fossil gaseous fuels.	NO



Social information.

At the core of our mission is a commitment to make medication and pharmaceutical services accessible to everyone. Equally important to us is the wellbeing of our employees. Through targeted policies and actions, we strive to create lasting value for individuals, our team and society as a whole.

Insights into our strategic sustainability pillars, “Patient care” and “Employee care”, are provided in the social section of the sustainability report.

Employee care: Starting everything with people.

We provide an empowering workplace with open doors for everyone.

The health and well-being of our employees is one of our top priorities. That’s why we not only pay attention to safe working practices, but also offer company-wide health initiatives, such as ergonomics training, medical health scans and flu vaccinations.

But true health goes beyond the physical – it starts with a healthy mind. Therefore, we are committed to provide an inclusive environment that offers equal opportunities for learning, growth, and development. In addition, anti-stress seminars and online counselling services support the mental well-being of our employees. Because when you feel your best, you can do your best.

5 Healthy, safe and satisfied employees.

We prioritise both physical and mental well-being by offering comprehensive health programmes, including anti-stress seminars and online counselling.

- Our *health initiatives* offer sports, vaccinations and free health scans.
- We go beyond physical health by offering *psychological counselling* and support.
- We *monitor employee satisfaction* through the employee net promoter score.
- Our *“pulse check” surveys* give us valuable insights into employee satisfaction.

6 Culture of trust and integrity.

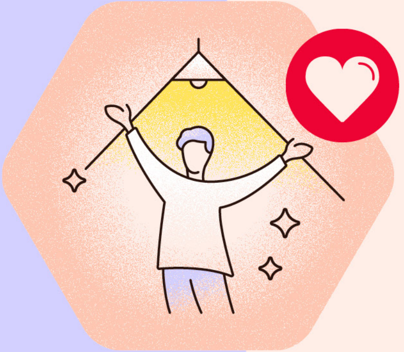
We strive to uphold ethical standards at every level of the company. This topic is reported in chapter G1, Business Conduct.

7 People development and equal opportunities.

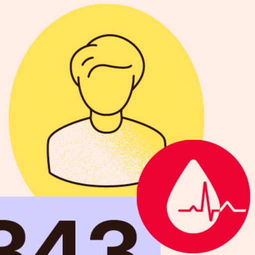
We offer personal and professional growth opportunities for everyone.

8 Fair treatment of workers in the value chain.

We build a due diligence approach to ensure ethical working practices among suppliers.



Empowering people and thriving together.



343 EMPLOYEES

used free health scans to identify health problems early.

289 EMPLOYEES

used the mental health online platform for counselling.

372 EMPLOYEES

took part in webinars about good practices for mental health.

Own workforce.

Caring is at the core of our culture. Looking after our employees' health is our top priority – this includes caring about an inclusive culture where everyone can grow. The disclosures on own workforce include the following two material topics from the employee care pillar: Healthy, safe and satisfied employees and people development and equal opportunities and all related ESRS S1 Own workforce disclosures. Both material topics are linked to Redcare's dependency on human and intellectual input capital in delivering the best pharmaceutical, digital retail and delivery experience – until every human has their health.

ESRS S1 Own workforce.

Working conditions (secure employment, working time, adequate wages, work-life balance, health and safety).

5 Healthy, safe and satisfied employees.

Redcare's policies.

Key actions and achievements in 2024.

- Employee health initiatives including mental health focus.
- Pulse checks and employee survey.

Key targets and objectives.

Planned to be further developed in 2025.

Equal treatment and opportunities for all (gender equality and equal pay for work of equal value, training and skills development, measures against violence and harassment in the workplace, diversity).

7 People development and equal opportunities.

Redcare's policies.

- Diversity and Inclusion Policy (revision planned for 2025).
- *Speak up policy* (published in 2024).

Key actions and achievements in 2024.

- Leading with inclusion training for management.
- 34% of senior management is female.
- 20% of Managing Board is female.
- 40% of Supervisory Board is female.

Key targets and objectives.

- A minimum of 33.33% of the Managing Board and senior management roles are to be female by 2027.
- 40% of the Supervisory Board should be female by 2027.

Impacts, risks and opportunities.

For detailed information on the process of identifying the material risks and opportunities please refer to the sections on Materiality assessment and stakeholder engagement. During the double materiality assessment, the risks and opportunities listed in table below were identified as material and as a dependency of Redcare's strategy and business model. Yet, no negative or positive impacts crossed the materiality threshold during the assessment.

Risks of incidents of forced or compulsory labour as well as child labour were not identified as material during the assessment. Redcare does not specifically address trafficking in human beings, forced or compulsory labour and child labour as these were not identified as material impact, risk or opportunity in the double materiality assessment for its own operations. As Redcare did not identify any material negative impacts on its employees, a remedy disclosure is not of relevance. Potential impacts on workers arising from transition plans to reduce environmental impacts and achieve greener, climate-neutral operations are linked to financial risks associated with mitigation costs, with a detailed assessment and corresponding policies, actions, and targets planned for 2025.

Healthy, safe and satisfied employees.

Working conditions (secure employment, working time, adequate wages, work-life balance, health and safety).

Material risk or opportunity	Description	Time horizon
Risk Own operations Loss of productivity and retention through poor working conditions.	Unsatisfied, unhealthy or unsafe employees tend to be less productive and retention rates decrease.	Short-term
Opportunity Own operations Improved performance in a great place to work.	Satisfied, healthy and safe employees tend to be more loyal, engaged and motivated.	Long-term

People development and equal opportunities.

Equal treatment and opportunities for all (gender equality and equal pay for work of equal value, training and skills development, measures against violence and harassment in the workplace, diversity).

Material risk or opportunity	Description	Time horizon
Opportunity Own operations Retain and attract people and increase performance through equal opportunities.	Fairly treated employees, working in a place that promotes inclusiveness and diversity, might stay longer, be more creative and perform better. Good D, E & I practices can help when recruiting talent, as Redcare becomes attractive to a much broader talent pool.	Long-term
Risk Own operations Loss of employer attractiveness & competitiveness through lack of equal opportunities.	The failure of being an attractive employer in terms of gender equality and equal pay for work of equal value could risk employer attractiveness and negatively impact talent retention and acquisition.	Short-term
Opportunity Own operations Retain and attract people and increase performance through people development.	People development drives innovation and productivity and fosters employee retention. It is moreover an employee and talent attraction factor.	Short-term
Risk Own operations Loss of employer attractiveness & competitiveness through lack of people development.	Can lead to decreased employee productivity and employee attraction and retention. Creates a skills-gap risk, particularly for tech skills, increasing the cost of business.	Short-term

In light of the phase-in provision only employees, not non-employees, are considered for the subsequent disclosures in 2025. The definition in alignment with ESRS of employees includes those who have an employment relationship with Redcare, i.e. those with a permanent, temporary and non-guaranteed hours contract. The quantitative metrics disclosures in the result section does include all entities.

The qualitative disclosures of this chapter are given for core entities as defined here. Respectively, 85 % of FTEs are covered by our approach and policies and the actions and resources described. Given the identification of IROs in our recent DMA for 2025 it is planned to reassess these existing policies and define policies, actions and targets to address for all IROs and clearly define their scope and application.

Our approach and policies.

At Redcare, we are aware that our people are the key driver of value creation. By engaging with our employees, we recognise the opportunity to foster a positive work environment, enhance productivity and encourage innovation. We engage with our employees in various ways to enable their continuous growth, striving to offer them a safe environment where they feel free to express their views and make sure their voices are heard. Redcare commits to the UN Universal Declaration of Human Rights Article 19 to provide the right to freedom of opinion and expression. To facilitate this, it is granted several key rights as prescribed by Dutch law:

- The right to meet.
- The right to receive information.
- The right to consent.
- The right of initiative.
- The right to be heard.

A key driver for employee engagement is our internal communication across all entities, which includes various formats and channels such as regular letters from the Managing Board, town hall meetings or the internal portal and mobile app RedLive, especially for employees not working at a desk with a computer. Our leadership expresses an open invitation for exchange regardless of position or function.

In addition to the above, in Sevenum a works council is in place that provides a platform for dialogue and collaboration between employees and management. It also serves to represent the interests of our employees working in the Netherlands, where our largest logistics facility is located. Its role extends beyond advocacy for employees and encompasses responsibilities that contribute to the Company's economic and social wellbeing. It consults with the management or the Managing Board and expresses its views on various economic and social topics. The works council comes together every second week and meets with the CEO on a quarterly basis and with HR on a monthly basis.

We encourage employees to share concerns in case of non-adherence to our values, which are defined in the Code of Conduct, as laid down in detail in our Speak Up Policy. For any concerns, employees can speak up to managers, the HR team, trusted persons or the Corporate Compliance team. Beyond this, Redcare has launched a Speak Up line that is operated by an independent service provider for employees who want to remain anonymous. This service is available 24/7 for all languages and can be accessed via phone, the Speak Up portal or the Speak Up app. Redcare plans to implement similar mechanisms with its operating subsidiaries in 2025 building upon the experiences made with core entities. Redcare commits to protecting confidentiality, solid investigation of procedures, anonymity, safeguarding privacy and non-retaliation as further specified in the Speak Up policy which is available via our corporate website. In order to assess the effectiveness of our Speak Up processes, the employee survey conducted in Q4 2024 included a question on whether employees are aware of and trust the channels available for raising concerns or expressing needs. The tracking and monitoring of potential incidents and effectiveness of existent Speak Up channels will be further evaluated through the development in 2025.

Healthy, safe and satisfied employees.

At Redcare we start everything with people. Care starts with our own people as we think that we only move forward if we have taken care of our people's needs first.
We are starting to measure employee satisfaction by making use of the employee net promoter score (eNPS). Our eNPS results for 2024 were not available at the time of publishing this report. Furthermore, we actively seek employee input through "Pulsecheck" surveys which also provide valuable insights into factors for employee satisfaction and associated material financial risks and opportunities. This allows us to respond to their needs and continuously improve our workplace environment. The Director HR has the operational responsibility to ensure that there is active engagement and dialogue with key decision makers and to adjust processes when needed. Beyond the process of understanding employee satisfaction and respectively integrating that in our HR strategy and initiatives on a continuous basis, Redcare has location-specific processes in place to prevent workplace accidents. Redcare plans to further develop policies, actions and targets related to this material topic in 2025.

People development and equal opportunities.

At Redcare we open doors for everyone to embrace an inclusive culture and create equal opportunities. The two main policies addressing risks and opportunities related to people development and equal opportunities are the following: Firstly, Redcare's Diversity & Inclusion Policy which is publicly available on the corporate website; secondly, our Protocol for transgressive behaviour, which is a more specific internal guideline defining behaviour which is not tolerated and what includes discrimination (covering any different treatment on the basis of gender, age, origin, marital status, religion, sexual orientation, disability, political affiliation or employment contract), harassment, bullying, physical aggression or verbal abuse. Both policies are applicable to all Redcare entities and embody Redcare's commitment to Article 23 of the UN Universal Declaration of Human Rights – namely, the right to equal pay for equal work, without any discrimination.

Redcare plans to further develop specific policies, actions and targets related to these material topics in 2025, including a revision of its existing Diversity & Inclusion Policy. The current policies are not formally aligned to internationally recognised guidelines, including the UN Guiding Principles on Business and Human Rights. Our policy approach is compliant with all discrimination legislation applicable to Redcare at the time of publishing this report. Redcare adopts an unbiased approach reviewing to employee input via our "Pulsecheck" surveys, treating all input equally. The tracking and monitoring of potential incidents and effectiveness of existent Speak Up channels will be further evaluated through the development in 2025.

Actions and resources.

The disclosures on actions and resources are prepared only for Redcare core entities, while MedApp, smartpatient, MediService, nu3 and GoPuls have independent HR strategies. This approach is intentional, as these non-core entities are primarily acquisitions often characterised by smaller teams or founder-led structures and Redcare consciously allows them to design HR strategies tailored to their unique needs and cultures. People working in Redcare's central HR department address the risks and opportunities. In addition, they are supported by external service providers specialised on employee benefits, health and development.

Healthy, safe and satisfied employees.

Redcare offers Company-wide healthcare initiatives including sports and wellbeing benefits, free eye check-ups, flu vaccinations and health scans and organises a dedicated mental health week. Free and immediate psychological support is offered to employees whenever needed and on an anonymous basis. Through different educational seminars, the Company has focused on stress reduction and resilience, providing information on how to deal with and overcome stress at work. Redcare has appointed trained colleagues in the logistics and warehouse department as ‘Ergonomic Ambassadors’ to promote ergonomic best-practices on the shop floor. Additionally, Redcare Pharmacy supports stop-smoking actions. Redcare Pharmacy has a localised approach to safety measures adhering to legal national requirements. The overall compensation and benefit offer, which is also tailored to location-specific needs, supports overall employee satisfaction as well as employee development and leadership programmes, as described in the subsequent paragraphs.

A workplace that *cares:* supporting physical and mental wellbeing.

Our commitment to the physical and mental health of our employees is reflected in the wide range of initiatives we offer. They include free eye checks, flu vaccinations and access to wellbeing activities. In 2024, 343 employees across five locations participated in health scans that helped identify issues such as high blood preassure or back problems. We go beyond physical health by providing psychological support through anonymous counselling via the Likeminded online platform. 289 Users benefited from access to anonymous counselling in 2024. A cornerstone of our psychological health efforts is our annual Mental Health Week, featuring guided meditation workshops, “active break” sessions and live webinars, which are tailored to address the unique needs of different employee groups.

343 EMPLOYEES participated in free health scans.

289 EMPLOYEES benefited from access to anonymous counselling.

People development and equal opportunities.

We have rolled out several programmes designed to help our employees to continuously learn and sharpen their skills. This demonstrates our commitment to their development as this is not only a driver of productivity but also for retaining and developing talent. Department-specific needs, which differ for instance between tech and operations, are considered in the design of these programmes.

- **Continuous Learning:** To cultivate a culture of continuous learning at Redcare Pharmacy, people development is comprised of digital and self-directed offers as well as more classical personal offerings. The combination of self-directed and personal courses is reflected in the language classes offered to all employees. Furthermore, Redcare offers its employees learning platforms such as Udemy that present flexible, on-demand learning opportunities, including 5,000+ top-rated, engaging, professional and personal development courses. Furthermore, an internal marketplace for learning offers will be made available company-wide.

- **RISE – Redcare's career development loop:** In 2023, we rolled out our RISE career development programme that offers four check-ins per year to stay close to our people and their needs and support their personal and professional growth. The RISE programme covers the following aspects: Impact Talk, Merit Information Talk, Development Talk and Reflection Talk. We are in the process of collecting employee feedback on the implementation of the programme and intend to fine-tune it based on collective insights received.

- **Servant Leadership:** The Redcare Model of Servant Leadership establishes a shared understanding for leadership and management development. The programme is supporting managers to live up to these principles. It includes a 270° feedback that integrates competency fields from all three dimensions of our leadership model, "Leading Myself", "Leading People" and "Leading the Organisation". In 2024 this programme was further rolled out to middle management.

- **Organisation Development:** In 2024, we went live with a new HR system which not only increases efficient and effective management but also supports learning management and data analytics. This enhances internal analytics competencies and provides transparency on social indicators aligned with CSRD and ESRS disclosure requirements.

To recruit the brightest talents and actively engage our employees, we improve our company HR policies to establish our position as an attractive employer. We have adapted the wording in our job vacancy posts to be more inclusive. Redcare has also set up a succession planning system for senior management positions and reviewed recruitment and selection processes to ensure more female candidates. Furthermore, in 2024 training on "Leading with inclusion" was launched.

Targets.

No quantitative targets have been set with regard to the topic healthy, safe and satisfied employees. As stated above in the policy and actions section, this is understood to be a continuous engagement and improvement process. Redcare has set the following targets for people development and equal opportunities:

- By 2027, a minimum of 33.33% of the Managing Board, 40% of the Supervisory Board and 33.33% of senior management roles are to be female. The current status of this target is reported in table Number of employees by gender in top management in the result section.

- Aim to employ up to 0.5% of employees who are distanced from the employment market, either directly or through subcontractors. This includes people with disabilities, individuals who have been unemployed for an extended period, refugees or asylum seekers, those with limited education or skill and members of marginalised or under-represented communities. Reporting of progress with regard to this objective is limited to information our employees share on a voluntary basis.

The existing targets were defined before ESRS requirements were available in their final form. In 2025, Redcare aims to align policies, actions and targets regarding both material topics to ESRS requirements. The process of setting these targets and tracking the performance was carried out without directly engaging with our own employees or the works council.

Results.

General characteristics to understand all material topics.

Employee data is represented in the average number of FTE and headcount as at year-end basis to ensure the reconciliation of financial statements.

The tables below provide information on the number of employees at Redcare broken down according to contract type, gender and age group. From 2024, Redcare has included the data from all entities for all metrics related to its own workforce. Prior to this in 2023, consolidated data for all Redcare entities was not disclosed for the headcount but as FTE. As a result, comparative information for the metrics is excluded in line with ESRS 1 10.3 and 7.1. For reasons of transparency, in the disclosure of the definitions of Social (ESRS) indicators in this report, we explicitly explain what is included per indicator in the Definitions appendix.

Total number of employees by gender

	2024		2023	
Gender	**Number of employees (headcount)**	**Number of employees (FTE)**	**Number of employees (headcount) ***	**Number of employees (FTE)**
Male	1,117	953		922
Female	1,455	1,238		1,151
Other	0	0		2
Not reported	87	75		0
Total	**2,659**	**2,266**		**2,075**

*Comparative figures excluded based upon ESRS 1 10.3

The number of employees is reconciled with the average number employed in FTE on note 8 in the financial statements.

Number of employees (headcount) by age groups

Age Group	2024	2023 *
Below 30	588	
Between 30 and 50	1,535	
Above 50	535	
Total	**2,659**	

*Comparative figures excluded based upon ESRS 1 10.3

Total number of employees by region, contract type and gender

2024 *	Female	Male	Other	Not reported
Number of employees (headcount)				
The Netherlands	879	672	0	42
Germany	357	336	0	22
Other	219	109	0	22
Total	**1,455**	**1,117**	**0**	**87**
Number of permanent employees (headcount)				
The Netherlands	528	325	0	5
Germany	333	301	0	20
Other	198	96	0	21
Total	**1,059**	**722**	**0**	**47**
Number of temporary employees (headcount)				
The Netherlands	270	230	0	30
Germany	24	33	0	2
Other	10	9	0	1
Total	**304**	**272**	**0**	**33**
Number of non-guaranteed hours employees (headcount)				
The Netherlands	81	117	0	7
Germany	0	2	0	0
Other	12	4	0	0
Total	**93**	**124**	**0**	**7**

*Comparative figures excluded based upon ESRS 1 10.3

Turnover rate.
The turnover rate is calculated by looking at the total number of leavers (heads) divided by the total average number of employees (heads) in the given period (2024). The total number of people who left the organisation is 733.

Turnover metrics

	2024		2023 *	
	Number	Percentage	Number	Percentage
Turnover rate - total	733.00	27.6		
Turnover rate - shop floor	391.00	34.9		

*Datapoints excluded under ESRS 1, provision 10.3

Collective bargaining agreements and social dialogue.
Redcare does not have any agreement with its employees for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council or a Societas Cooperativa Europaea (SCE) Works Council. For employees not covered by collective bargaining agreements, working conditions and terms of employment are determined by local laws and market practices.

The following table provides information on the percentage of employees covered by collective bargaining agreements and workplace representation in countries of significant employment as of the end of 2024:

Percentage of employees covered by collective bargaining agreements and workplace representation

Coverage rate	Collective bargaining coverage	Workplace representation in EEA
0 - 19 %	Germany & the Netherlands	Germany
20 - 39 %		
40 - 59 %		The Netherlands
60 - 79 %		
80 - 100 %		

Health and safety
All Redcare employees are covered by healths and safety management systems based on legal requirements. Number of fatalities in own workforce as well as for other workers are reported below. The number of recordable work-related accidents is defined as the accidents which are reported externally to the respective external authorities across countries while the rate is the number per 100 employees.

Health and safety performance metrics

	Unit	2024	2023 *
Percentage of people in its own workforce who are covered by health and safety management system	%	100.0	
Number of fatalities in own workforce	#	0.0	
Number of fatalities of other workers	#	0.0	
Number of recordable work-related accidents for own workforce	#	12.0	
Rate of recordable work-related accidents for own workforce	Accidents per 1,000,000 hours worked	3.16	

*Comparative figures excluded based upon ESRS 1 10.3

People development and equal opportunities.

Gender distribution in top management.
Redcare has defined its top management in two sub-groups. First, the Managing Board. Second, the group of employees that hold the position of Directors and Executive Directors, here called sub-top management. We are dedicated to expanding opportunities for a more gender-balanced representation at the top levels and throughout our entire organisation. The table below provides an overview of the gender distribution in the top management.

Number of employees by gender in top management

	2024						2023					
Gender	**Sub-top**	**%**	**Management Board**	**%**	**Supervisory Board**	**%**	**Sub-top**	**%**	**Management Board**	**%**	**Supervisory Board**	**%**
Male	50	65	4	80	3	60	32	68	4	80	3	60
Female	26	34	1	20	2	40	15	32	1	20	2	40
Other	0	0	0	0	0	0	0	0	0	0	0	0
Not reported	1	1	0	0	0	0	0	0	0	0	0	0
Total	**77**	**100**	**5**	**100**	**5**	**100**	**47**	**100**	**5**	**100**	**5**	**100**

In compliance with Dutch legislation contained in the Inclusion Quota and Target Figures Act, we formulated gender diversity targets for 2027 for members of our Managing Board, Supervisory Board and the sub-top management. Our objective is to have 33.33% females in our Managing Board and sub-top management and 40% females in the Supervisory Board. As of 31 December 2024, our Managing Board consists of one woman and four men (20% female) and the sub-top management consists of 26 women and 50 men (34% female). The Supervisory Board consists of two women and three men (40% female).

Remuneration metrics.
An adequate wage is the minimum remuneration that an employee is entitled to receive, which Redcare defines according to the statutory (mandatory) minimum wage per country. Whether this amount is considered adequate is established by the EU Directive 2022/2041 (Article 5, Directive (EU) 2022/2041). In countries where there is no minimum wage prescribed by law, namely Italy, Belgium and Switzerland, the adequate wages are determined by collective agreements. All employees at Redcare are paid adequate wages, in line with applicable benchmarks that are included in the Definitions section. The remuneration ratio between the highest paid employee and the median remuneration is shown in the table Remuneration metrics. This number indicates that the highest paid employee is paid 27.72 times the base salary of the median pay salary of all employees.

We report our gender pay gap with reference to the reporting requirements of the ESRS. For 2024, Redcare discloses an average pay gap across all entities and all levels and functions. We are currently rolling out a job architecture project which includes standardised definitions of salary bands for grades and functions. This will enable a like-for-like comparison of salaries per function from 2025 onwards. Currently this structured approach with salary bands for grades and functions is in place for shop-floor employees in logistics where the results indicate a marginal pay gap.

Remuneration metrics

	Unit	2024	2023 *
Remuneration ratio	#	27.72	
Gender pay-gap	%	16.3	
Gender pay-gap shop-floor	%	4.1	

*Comparative figures excluded based upon ESRS 1 10.3

Incidents, complaints and severe human rights impacts.
Redcare's definition of discrimination and undesired behaviour as well as the channels to report these incidents and the complaints procedures can be found in Redcare's Code of Conduct, Speak Up Policy and in the Protocol Transgression Behaviour.

Redcare collects incidents, complaints and human rights impacts through various Speak Up channels, including managers, HR, Trusted Persons, or Corporate Compliance, and, via the (anonymous) Speak Up Line. There were zero complaints filed to National Contact Points for OECD Multinational Enterprises. These channels will be evaluated through the development of processes, policies, actions, and targets in 2025. During the reporting period, no fines, penalties or compensation for damages in relation with any such complaints were imposed on Redcare.

Workers in the value chain.

We start everything with people – which goes beyond our responsibility for our own employees. This section reports on the potential negative impacts on workers in the value chain and related risks for Redcare related to ESRS S2 Workers in the Value Chain and Redcare's material topic fair treatment of workers in the value chain. Redcare's policy, strategy and actions regarding workers in the value chain remain under development due to a prioritised focus on progressing other sustainability topics, and meeting reporting compliance.

ESRS S2 Workers in the value chain.
Working conditions, other work-related rights.

8 Fair treatment of workers in the value chain.

Redcare's policies.

- Supplier code of conduct (dedicated policy planned to be developed by 2026).

Key actions and achievements in 2024.

- Implemented the Supplier code of conduct and contacted majority of suppliers.

Key targets and objectives.

- 75% of our sourcing spend to commit to our Supplier code of conduct by 2025.

Planned to be further developed by 2026.

Impacts, risks and opportunities.

Details on the process to assess materiality can be found in the sections on Materiality assessment and stakeholder engagement. The below risks and (potential) negative impact were identified to be material in the 2024 assessment.

Fair treatment of workers in the value chain.

Working conditions in the value chain.

Material impact or risk	Description	Time horizon
Negative impact Upstream and downstream value chain Working conditions in the value chain.	Employees at suppliers in the value chain could be negatively affected by poor working conditions at suppliers and in delivery logistics, which may involve, e.g. inadequate pay, failure to grant labour rights (such as inadequate working hours, health and safety standards).	Mid-term
Risk Upstream value chain Non-compliance with upcoming regulations.	Potential reputational and financial impacts of non-compliance with upcoming regulations such as the EU CSDDD, or with national regulations.	Long-term

Other work-related rights in the value chain.

Material impact	Description	Time horizon
Negative impact Upstream value chain Human rights of workers in value chain.	Activities in upstream supply chain beyond Tier 1 could negatively impact workers, particularly with regards to child labour, forced labour, and privacy concerns.	◑ Mid-term

Our approach, policies, actions and resources.

Taking care does not stop with our own organisation. We took the next steps to deliver this promise in close collaboration with our partners and suppliers along our value chain, by introducing our Supplier Code of Conduct in 2024, available on our website. Governed by our Executive Director for Procurement, it sets out the principles and standards we expect along our value chain and aims to foster partnerships that benefit people. In defining these principles, we go beyond compliance with legal requirements, starting from the established standards such as the Principles of the UN Global Compact, the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, and the Principles of the Pharmaceutical Supply Chain Initiative. The provisions reflecting the impacts identified to be material are to be found in the sections "Ethics and Compliance", "Health and Safety" and "Human Rights and Labour" in the Supplier Code of Conduct.

Redcare has not developed processes for engaging with value chain workers or to remediate negative impacts; it also has not established dedicated channels for value chain workers to raise concerns.

Planned actions and targets.

Redcare has set the target for suppliers responsible for 75 percent of our sales to commit to our Supplier Code of Conduct by 2025. This target was developed through business consultation and market research, and applies to Redcare core entities and suppliers of products sold in our retail business. The progress towards this target is reported in the results section of the Business Conduct chapter of this report.

Based on the materiality assessment performed in 2024 and to comply with the EU Corporate Sustainability Due Diligence Directive, Redcare intends to develop ESRS aligned policies, actions and targets to effectively prevent, mitigate and remediate the above-mentioned impacts and risks by 2026. This includes a human rights due diligence assessment to identify salient human rights risks in the value chain.

Results.

Share of sourcing spend that is covered by suppliers' commitment to the Supplier Code is reported in the results section of the Business Conduct chapter of this report.

Patient care: Providing access to healthcare for everyone.

We strive to improve the lives of patients.

We are committed to making medicines and pharmaceutical services affordable and accessible to all. With our expertise in delivery, pharmacy and retail, we're breaking down barriers to healthcare for immobile people and those living in remote areas.

Through strong partnerships, we are working to bring electronic prescriptions, electronic health records (EHR) and digital wallets to communities across Europe to improve access to healthcare. Our apps increase adherence, promote health literacy and empower patients to have informed discussions with their doctors.

1 Inclusive access to healthcare.

Removing barriers to good healthcare is the cornerstone of both our sustainability strategy and our overall corporate strategy.

Specifically, we have four objectives:

- *Accessibility:* Providing access for immobile people or those living in remote areas.
- *Availability:* Ensuring constant availability through optimised logistics.
- *Affordability:* Making medicine affordable for all income groups.
- *Awareness:* Contributing to health literacy through information.

2 Patient health and pharmaceutical excellence.

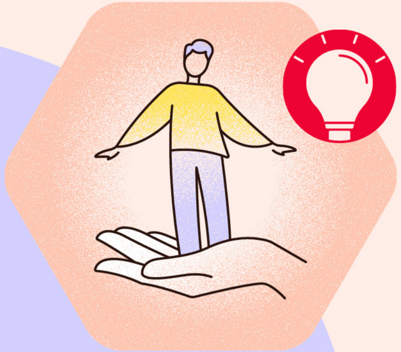
Strict pharmaceutical standards and quality control ensure the health of patients.

3 Responsible marketing.

Our communication to customers and patients builds trustful relationships.

4 Robust data privacy and security.

We protect personal and health data and customers' privacy.



Innovating to empower patients.

12.5 MILLION

active customers served, with constantly high satisfaction rates.

24 PERCENT

increased adherence through use of our MyTherapy app, as shown by our standardised WHO-based survey.

5.5 PERCENT

increased wellbeing for users of our MyTherapy app, as shown by our standardised WHO-based survey.

Consumers and end-users.

We start everything with people. This section highlights the (potential) positive and negative impacts on consumers and end-users, as well as the associated financial opportunities and risks linked to ESRS S4 Consumers and end-users, covering the material topics: inclusive access to healthcare, patient health and pharmaceutical excellence, responsible marketing, robust data privacy and security. All consumers and end-users that could be materially impacted are included in the scope of this chapter. For Redcare this means all patients and customers using the Redcare webshop, its products or pharmaceutical services. Furthermore, our disclosure details the various consumer segments affected by our operations and value chain-including those exposed to products that may pose health risks or increase the risk of chronic disease; consumers whose rights to privacy, data protection, freedom of expression, and non-discrimination might be compromised through our services; individuals who rely on accurate and accessible information to safely use our products; and particularly vulnerable groups such as children, rural residents, and financially disadvantaged individuals.

ESRS S4 Consumers and end-users.	Material topic	Redcare's policies.	Key actions and achievements in 2024.	Key targets and objectives.
Social inclusion of consumers and / or end-users (non-discrimination, access to products and services).	1 Inclusive access to healthcare.	*Inclusive access to healthcare policy* (published in 2024)	Launched e-Rx and CardLink in Germany. Expansion of same-day delivery through NOW! with local partner pharmacies. Increased adherence and wellbeing for MyTherapy app users.	Rx online, digital EU wallet and electronic health records available across Europe for RDC customers. Ensure that no one is left behind.
Personal safety of consumers and / or end-users (health and safety, protection of children).	2 Patient health and pharmaceutical excellence.	*Quality and safety practices* (extended in 2024).	Served 12.5 M customers in accordance with our patient health and pharmaceutical excellence standards.	Provide excellent quality and safety of products and services to Redcare's customers.
Social inclusion of consumers and / or end-users (responsible marketing practices).	3 Responsible marketing.	*Responsible marketing policy* (published in 2024).	Development and roll-out of responsible marketing policy.	Responsible marketing training for all marketing employees.
Information-related impacts for consumers and / or end-users (privacy).	4 Robust data privacy and security.	*Information security practices* (extended in 2024).	Maintained the ISO 27001 certification.	Achieve additional ISO 27701 certification.

Impacts, risks and opportunities.

For detailed information on the process of identifying the material risks and opportunities please refer to the sections on Materiality assessment and stakeholder engagement.
The below risks, opportunities and negative and positive impacts were identified to be material in the 2024 materiality assessment.

Inclusive access to healthcare.

Social inclusion of consumers and / or end-users (non-discrimination, access to products and services).

Material impact, risk or opportunity	Description	Time horizon
Positive impact Downstream value chain Provision of access to healthcare.	Providing access to healthcare through medications and services can significantly improve customers' livelihoods.	Short-term
Negative impact Downstream value chain Failure to provide access to healthcare to disadvantaged patients.	There are patients who have limited access to quality medications due to poverty, remoteness, a lack of education or other factors. The consequences for such consumers can be severe.	Mid-term
Opportunity Own operations, downstream value chain Provision of access to healthcare products and services.	Expanding access to healthcare through digital solutions can reach people who would otherwise lack access, benefiting both customers and sales, therefore influencing our potential revenue growth.	Short-term

Patient health and pharmaceutical excellence.

Personal safety of consumers and / or end-users (health and safety, protection of children).

Material impact, risk or opportunity	Description	Time horizon
Negative impact Own operations Quality of pharmaceutical products and services.	Contaminated, counterfeit, or low-quality medications can harm patients' health and safety.	Short-term
Negative impact Downstream value chain Abuse or misuse of medications.	Redcare clearly communicates information regarding products in its assortment and their correct use, in order to ensure customers' health and safety.	Short-term
Negative impact Downstream value chain Harm to children from false medication.	Access to inappropriate or incorrect medications can pose severe risks to the health and safety of children.	Short-term
Risk Own operations, downstream value chain Quality of pharmaceutical products and services.	Quality of pharmaceutical products and services not only affects people's lives and health, failing to ensure the highest quality standards poses significant risks. Potential errors in dispensing medication, such as missed interaction checks, must be prevented to safeguard patient safety. Failure to ensure quality of these products and services may result in financial costs to Redcare through fines and/or litigation.	Short-term

Robust data privacy and security.

Information-related impacts for consumers and / or end-users (privacy).

Material impact or risk	Description	Time horizon
Negative impact Own operations, downstream value chain Customer data privacy and security breaches.	Data privacy and security breaches, e.g. from credit card or prescription information, may significantly harm customers' interests. This extends to customer concerns regarding the use of personal information for secondary purposes or targeted advertising.	Short-term
Risk Own operations Litigation and fines due to data privacy and security breaches.	Data privacy and security breaches can result in significant fines, litigation from affected customers or partners, as well as loss of reputation, increasing business costs.	Short-term

Responsible marketing.

Social inclusion of consumers and / or end-users (responsible marketing practices).

Material impact, risk or opportunity	Description	Time horizon
Positive impact Own operations, downstream value chain Responsible and educational marketing of medications and health services.	Effectively educating and informing customers about medications and their use, as well as associated services, can have positive health effects.	Short-term
Risk Downstream value chain Loss of reputation or fines due to irresponsible marketing.	Irresponsible marketing, especially to vulnerable groups, may harm people and damage Redcare's reputation; it could also result in fines or litigation, increasing business costs.	Short-term
Opportunity Downstream value chain Responsible and educational marketing of medications and health services as a driver of sales.	Effectively educating and informing consumers about medications and their proper use, as well as associated services, can drive brand recognition, customer retention and, ultimately, sales, driving revenue growth.	Short-term

Our approach and policies.

At Redcare, our primary focus is on providing access to healthcare and social inclusion for all. Our objective is to contribute to good healthcare by delivering on accessibility, availability, affordability and awareness (so-called 4As) through our pharmaceutical services and products as well as the corresponding information for everyone in Europe.

While we aim for access to healthcare and social inclusion, we simultaneously protect our customers' health and safety, their data remains private and secure, and establish measures to market responsibly.

Our approach aligns with international frameworks to uphold human rights and consumer interests. It is guided by Article 25 of the Universal Declaration of Human Rights (UDHR) on health, Article 12 of the UDHR and Article 8 of the European Convention on Human Rights (ECHR) on privacy, Principle 11 to respect human rights (especially related to health and privacy) by the UN Guiding Principles on Business and Human Rights, and Chapter VIII on consumer interests of the OECD Guidelines.

Redcare's approach is guided by four key policies covering the four aspects and its material impacts, risk and opportunities, thus each addressing essential aspects of our business to enable responsible and sustainable practices while aligning with international standards. These policies are applicable to all entities excluding MediService.

Our Access to Healthcare and Social Inclusion Policy shows how Redcare is aiming to deliver accessible, available and affordable healthcare services and products (especially for disadvantaged consumers) that people are aware of, supported by Article 25 of the Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises. Leadership lies with the CEO, with operational oversight by the Director of Public Affairs, who are responsible to implement and monitor through annual board reviews and quarterly evaluations. Customer engagement is facilitated through Net Promoter Score (NPS) surveys and a robust complaint mechanism, with the policy publicly available on our website.

Our Health, Quality and Safety Policy describes Redcare's efforts to aim for pharmaceutical services while addressing the risks of medication abuse, misuse, and harm — particularly to children — arising from misinformation or lack of education, grounded in the International Covenant on Economic, Social and Cultural Rights. Led by the CCO and Executive Director of Quality, quarterly monitoring aligns with best practices, including Good Distribution Practice (GDP) for Human Medicines and ISO 9001:2015. Customer concerns are addressed via NPS feedback and direct service interactions, with the policy available on our website.

Solution areas.

Accessibility
Pharmaceutical services and products are easily accessible to people.

Affordability
Healthcare is available without an unsustainable financial burden.

Availability
Supply consistently matches or exceeds patients' demands.

Awareness
People are informed about illnesses, pharmaceutical services and products.

Goals.

- Online Rx availability.
- Access to digital EU wallet.
- Access to electronic health records.
- Activities to leave no one behind.

Key stakeholders.

- Disadvantaged patients.
- Immobile patients.
- Rural population.
- Patients with chronic diseases.

Furthermore, the Information Security Policy highlights Redcare's commitment to safeguarding customer data privacy and security, proactively preventing breaches, violations, and potential associated litigation or fines. The policy further outlines Redcare's dedication to protecting the confidentiality, integrity and availability of data, while effectively managing risks through adherence to ISO/IEC 27001:2013, GDPR, and other international standards. Overseen by the CIO and Director of Corporate Compliance and Governance, implementation is monitored daily by certified data protection officers. Customer engagement is enhanced through NPS feedback and responsive customer service teams, with the policy publicly accessible online.

Lastly, the Responsible Marketing Policy aims to ensure that all communications align with our mission, and shows Redcare's approach to promote responsible and educational marketing of medications and health services to enhance better health for everyone, but also improve Redcare's sales reputation and avoid potential fines. Oversight is provided by the Chief Commercial Officer (CCO) and Executive Director Marketing, with legal, compliance and marketing teams conducting thorough checks. Customer feedback is continuously gathered via NPS surveys, while any concerns are addressed promptly by customer service. The policy is aligned with the ICC Code and publicly accessible online.

By anchoring these policies into our operational model, we aim to ensure that every step we take reflects the overall objective to provide inclusive and high-quality healthcare services. We are committed to continuously evaluating and improving these policies, aligning them with internationally recognised standards and best practices to uphold our dedication to good healthcare.

We are not aware of incidents which equate to the non-respect of UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve consumers and / or end-users.

Redcare's approach to engaging customers and addressing concerns.

Redcare Pharmacy integrates customer perspectives into its operations through structured mechanisms such as the Net Promoter Score (NPS) in real-time, daily customer service interactions, and complaint management systems. External arbitration options, such as the European Commission's Dispute Resolution platform and the Dutch Consumer Arbitration Board, further support transparency. Complaints are tracked and analysed systematically to identify trends and improve processes, with oversight by senior roles such as the Executive Director of Quality and the Director of Public Affairs. Potential negative impacts are addressed through structured processes and robust governance mechanisms detailed in the policies. Other feedback from these channels directly informs decisions and improvements in healthcare services, marketing strategies, and safety practices. Awareness of these channels is promoted through communication on Redcare's website and consistent engagement. Redcare also requires business partners to maintain equivalent complaint-handling systems aligned with its commitment to consumer trust and safety.

Engagement occurs across all stages of the customer journey, from product development to post-sale service, using direct feedback and collaboration with external bodies like patient advocacy groups. The Executive Director of Marketing, Director of Public Affairs and Executive Director of Quality oversee and ensure the operational and strategic implementation of these engagements.

The effectiveness of actions, engagement and whether customers are aware of and trust structures is assessed through NPS scores and regular reviews of customer concerns. Steps to address vulnerable groups include enhancing digital accessibility and advocating for policies to expand access to healthcare.

Planned actions and targets.

Inclusive access to healthcare.
The overarching ambition to contribute to good healthcare for everyone by delivering on accessibility, availability, affordability and awareness through our pharmaceutical services and products (especially for disadvantaged consumers) as well as corresponding information for customers and everyone in Europe is tracked by four objectives:

- Rx online available across Europe and Redcare Pharmacy is able to address Rx markets.
- Digital EU wallet available across Europe.
- Access to electronic health records (EHRs) available across Europe.
- Activities to leave no one behind.

These objectives are supported by the following actions: conducting a comprehensive potential analysis for activities to improve that no one is left behind by the end of 2025, followed by an external evaluation of the accessibility of our online shops within the same time frame. Based on the results of this evaluation, an action plan will be developed by 2026. No targets have been set.

Redcare Pharmacy has developed comprehensive action plans and allocated resources to address material impacts and opportunities related to customers, focusing on four key areas: Accessibility, Availability, Affordability and Awareness. To enhance accessibility, Redcare is actively involved in legislative advocacy, including efforts to amend EU regulations to promote online prescription availability and support the European Health Data Space (EHDS) Regulation for cross-border access to electronic health records (EHRs). In addition, Redcare collaborates with local pharmacies to enable online prescription availability, particularly in underserved and remote regions, advocates for the adoption of the Digital EU Wallet for seamless healthcare access and improves app usability with accessibility features like English language support and tools for visually impaired users. Availability is bolstered through 24/7 online shops, same-day and next-day delivery services, and partnerships with healthcare systems to expand digital service offerings. Affordability is addressed via fair pricing, the expansion of affordable in-house brands, and loyalty programmes such as RedPoints. Awareness campaigns cover e-prescription literacy and health management support through the MyTherapy app to promote health literacy, medication plan, pill reminders and information on treatments.

Resources are allocated for technology upgrades, partnerships and advocacy, with a commitment to transparency and continuous improvement in providing inclusive and equitable access to healthcare across Europe.

Patient health and pharmaceutical quality.

Redcare Pharmacy's Health, Quality and Safety (HQ&S) approach to promote responsible and educational marketing of medications and health services to enhance better health for everyone is tracked via key metrics: Falsified medication alerts to ensure safe distribution and our Quality Score, a confidential metric assessed by YouGov's BrandIndex, reflecting customer trust and satisfaction. There are no targets adopted except the objective to provide excellent quality and safety of products and services to Redcare's customers.

To track and mitigate risks of falsified medications, Redcare strictly adheres to the Falsified Medicine Directive (FMD). All medicinal products are verified and decommissioned in a European database, with trends monitored through a real-time dashboard that tracks alert rates and scan accuracy. Alerts are analysed for improvement opportunities. The Quality Team supports these initiatives, including systematic monitoring, advanced scanning technology and data-driven enhancements to the verification process. Customer trust, as measured by the BrandIndex score, is supported through strict quality assurance processes and customer-centric initiatives. The Pharma Compliance department is responsible for product assessments to ensure compliance with national and international standards, robust recall and defect-handling protocols and accessible product information. Additionally, customer complaints are meticulously logged, analysed and addressed to drive service improvements, while independent external audits validate quality and safety.

The HQ&S policy emphasises continuous improvement and it is implemented by the Quality and Brand resources for regular internal audits, quarterly management reviews and compliance monitoring with standards such as ISO 9001 and GDP.

Solid data privacy and security.

The General Data Protection Regulation (EU) applies to all business lines and entities. However, being a pharmacy at its core, Redcare Pharmacy has a special responsibility to ensure exceptional data privacy and security that goes beyond legal requirements. Detailed information regarding the Company's comprehensive data privacy and security policies, processes and commitments can be found in Redcare Pharmacy's Information Security Practices, published on the Company's corporate website. The Company's practices are audited in an ISO 27001 audit and have been validated without conditions, ensuring the confidentiality, integrity and availability of information the Company handles. The ISO certification covers Redcare Pharmacy's risk assessment and risk mitigation practices and security controls. The objective for 2025 is to additionally become ISO 27701 certified and maintain ISO27001 certification. No target had been defined. In 2024, none of the reported privacy breaches were Substantiated Breaches. In case of a breach affecting human rights, Redcare would assess whether remediation needs to be taken.

Each employee receives training on data protection and security, privacy and cybersecurity, at a minimum on an annual basis. An annual security awareness campaign ("October Security Month") contributes, among other things, to a continuous increase in the number of completions of compliance training courses. Redcare Pharmacy has concluded data protection agreements or addenda with its service providers to require that the same level of confidentiality and data security is implemented by its subcontractors. A service provider management system has been implemented. Redcare Pharmacy has the right to perform audits to monitor subcontractors' compliance with the agreed technical and organisational measures for data use and data security. Dedicated resources within the Corporate Compliance and Governance department are allocated to support these activities.

Responsible marketing.

Redcare Pharmacy's Responsible Marketing (RM) approach to promote responsible and educational marketing of medications and health services to enhance better health for everyone focuses on ethical practices aligned with brand values and compliance with legal requirements. Pre-existing informal practices supporting ethical marketing have been formalised and strengthened through a series of new initiatives. These include the documentation and implementation of safeguards, such as exclusion lists to prevent harmful cross-selling and refills, with a timeline to finalise these measures by Q1 2025. In addition, a review of standard newsletters and the use of product recommendation widgets for compliance with RM principles is set to be completed by Q2 2025. To raise awareness and ensure consistent adherence to RM principles, annual awareness campaigns and training sessions are conducted across all teams, markets and entities. The primary target is to achieve a 100% training rate for all marketing team members on the new RM policy and RM principles by the end of 2025. The training will be conducted in 2025 with the implementation of the policy. Progress toward this target is measured by tracking the training completion rate of marketing employees, which serves as a key metric. The budget for these initiatives is equal to the personnel costs of the marketing team, ensuring that the necessary resources are allocated to training, awareness campaigns and the implementation of safeguards.

Governance information.

Sustainable business practices need strong governance as a foundation. By establishing clear policies, robust risk management processes and effective oversight, we aim to drive responsible growth and long-term value creation.

This section contains disclosures related to the governance topical standard on Business Conduct. Broader disclosures on the roles of management and supervisory bodies can be found in the section "Strategy and governance for sustainable growth".

Business conduct.

Redcare assessed one governance topic to be material, namely a culture of trust and integrity. The IROs for this topic make the disclosure requirements on business conduct policies and corporate culture (G1-1), prevention and detection as well as incidents of corruption and / or bribery (G-3 and G1-4) material. Furthermore, political influence and lobbying activities (G1-5) is assessed to be material. Although in Redcare's business it is closer to our material topic of inclusive access to healthcare, with respect to the structure of the ESRS this topic is reported in this governance section and mainly deals with transparency aspects of these disclosure requirements.

ESRS G1 Business conduct.

Corporate culture, political engagement and lobbying activities, corruption and bribery.

6 Culture of trust and integrity.

Redcare's policies.

- Code of Conduct.
- Speak Up Policy (published in 2024).
- Public Affairs Policy.
- Stakeholder Engagement Policy.

Key actions and achievements in 2024.

- Development and roll-out of Speak Up Policy.

Key targets and objectives for 2025.

- Publish an anti-corruption and bribery policy.

Material impacts, risks and opportunities.

For detailed information on the process of identifying the material risks and opportunities please refer to the sections on Materiality assessment and stakeholder engagement. The below risks, and negative and positive impacts were identified to be material in the 2024 materiality assessment.

Culture of integrity and trust.

Corporate culture.

Material impact or risk	Description	Time horizon
Negative impact Upstream value chain, own operations, downstream value chain Impacts of non-compliance on stakeholders.	A poor compliance culture would lead to stakeholders being negatively affected by fraudulent activity, intentional misinformation or insider dealings.	Short-term
Risk Upstream value chain, own operations, downstream value chain Costs and reputational damage from compliance incidents.	Poor compliance culture and compliance incidents, such as bribery or corruption, or negligence towards business regulation, can result in significant fines, loss of business and diminished trust from investors, impacting cost of business and reduced financial performance.	Short-term

Political engagement and lobbying activities.

Material impact	Description	Time horizon
Positive impact Own operations, downstream value chain Political engagement that advances digital health system.	Political engagement may unlock the benefits of digital healthcare and e-commerce for consumers and society, including reduced costs, improved access, and better information.	Mid-term
Negative impact Own operations Political engagement that fails to advance digital health system.	Failure of political engagement to unlock the healthcare benefits of digital healthcare for customers may result in missed opportunities or increased influence from stronger lobbying by established industry players.	Mid-term

Corruption & bribery

Material impact	Description	Time horizon
Negative impact Upstream value chain, own operations, downstream value chain Impacts of corruption and bribery on stakeholders.	Corruption and bribery may negatively impact stakeholders through fraudulent activities, deliberate misinformation, or insider dealings.	Short-term

Our approach, policies and actions.

Business conduct policies and corporate culture.
The success of Redcare is reliant on the trust and confidence the Company enjoys among patients, customers, suppliers, investors and employees. Accordingly, high standards of behaving with integrity and responsibility are set for the Company as a whole and for each individual employee. In addition, compliance with relevant laws, regulations and best practices is a matter of course for us and forms the foundation for everything we do. This includes, among other things, the respect and protection of workers' and human rights, providing a safe work environment, the avoidance of cartel violations, corruption and bribery or the acceptance of advantages and other illegal business practices, as well as compliance with all pharmaceutical requirements. The below disclosures address the material IROs on Corporate Culture.

The Managing Board announced a Speak Up campaign together with a revamped Code of Conduct in October this year. This campaign reinforces our commitment to upholding the principles of integrity and correct behaviour and to introduce an additional channel for employees to raise their voices. The implementation of these policies is not related to commitments to third-party standards or initiatives.

Our Code of Conduct is intended to help employees implement our key principles and values in their everyday working life and to give guidance on responsible business conduct. The Code of Conduct is published on our website and provides a framework where internally available sub-policies and principles are defined to cover a specific topic such as Labour Principles, a Gift and Hospitality Policy, as well as an Anti-Trust Policy. Our corporate policies are all approved by the Managing Board and those published on our corporate website are also approved by our Supervisory Board.

Our compliance programme (including training) is designed to raise awareness of everyone's responsibility to uphold Redcare's business principles and to speak up in case of any irregularities. We tailor our compliance training and communication to the different roles with the aim to reach full coverage and understanding across the whole organisation, preferably in our employee's own language. The frequency and depth of coverage depends on the subject matter and the target audience. Examples of our undertakings to create awareness and train on business conduct are; all-hands meetings, workshops and trainings, flyers, posters and wiki-pages. In 2025 we are planning to continue our awareness around speak up, and specific Code of Conduct topics (like Anti-Trust and Anti-Bribery and Corruption policy). Our Code of Conduct and reporting channels are integrated in our onboarding programme for all employees joining Redcare.

Redcare plans to implement similar mechanisms with its operating subsidiaries in 2025 building upon the experiences made with core entities.

Our employees and external stakeholders are provided with the opportunity to speak up about any (potential) misconduct or (alleged) irregularities without fear of retaliation and anonymously via phone, online portal or an app. In addition, reports can also be submitted to internal and external trusted counsels. All reports are diligently assessed and, where needed, investigated by relevant experts. Appropriate actions are taken if and where needed. The Speak Up Policy and Code of Conduct can be found on the Company's website.

Since its' introduction in October 2024, 14 reports were addressed through our Speak Up Line which gives us good reasons to believe that our employees appreciate our additional reporting channel. No other critical concern was reported to the Managing Board or the Supervisory Board. The process is owned by the Director, Corporate Compliance & Governance who reports when necessary but at least quarterly on this topic to the Managing Board and the Audit Committee. There were no significant instances of non-compliance with laws and regulations, and no significant fines were paid or non-monetary sanctions incurred during the reporting period.

Prevention, detection and incidents of corruption and bribery.
Redcare's Code of Conduct defines the general guidelines regarding anti-bribery and corruption. Redcare has not published a dedicated policy on preventing and detecting corruption and bribery in line with the United Nations Convention but plans to do so onwards at least annually addressing the material negative impact on stakeholders. It is also planning to develop a training programme for functions at risk. Allegations and incidents of corruption and bribery can be reported through the existing channels as set out in the Speak Up policy. The CFO is accountable for Corporate Compliance including anti-corruption and bribery. There is no separate investigation committee from the chain of management involved in the matter. Within Redcare, certain functions pose elevated risks for corruption and bribery due to their involvement in critical financial transactions, interactions with the public sector and sensitivity to regulatory compliance. These high-risk functions include, among others, Public Affairs, Procurement and Legal. However, the Director Corporate Compliance and Governance and the General Counsel support business and functional teams on a continuous basis in their activities and relationships. Anti-bribery and corruption risks are managed in accordance with our risk management system. Redcare has not been convicted for any violations of anti-corruption and anti-bribery laws.

Political influence and lobbying activities.
Redcare's political engagement and public affairs activities seek to unlock the potential positive impact for people and their health through an improved and fully digital patient journey. It simultaneously seizes the inherent opportunities for its business model addressing the material IROs related to 'Political The main topics covered are set out in the section on inclusive access to healthcare.

We have defined and set out our principles for a morally, fair, open and transparent way of engaging politically that applies to all our employees in our Public Affairs Policy. Redcare is registered in the EU Transparency Register (ID Number: 337860539739-52) as well as in the German 'Lobbyregister' (ID Number: R001374). Political engagement and public affairs are under the responsibility of Redcare's Director of Public Affairs. The CEO is the responsible representative within the Managing Board who oversees the public affairs activities of the Company. None of the members of Redcare's Managing Board or Supervisory Board held a comparable position in public administration in the two years preceding their appointment.

Redcare participates in various associations to which it pays a membership fee. These associations represent the interests of a broader group of like-minded organisations with the aim of speaking with a collective, coordinated and stronger voice, achieving better results than those possible by lobbying as a single company. In 2024, we held memberships with the following associations and interest groups:

- European association of e-pharmacies (EAEP)
- Allianz für Cyber-Sicherheit des Bundesamtes für Informationstechnik
- Bitkom – Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e.V.
- Wirtschaftsrat der CDU e.V.
- Bundesverband Deutscher Versandapotheken
- The Dutch Employers' Federation VNO-NCW
- Deutsch-Niederländische Handelskammer
- Bundesverband Managed Care e.V.
- Bundesverband Gesundheits-IT e.V.
- Qualitätsring Medizinische Software e.V.
- E-Rezept Enthusiasten
- Associazione di rappresentanza della distribuzione primaria farma e salute (ASSORAM)
- Verein der Schweizerischen Versandapotheken (VSVA)

Redcare did not engage in political contributions by means of financial or in-kind support provided directly to political parties, their elected representatives or persons seeking political office. Indirect financial political contributions, including sponsoring of political organisations in the DACH and international region are as disclosed in the Results section.

Results.

The table Breakdown of political contributions showcases the breakdown of the total monetary amount of political contributions made by all Redcare controlled entities in 2024. The results are split between DACH (comprising of business activities in Germany, Austria and Switzerland) and International (comprising of business activities in France, Italy, Belgium and the Netherlands) segments.

Breakdown of political contributions in DACH region

in EUR x1,000	2024			2023 *		
Beneficiary Type	**DACH**	**International**	**Total**	**DACH**	**International**	**Total**
Healthcare associations	323	111	434			
Digitalization associations	31	100	131			
Party-affiliated associations	8	0	8			
Trade associations	1	6	7			
Event sponsoring	69	0	69			
Total	**433**	**217**	**650**			

*Comparative figures excluded based upon ESRS 1 10.3

Redcare reports the progress towards the target of 75% of the net sourcing spend of Redcare core entities to have committed to our Supplier Code of Conduct by 2025. Among other topics, this code covers rights and working conditions along our value chain, please refer to the Workers in the value chain section of this report for more specific information on this. As of end of 2024, the result achieved is 31 %. This table further details the spend of Redcare that is covered by the supplier's commitment to the Supplier Code of Conduct, split into Redcare total spend and spend at Redcare core entities. The number of suppliers involved in the Redcare procurement activities is specified, showing the large scale of the undertaking. The results showcase the commitment that Redcare has in order to ensure that the suppliers within the value chain are committed to sustainability in a measurable manner.

Supplier Code of Conduct

	Unit	2024	2023 *
Sourcing spend Redcare	MEUR	1,919.4	
Sourcing spend Redcare core entities	MEUR	1,448.2	
Sourcing spend Redcare by Supplier Code of Conduct	%	21.6	
Sourcing spend Redcare core entities by Supplier Code of Conduct	**%**	**30.1**	

*Comparative figures excluded based upon ESRS 1 10.3

Reference table.

The following tables list all of the ESRS disclosure requirements in ESRS 2 and Redcare's material topical standards. We have omitted all the disclosure requirements in the topical standards E3 and S3 as these are below our materiality thresholds. The tables can be used to navigate to information relating to a specific disclosure requirement in the sustainability statements. The tables also show where we have placed information relating to a specific disclosure requirement that lies outside of the sustainability statements and is 'incorporated by reference' to other sections in this Annual Report.

In cases where a topical standard is material and a certain disclosure requirement was omitted, an explanation for this is provided below. Reference is made to the phase-in provisions for the disclosure requirements or data points of disclosure requirements in ESRS that may be omitted or that are not applicable in the first year(s) of preparation of the sustainability statement under the ESRS.

Cross-cutting standards

Disclosure requirements		**Reference**	**Explanation**
ESRS-2 – General disclosures			
BP-1	General basis for preparation of sustainability statements	Basis for preparation	
BP-2	Disclosures in relation to specific circumstances	Basis for preparation	
GOV-1	The role of the administrative, management and supervisory bodies	Strategy and governance	
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Strategy and governance	
GOV-3	Integration of sustainability-related performance in incentive schemes	Strategy and governance	
GOV-4	Statement on due diligence	Statement on sustainability due diligence	
GOV-5	Risk management and internal controls over sustainability reporting	Strategy and governance	
SBM-1	Strategy, business model and value chain	Strategy and governance	
SBM-2	Interests and views of stakeholders	Materiality assessment and stakeholder engagement	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	See chapters on respective disclosures (Environmental, Social, Governance)	Additional entity-specific disclosures are provided for certain material IROs, namely: 1 – Inclusive access to healthcare, 2 – Patient health and pharmaceutical excellence, 3 – Responsible marketing, 4 – Robust data privacy and security, and 8 - Fair treatment of workers in the value chain.
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Materiality assessment and stakeholder engagement	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Reference table	

Disclosure requirements		Reference	Explanation
ESRS E1 – Climate change			
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	Strategy and governance	
E1-1	Transition plan for climate change mitigation	Environmental - Climate change	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Environmental - Climate change	
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Materiality assessment and stakeholder engagement	
E1-2	Policies related to climate change mitigation and adaptation	Environmental - Climate change	
E1-3	Actions and resources in relation to climate change policies	Environmental - Climate change	
E1-4	Targets related to climate change mitigation and adaptation	Environmental - Climate change	
E1-5	Energy consumption and mix	Environmental - Climate change	
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	Environmental - Climate change	
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Environmental - Climate change	
E1-8	Internal carbon pricing	Environmental - Climate change	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate related opportunities		Phased-in option used for DR 64-70 and AR 69-81 (anticipated financial effects) in line with ESRS 1 appendix C: List of phased-in disclosure requirements.

Disclosure requirements		Reference	Explanation
ESRS E2 – Pollution			
ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Materiality assessment and stakeholder engagement	
E2-1	Policies related to pollution	Environmental - Pollution	
E2-2	Actions and resources in relation to pollution	Environmental - Pollution	
E2-3	Targets related to pollution	Environmental - Pollution	
E2-4	Pollution of water	Environmental - Pollution	
E2-5	Substances of concern	Environmental - Pollution	
E2-6	Anticipated financial effects from pollution-related impacts, risks & opportunities		Phased-in option used for DR 36-41 (except 40b) and AR 31-34 (anticipated financial effects) in line with ESRS 1 appendix C: List of phased-in disclosure requirements.

Disclosure requirements		Reference	Explanation
ESRS E3 - Water and marine resources			
ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Materiality assessment and stakeholder engagement	

Disclosure requirements		Reference	Explanation
ESRS E4 – Biodiversity and ecosystems			
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Environmental - Biodiversity	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Environmental - Biodiversity	
ESRS 2 IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	Materiality assessment and stakeholder engagement	
E4-2	Policies related to biodiversity and ecosystems	Environmental - Biodiversity	
E4-3	Actions and resources related to biodiversity and ecosystems	Environmental - Biodiversity	
E4-4	Targets related to biodiversity and ecosystems	Environmental - Biodiversity	
E4-5	Impact metrics related to biodiversity and ecosystems change	Environmental - Biodiversity	
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities		Phased-in option used for DR 42-45 and AR 39-40 (anticipated financial effects) in line with ESRS 1 appendix C: List of phased-in disclosure requirements.

Disclosure requirements		Reference	Explanation
ESRS E5 – Resource use and circular economy			
ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Materiality assessment and stakeholder engagement	
E5-1	Policies related to resource use and circular economy	Environmental - Circularity	
E5-2	Actions and resources related to resource use and circular economy	Environmental - Circularity	
E5-3	Targets related to resource use and circular economy	Environmental - Circularity	
E5-4	Resource inflows	Environmental - Circularity	
E5-5	Resource outflows	Environmental - Circularity	
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities		Phased-in option used for DR 41-43 and AR 34-36 (anticipated financial effects) in line with ESRS 1 appendix C: List of phased-in disclosure requirements.

Disclosure requirements		Reference	Explanation
ESRS S1 – Own workforce			
ESRS 2 SBM-2	Interests and views of stakeholders	Materiality assessment and stakeholder engagement	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Social - Own workforce	
S1-1	Policies related to own workforce	Social - Own workforce	
S1-2	Processes for engaging with own workers and workers' representatives about impacts	Social - Own workforce	
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Social - Own workforce	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Social - Own workforce	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social - Own workforce	
S1-6	Characteristics of the undertaking's employees	Social - Own workforce	
S1-7	Characteristics of non-employee workers in the undertaking's own workforce		Phased-in option used for all datapoints in DR S1-7 in line with ESRS 1 appendix C: List of phased-in disclosure requirements.
S1-8	Collective bargaining coverage and social dialogue	Social - Own workforce	
S1-9	Diversity metrics	Social - Own workforce	
S1-10	Adequate wages	Social - Own workforce	
S1-11	Social protection		Phased-in option used for DR S1-11 in line with ESRS 1 appendix C: List of phased-in disclosure requirements.
S1-12	Persons with disabilities		Phased-in option used for DR S1-12 in line with ESRS 1 appendix C: List of phased-in disclosure requirements.
S1-13	Training and skill development		Phased-in option used for DR S1-13 in line with ESRS 1 appendix C: List of phased-in disclosure requirements.
S1-14	Health and safety metrics	Social - Own workforce	Phased-in option used for DR S1-14 in line with ESRS 1 appendix C: List of phased-in disclosure requirements.
S1-15	Work-life balance metrics		Phased-in option used for DR S1-15 in line with ESRS 1 appendix C: List of phased-in disclosure requirements.
S1-16	Compensation metrics (pay gap and total compensation)	Social - Own workforce	
S1-17	Incidents, complaints and severe human rights impacts	Social - Own workforce	

Disclosure requirements		Reference	Explanation
ESRS S2 – Workers in the value chain			
ESRS 2 SBM-2	Interests and views of stakeholders	Materiality assessment and stakeholder engagement	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Social - Workers in the value chain	
S2-1	Policies related to value chain workers	Social - Workers in the value chain	
S2-2	Processes for engaging with value chain workers about impacts	Social - Workers in the value chain	
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Social - Workers in the value chain	
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Social - Workers in the value chain	
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social - Workers in the value chain	

Disclosure requirements		Reference	Explanation
ESRS S3- Affected communities			
ESRS 2 SBM-2	Interests and views of stakeholders	Materiality assessment and stakeholder engagement	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		not material, no chapter on this needs to be published

Disclosure requirements		Reference	Explanation
ESRS S4 – Consumers and end-users			
ESRS 2 SBM-2	Interests and views of stakeholders	Materiality assessment and stakeholder engagement	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business mode	Social - Consumers and end-users	
S4-1	Policies related to consumers and end-users	Social - Consumers and end-users	
S4-2	Processes for engaging with consumers and end-users about impacts	Social - Consumers and end-users	
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Social - Consumers and end-users	
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Social - Consumers and end-users	
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social - Consumers and end-users	

Disclosure requirements		Section / report	Explanation
ESRS G1 – Business conduct			
ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies	Strategy and governance	
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Materiality assessment and stakeholder engagement	
G1-1	Corporate culture and business conduct policies	Governance - Business conduct	
G1-3	Prevention and detection of corruption and bribery	Governance - Business conduct	
G1-4	Confirmed incidents of corruption or bribery	Governance - Business conduct	
G1-5	Political influence and lobbying activities	Governance - Business conduct	

Statement on sustainability due diligence.

Redcare Pharmacy is committed to ensuring comprehensive due diligence in line with the European Sustainability Reporting Standards (ESRS) to enhance accountability, transparency and sustainable practices across our operations and value chain. Following a double materiality approach, we assess the social, environmental and governance impacts of our business, starting our practices with the principles of the EU Corporate Sustainability Due Diligence Directive (CSDDD). Our Due Diligence policy is embedded across governance, strategy and operations, with specific processes outlined below.

1. Embedding due diligence in governance and strategy. Our governance framework integrates sustainability risk management. We aim that each aspect of due diligence – from identifying risks to mitigating impacts – is aligned with our corporate strategy. Key responsible internal stakeholders, including Redcare's Managing Board and from 2025 onwards the Sustainability Committee, oversee these processes, prioritising sustainable growth and adherence to environmental, social and governance standards across all business units (see RDC's Draft ESRS Report on GOV-2, GOV-3 and SBM-3).

2. Stakeholder engagement. We prioritise transparent engagement with stakeholders through active consultations and surveys for stakeholder inclusivity. This aims that perspectives from employees, customers, business and healthcare partners, suppliers and regulatory bodies are incorporated into our due diligence assessments. In line with Redcare's Stakeholder Engagement Policy, we continue to leverage these insights to address risks, align with international standards, e.g. relevant UN Guiding Principles and the OECD Due Diligence Guideline, and foster relationships based on trust and shared sustainability goals (see RDC's Draft ESRS Report on GOV-2, SBM-2, IRO-1).

3. Impact, risk and opportunity assessment. Redcare's due diligence includes identifying and assessing adverse impacts across the value chain. Utilising a comprehensive 360° analysis in DMA, we identify potential risks related to both upstream and downstream activities and adopt preventive measures to mitigate these risks effectively (see RDC's Draft ESRS Report on SBM-3, IRO-1).

4. Mitigating risks and adverse impacts and implementing corrective actions. To address identified risks, Redcare continuously develops its policies and defines actions and targets. With regard to upstream value chain impacts, it has introduced a Supplier Code of Conduct to make sure our partners comply with sustainability standards. We require suppliers covering 75% of our retail revenue to commit to this code by 2025 (see RDC's Draft ESRS Report on current and planned actions in topical ESRS).

5. Tracking, reporting and continuous improvement. Our due diligence includes quarterly internal tracking and reporting of sustainability metrics as well as transparent external reporting integrated in our Annual Report, in line with ESRS standards. We have implemented a robust monitoring system to track progress against sustainability goals and ensure compliance with our policies. We prioritise transparency and continuous improvement, leveraging data and stakeholder feedback to refine our due diligence practices and adapt to evolving regulatory requirements (see RDC's Draft ESRS Report on Topical ESRS: regarding metrics and targets).

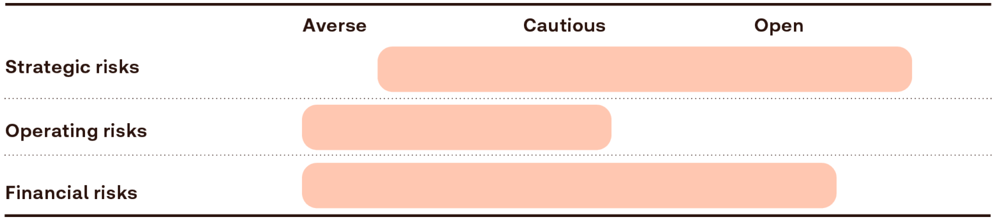
Risk management.

Risks and opportunities.

Redcare Pharmacy is exposed to various risks and opportunities. Given the size of the Company, it is deemed important to have the best possible and systematically updated overview of the risks that we run as a company and how those risks can be mitigated. There are company-specific risks and external risks regarding natural capital such as climate risks and social capital. Furthermore, it entails external risks and the impact on third parties that result from Redcare Pharmacy's business model. Risk-based thinking enables our organisation to proactively determine factors that could lead to deviations from planned results and the execution of our strategy. In addition, it enables our organisation to implement preventive control measures or take actions to minimise the likelihood and magnitude of possible negative effects. A risk-based thinking process reveals opportunities on which the Company could act. The risk management system of Redcare Pharmacy applies to all areas of the Group and considers the standards of ISO 31000, Good Distribution Practice (GDP) for human and veterinary medicines and the Corporate Governance Code. With its risk management system and the Enterprise Risk Management (ERM) framework, Redcare Pharmacy can identify, analyse, evaluate and treat risks that it is entering into as a company.

Risk appetite.

Risk appetite expresses the aggregate level of risk that Redcare Pharmacy is willing to accept within the risk capacity to pursue its strategy of becoming Europe's one-stop pharmacy of the future. Risk capacity is defined as the maximum level of risk that can be assumed before breaching regulatory constraints and obligations to stakeholders. Risk appetite is an integral element in the business planning process to promote the appropriate alignment of risk, capital and performance targets, while at the same time considering risk capacity and appetite constraints from both financial and non-financial risks. The figure below qualitatively shows Redcare Pharmacy's risk appetite in the three main risk categories of strategic risks, operating risks and financial risks.



Managing risks with enterprise risk management.

The Enterprise Risk Management system (ERM) cycle continued in 2024. The primary objectives of ERM within the Company are:

- To gain insight into risks and opportunities. This is achieved by a structured inventory process of the risks that Redcare Pharmacy runs as a company.
- To create a framework to classify the risks and to mitigate them in an appropriate way.
- To gain insight into and clarify the degree of risk management and the degree of risk appetite.
- To realise a dynamic process with periodic reporting and dialogue across the Group.

In order to reach these objectives, a comprehensive process was developed within the Company. Chaired by CFO Jasper Eenhorst, the ERM process is managed by the ERM Group. Other members of the ERM Group are Theresa Holler (COO and responsible pharmacist) and the directors of the Accounting and Tax, Controlling, Quality, Corporate Compliance and Governance departments. The ERM Group drives the ERM process within the Company, to make sure risks are identified and addressed in the right way. In the paragraphs that follow, the steps within the ERM process are described in more detail.

Step 1) Establishing the context.

Redcare Pharmacy's strategic objectives, as well as external and internal parameters, need to be considered to establish the context. Strategic and operational events and actions with a significant impact on the existence and the economic position of the Group are considered. These also include external factors such as the competitive situation, the regulatory and economic environment and developments and other factors that can compromise the achievement of corporate goals.

Step 2) Risk identification.

A two-sided approach is used for the risk identification process. Starting with a bottom-up process for risk identification, a risk questionnaire is sent to each significant function or department of the Group. In addition, a top-down process for risk identification is conducted by risk identification sessions with the ERM group and with the executive management.

To create a framework for risk classification, a fixed risk identification format has been developed. After the risk description, the risk is classified into a risk domain. For Redcare Pharmacy, fifteen relevant risk domains have been defined (see Figure 1). As the figure shows, the risk domains encompass a broad perspective of topics all relevant for Redcare as an online pharmacy. Subsequently, the risk domains are used to cluster risks into relevant categories and enable comparable risks or synergetic relationships between risks to become apparent and be clustered. The risk domains used are based on international risk management literature and supplemented with domains relevant for Redcare as an online pharmacy. For each domain, a domain owner from senior management has been appointed who is responsible for continuously monitoring the risks in their domain and initiating and measuring the mitigation actions for risks within the respective domain.

Step 3) Risk analysis.

To begin with, all risks identified are assessed on the basis of a risk score. The risk score is calculated by multiplying the probability of occurrence of the risks (likelihood) by the consequences should the risk occur (severity). Based on the risk score, we determine whether the risk is very high, high, medium or low. Both gross and net risk are considered, where the gross risk refers to the risk score without internal control and / or mitigating measures and the net risk score is the risk after implementation of actions.

Risk Domains

- Facility & Equipment
- Finance
- Governance, Legal & Regulatory
- Human Resources
- IT
- MediService
- Operations & Supply Chain
- Pharma
- Product Development
- Quality & Customer Safety
- Reputation & Trustworthy Brand
- Strategic Procurement
- Strategy
- Sustainability

Step 4) Risk evaluation.

Based on the outcome of the risk analysis, decisions need to be made about prioritisation, including which risks need to be mitigated. All identified risks are discussed with the domain owners and, in consultation with the ERM group, a proposal to prioritise risks is drafted and used as input for reporting to the Managing Board. Subsequently, the final prioritised risks for the Company per domain are determined by the Managing Board.
In 2023, the prioritised risks of the previous reporting years were re-assessed by the domain owners. Changes were documented in a risk management tool. Next to that, newly identified risks were evaluated by the domain owners and eventually prioritised in collaboration with the Executive Management.

Step 5) Risk treatment.

After final prioritisation, risks per domain are allocated to the responsible domain owner, and appropriate control measures are implemented to mitigate the risk if possible. The choice of a control measure depends on the risk score and the risk appetite of the Company. A decision is made on whether an action is taken to eliminate or control the risk; if a risk is within the organisation's risk appetite, a risk can be accepted.
In 2024, the domain owners took several actions to mitigate prioritised risks of previous years. Because of successful mitigation actions, several risk scores were reduced and deprioritised.

Risk monitoring and review.

An integral part of the ERM is to continuously run the process, monitor the risks and evaluate the control measures. While domain owners are responsible for reporting progress on mitigation actions, the overall process driven by the ERM group ensures that this takes place in a systematic way. All risks that were prioritised in previous years were re-assessed by the domain owners in 2024. The re-assessments were documented in our risk management tool.

External control.

Besides the internal control system, external institutions also provide assurance on the design and effectiveness of the risk management process and compliance with the relevant standards, policies and norms within our Company.

External certifications.
Being a pharmacy, Redcare Pharmacy maintains strict pharmaceutical controls that are monitored by the Dutch Health and Youth Inspectorate, as well as several certifications including ISO 9001 certified by TÜV and Trusted Shops. The effectiveness of the Quality and Health, Safety and Environment (HSE) management systems is regularly audited internally and externally, alongside the continuous improvement process implemented for ongoing optimisation of the pharmacy and administrative processes.

External auditor.
The Company's independent external auditor Forvis Mazars Accountants N.V. in Rotterdam provides an independent auditors' opinion on the Annual Report of the Group. The auditor has unrestricted access to the Group's sites and documentation and communicates regularly with the Managing Board and the Supervisory Board. The Supervisory Board assesses the work of the external auditor at least once a year.

Overview of risks and opportunities.

This chapter provides an overview of the most important risks that Redcare Pharmacy currently identifies.

Strategic risks.

Risk – acquisition of businesses.

Risk description and its possible impact – Since being founded, we have prioritised organic growth, but during the years we have also executed several smaller and larger acquisitions. In 2021, two companies were acquired, smartpatient and MedApp. In 2022, the acquisitions of GoPuls and APS All Pharma GmbH were concluded and in 2023 Redcare entered a strategic partnership with Galenica AG in Switzerland, by acquiring 51% of the shares in MediService AG. In 2024, we acquired the company AustPharma GmbH. As part of the business strategy to further expand our offering across continental Europe, it is possible to engage in strategic and opportunistic acquisitions of other companies, businesses or assets. Acquisitions involve numerous risks, such as unanticipated difficulties associated with higher-than-expected costs for integrating the technologies, operations, existing contracts and personnel of acquired businesses, or difficulties associated with higher-than-expected costs for integrating and coordinating sales and marketing functions and other administrative functions.

Risk mitigation approach – Careful planning of the acquisition and integration, including proper due diligence. The management body of the acquired business forms part of our existing management structure and is integrated in our periodic internal management review and planning processes.

Risk – adverse judgments or settlements resulting from legal proceedings.

Risk description and its possible impact – We are or might become involved from time to time in private actions, investigations and various other legal proceedings by employees, suppliers, competitors, government agencies or others. Redcare Pharmacy is the subject of some court cases, mainly in the field of unlawful competition. The more significant ones are mentioned below. In a procedure initiated against Europa Apotheek Venlo B.V. by Wettbewerbszentrale, in the first instance, Landgericht Frankfurt ruled that certain bonuses granted by Europa Apotheek to customers upon the placement of prescription orders were unlawful, because the discounts on future prescription-free orders were considered contrary to German Zuwendungsverbot (*§ 7 Heilmittelwerbegesetz*).

Europa Apotheek Venlo lodged an appeal against this judgement. At the time of writing, the procedure was pending at Oberlandesgericht Frankfurt (2nd instance). The court issued a decision on 2 July 2024 to suspend its proceedings to await the outcome of a procedure between the Pharmacy Chamber North-Rhine and another Dutch online pharmacy, in which the German Federal Supreme Court submitted prejudicial questions to the European Court of Justice about the same subject matter. The judgement of the European Court of Justice was given on 27 February 2025.

A similar procedure between Shop-Apotheke B.V. and the Pharmacy Chamber Nordrhein is pending at Oberlandesgericht Köln. This procedure was also suspended to await the outcome of the above mentioned procedure at the European Court of Justice. Furthermore, at the end of 2024 the stationary pharmacy platform IhreApotheken obtained a preliminary injunction against Shop-Apotheke B.V. regarding two vouchers which, in the opinion of Landgericht Frankfurt, incentivise the purchase of prescription-free medicines in an unlawful way. Shop-Apotheke B.V. has lodged an appeal against this judgement.

In a number of collective proceedings instigated in 2024, Shop-Apotheke and Europa Apotheek Venlo B.V. claim payment from some pharmaceutical manufacturers of the so-called *Herstellerrabatt* (manufacturer rebate). This is a rebate granted on reimbursable pharmaceuticals covered under statutory health insurance, that is to be reimbursed by manufacturers to the two pharmacies which are entitled to it on the basis of German social law. The proceedings were instigated to prevent time-barring of outstanding claims and in most cases amicable settlements have been concluded with the manufacturers concerned.

Finally, in 2024 a German seller of food supplements launched a civil procedure against Shop-Apotheke B.V. at Landgericht Hamburg, claiming that the product label design of Shop-Apotheke's own-brand (Redcare) products violates its copyright. Shop-Apotheke has issued a statement of response, stating that this claim is unfounded.

Risk mitigation approach – Careful review and monitoring of applicable law and regulations. In case of legal proceedings, we have our own legal experts and also consult external specialised lawyers.

Regulatory risks.

Risk – change in legislation for e-commerce pharmacies and para-pharmacies.

Risk description and its possible impact – The pharmacy business is highly regulated. Failure to comply with laws and regulations, including but not limited to pricing, can damage our reputation and have negative financial and operational consequences. From a compliance perspective, we are allowed to sell both Rx and OTC medicinal products via mail to our customers in Germany.
Furthermore, a change in the legislation relating to pharmaceutical e-commerce deliveries can have a big impact on the business model of online pharmacies. In Germany, the so-called *Vor-Ort Apotheken Stärkungsgesetz* law came into force at the end of 2020. Among other things, this legislation prohibits offering Rx discounts. This applies equally to on-site and mail-order pharmacies. We believe that by doing so, German lawmakers are circumventing a 2016 Supreme Court ruling by the ECJ (AZ C-148/15), in which the Court ruled that pharmacies from other EU countries are not bound by regulated prices in Germany for prescription drugs and may grant their customers discounts to compensate for a competitive disadvantage.

Risk mitigation approach – Our Legal and Public Affairs departments are closely monitoring all relevant European legislative developments. In addition, we cooperate with other companies in the online pharmaceutical industry to bundle our interests and we invest significantly in communicating with relevant stakeholders.

Risk – discrimination of online pharmacies.

Risk description and its possible impact – As an online pharmacy, Redcare is subjected to some regulatory discrimination in comparison to brick-and-mortar or local pharmacies. An important example regards access to the electronic patient record (ePA):
From 2025, the electronic patient record (ePA) will be introduced for all statutory health insurance members. Via the ePA, a complete digital medication overview of patients will be available and accessible to medical institutions and local pharmacies. At local pharmacies, the ePA will be accessed through the insertion of the patient's electronic health card (eGK) into a terminal. This option, however, discriminates against mail order pharmacies, which have proposed that they be allowed to use eHealth-CardLink to access the ePA. This is something that would have to be approved and implemented by the German Federal Ministry of Health and Gesellschaft für Telematikanwendungen der Gesundheitskarte mbH (gematik). At the time of writing, a decision is still pending.

Risk mitigation approach – initiatives by Public Affairs to ensure that the interests of online pharmacies are considered and included in the German Federal Ministry of Health's decision-making process. Furthermore, with regard to access to the electronic patient record, we are in discussions with the German Federal Health Ministry, gematik and the German Centre for Telematics.

Risk – continuation of our pharmacy licence(s).

Risk description and its possible impact – We currently hold a pharmacy licence that allows us to ship into all member states of the European Union. If we fail to comply with relevant Dutch and other applicable European pharmacy laws, our pharmacy licences could be withdrawn and we would not be allowed to continue our current business. Our reputation would also be significantly harmed. Potential changes to government regulations for the healthcare and pharmacy industries expose us to the risk that we may be fined or exposed to civil or criminal charges, that we might receive negative publicity or be prevented from shipping products into one or all of our markets. This could have a material adverse effect on our business, financial position and operational results.

Risk mitigation approach – The Quality and Pharma Compliance departments closely monitor and review all the applicable legislation and perform internal audits to assess compliance with the law and regulations, as well as requirements for improvement. Furthermore, we cooperate with other online pharmacies in the industry that are facing similar regulatory requirements, to find common solutions.

Operating risks.

Risk – dependency on people.

Risk description and its possible impact – Redcare Pharmacy is proud of all employees. Without enough qualified staff our business would be disrupted and our strategic development would be hindered. As an online pharmacy we are highly dependent on IT, pharmaceutical and operational colleagues. In addition, we have a duty to deliver our parcels in time to our customers. When we do not have sufficient and qualified employees, this poses a risk to the quality of the care that we can deliver. Furthermore, our future success is heavily dependent on the continued service of our key, management-level employees. A lack of qualified and motivated personnel could impair our development and growth, increase our costs and harm our reputation.

Risk mitigation approach – For Redcare Pharmacy it is important to be an attractive employer for both current and prospective employees. We continue to develop our recruiting processes and capacity and are currently actively working with embedded recruiting organisations to hire personnel. In addition, we are initiating marketing campaigns and are internally promoting employer branding and the creation of brand ambassadors to become a more attractive employer for both potential and existing employees. Learning and development is an important topic for us as a Company, as we want to offer professional and attractive training and development opportunities. Furthermore, we are continuously focussing on, where legally possible, automation opportunities in our labour-intensive processes to reduce the dependency on people in the future.

Risk – high dependency on automation and IT systems.

Risk description and its possible impact – As an e-commerce pharmacy platform we are highly dependent on our webshops, both on the front- and back-ends. Furthermore, we are highly dependent on automated systems and their related software in our warehouse. Failures or bugs in IT systems can have a major impact on our business continuity.

Risk mitigation approach – Changes in our webshops or IT environment are thoroughly tested prior to implementation. An emergency power generator is installed for IT systems as a back-up measure in the event of power outages. In addition, we have a team of technical engineers that is responsible for maintaining all the automated systems and fixing technical issues.

Risk – data security risks and unauthorised use of one or more systems.

Risk description and its possible impact – In our Company, personal data is processed to ensure that the right parcels are sent to the right customer. To deliver high-quality pharmaceutical care, sensitive customer health data need to be analysed by our pharmaceutical staff. Threats to information security, intentional misuse of confidential data or breaches in one of our systems are therefore risks that need to be mitigated. This risk is also considered for activities that are outsourced, such as our external call centres.

Risk mitigation approach – To control all the threats to data security within our Company, an information security management system has been implemented, which integrates the procedures for mitigating risks to data security issues. Penetration testing, access management, bug bounty programmes and two-factor authentication are some examples of technical data security measures, which are well described in our cybersecurity guidelines. Furthermore, we continued to provide the mandatory data security training and awareness programme during 2024 to all our employees. We also implemented a new initiative, whereby a group of Redcare Pharmacy colleagues from all departments were appointed ambassadors for the information security management system, to increase awareness and the exchange of information security within the organisation.

Risk – management of our inventory levels.

Risk description and its possible impact – We must maintain sufficient inventory levels to operate our business through our online webshops successfully. However, many of our products have limited shelf-life dates and we seek to avoid accumulation of excess inventory, while at the same time minimising out-of-stock levels and maintaining in-stock levels across all product categories. If we do not accurately anticipate the time it will take to obtain new inventory or sell existing inventory, our inventory levels will not be appropriate and this may result in a loss of sales, a loss of customers who are unsatisfied with our delivery times or increased costs of maintaining inventory. Furthermore, we could incur additional costs for the disposal of expired products, which is a regulatory requirement for e-Rx products.

Risk mitigation approach – We have specialised staff and departments working on this. In addition, we have an automated purchasing tool in place that calculates the required purchase volumes for the right inventory levels. Furthermore, via various information dashboards we monitor stock levels per country and specific article information for articles with a potential future inventory risk.

Financial risks.

Risk – financial consequences due to environmental pollution.

Risk description and its possible impact – We are aware of negative environmental impacts that occur across our supply chain. We are aware of the environmental impact of our business model and want to reduce our carbon footprint extensively in the coming years. As an e-commerce player, we have a large volume of parcels that are sent to customers with different carriers daily. Because of the costs arising from extended carbon taxation, we run the risk that the transportation cost for our parcels will rise in the future. In 2023, we maintained a AAA rating by the renowned ESG institution MSCI. This means that we are considered an industry leader in respect of our ESG efforts.

Risk mitigation approach – We are working hard to eliminate waste, replace plastic with recyclable materials in our operations and reduce our carbon emissions. Most of our offices now use only green electricity. With the expert help of our Sustainability department, we are continuously investigating where we can make the next improvements.

Risk – dependency on advertising partners.

Risk description and its possible impact – A significant part of our marketing and advertising activities is conducted via online advertising platforms, such as Google AdWords. In the past, Google stipulated country-specific rules to use their platform for advertising pharmaceutical products or pharmacies. It cannot be excluded that in the future either Google, affiliated marketing partners or other advertising platforms will increase similar restrictions, which could limit our ability to launch marketing activities related to us, our websites or our product offering in the countries in which we are already active or in the countries which we plan to enter in the future. Furthermore, it cannot be ruled out that Google or other advertising platforms will be unable to adapt their terms and conditions for advertising in line with ongoing factual changes on the certification of online pharmacies in a timely fashion, or even unable do so at all. In that case, we would not be able to use these advertising platforms in compliance with their respective terms and conditions and might be prohibited from using them. No assurance can be given that we could find new advertising platforms or develop other forms of advertising at the same costs and / or with the same reach.

Risk mitigation approach – Continue to monitor the rules stipulated by Google and build our brand value and customer loyalty.

Risk - risk of financing and cost of financing to execute growth strategy.

Risk description and its possible impact - the current strategy of fast growth requires investments in capacity for logistics, pharmaceutical and other operational specialised assets and services, marketing, working capital and information technology. The potential need or wish for and availability of external financing in whatever shape or form and the costs of it are a risk. For instance, under certain scenarios, it could slow down the execution of a most-preferred strategy trajectory or lead to higher cost or the issuance of shares.

Risk mitigation approach - we maintain a robust financial management framework, including short-term, mid- and long-term planning processes to track and model future liquidity levels and requirements. We actively manage and maintain our investor relations and relations with other stakeholders and keep legal documents up to date. We also actively safeguard flexibility in our operations to adjust the balance of growth and cash generation or requirements. We diversify funding and manage options to do so. We closely monitor and steer cash flow, margins, working capital and capital allocation to ensure a sustainable business model, as well as continuously monitor external capital and debt market developments.

Opportunities.

Macroeconomic and market conditions.
According to market information, the market for medications and pharmacy-related beauty and personal care products is expected to continue to grow. As a first mover and one of the leading pharmacies in Europe, Redcare Pharmacy has a good chance to benefit strongly from this general growth opportunity.

Trend towards switch from offline to online e-commerce.
While many retail stores were temporarily closed during the Covid–19 pandemic, certain areas of e-commerce recorded significant growth. Over the years, e-commerce has become a sustainable additional supply infrastructure for many business and retail channels. In most if not all continental European countries, the online penetration of pharmacies is still at a low level compared to other retail verticals.

We believe that the pharmacy, pharmacy-related beauty and personal care, and related healthcare e-commerce market in most of the countries we currently operate in will continue to grow above average over the coming years, and that we should continue to benefit strongly from this development because of our market-leading position. In addition, the increased use of mobile devices and general digitalisation have contributed to the growth of online retail. This also applies to the sale of medications and pharmacy-related beauty and personal care, and related healthcare products, because patients and customers have convenient access to the products anywhere and anytime.

Shareholder information.

The Redcare Pharmacy share.

Redcare Pharmacy N.V. has been listed on the Prime Standard of the Frankfurt Stock Exchange since October 2016. The share is classified under the retail sector and the retail internet sub-sector. The share has been included in the MDAX since June 2023. The MDAX comprises the fifty Prime Standard shares that rank in size below the forty companies included in the DAX index.

Redcare Pharmacy N.V. (RDC-XE) 2024

Share information

In EUR	2023	2024
Share price at start of year	46.63	131.55
Highest share price	135.40	170.50
Lowest share price	46.63	98.00
Average share price	95.45	133.96
Share price at year end	131.55	131.70
Free float	84.8 %	82.6 %
Average number of shares traded (per day)	31737	77014
Market capitalisation at year end (EUR billion)	2.7	2.7

Share price performance.

Global stock markets gained in 2024, despite continued geopolitical tensions in many parts of the world, including the active wars in Ukraine and the Middle East. Uncertainty and high risks prevailed as many significant and populous economies held elections, translating into bouts of moderate market volatility. Nonetheless, with inflation easing, expectations of lower interest rates and an economic soft landing grew, boosting stock prices.

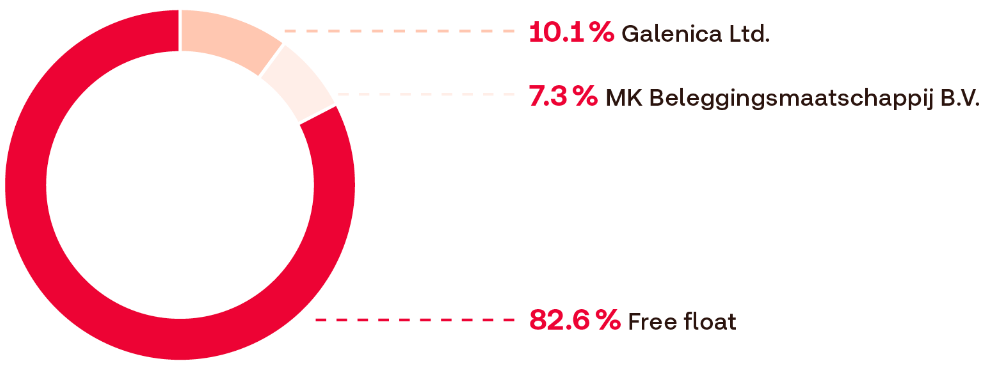
Although central banks in key developed economies began to loosen monetary conditions by mid-year, stock market gains in Europe were significantly more contained than in North America. In Germany, companies in the technology, healthcare, energy and financial services sectors demonstrated the strongest performance, while many small and mid-cap companies performed more modestly, reflecting the country's weak economic environment. The collapse of the coalition government towards the end of the year introduced additional uncertainty, however, financial markets demonstrated resilience.

Besides these external developments, factors that positively affected the Redcare share price development in 2024 included the Company's continuously robust revenue growth, the adoption of the e-prescription throughout Germany and Redcare's ability to launch a fully digital Rx redemption method – eHealth-CardLink – in its app for Germany. These factors resulted in the upgrade of analysts' recommendations and the share price reaching a high of EUR 170.55 for the year in November. However, subsequent weakness, spurred by concerns over emerging competition and short-selling activity led to the share price ending close to its starting point for the year and therefore virtually unchanged.

In comparison, the MDAX index ended the year 5.7% lower (www.stoxx.com). In 2024, the Redcare Pharmacy share gained 11 positions within the MDAX to rank 58th by year end and was also included in the Stoxx Europe 600 Index from 23 December.

Shareholder structure.

Redcare Pharmacy's shares are held by an international shareholder base that is diversified in terms of geography, investor type and investment strategy. The share attracts particular interest from growth-orientated investors who recognise the potential for the Group's further expansion across Europe.



Free float is defined as the freely tradable shares that are not held in fixed ownership. Holdings by an owner of at least 5% are considered non-free float; this does not include shareholdings of asset managers, trust companies, funds and pension funds and investment companies.

Source: The Netherlands' Authority for Financial Markets (AFM).

In March 2023, following the conclusion of a strategic partnership with Redcare in the Swiss company MediService, Galenica AG acquired a shareholding of 6% in Redcare, plus an additional ~2% through the outright purchase of shares. This holding was increased by Galenica to 10.1% in 2024, through the purchase of additional Redcare shares in the market. Besides Galenica, MK Beleggingsmaatschappij B.V., a private financial holding, management and investment company holds 7.3% of the share capital of the Company, resulting in a free float of over 80%.

Other significant shareholders in Redcare Pharmacy that held 3% or more of the shares outstanding at 31 December 2024 are:

Institution / Investor	% shares outstanding	Reported date
Smallcap World Fund Inc. (Capital Group)	5.2%	4/9/2024
DWS Investment GmbH	5.1%	28/8/2024
C. Laubmann	4.2%	19/05/2023
H.R. Hess	3.2%	19/05/2023
T.Rowe Price Group Inc.	3.2%	18/12/2024
UBS Group AG	3.0%	17/12/2024

Source: The Netherlands' Authority for Financial Markets (AFM).

Research coverage.

The Redcare Pharmacy share is covered by many sell-side analysts, with whom the management and Investor Relations engage regularly. Besides these, other research agencies also monitor and report on the Company's performance and outlook. By the end of the year, the share was recommended as a "buy" by nine out of thirteen analysts covering Redcare regularly, while there were three "hold" (or equivalent) recommendations. An overview of the recommendations is provided in the table that follows.

Institution	Last update at December 2024	Recommendation	Target price (in EUR)
Baader Helvea	5 November 2024	Buy	175
Berenberg	5 November 2024	Buy	190
Deutsche Bank	6 November 2024	Buy	202
Hauck & Aufhäuser	4 October 2024	Buy	175
HSBC	8 October 2024	Buy	160
Jefferies	5 November 2024	Buy	170
Kepler Cheuvreux	8 November 2024	Hold	145
Metzler Equities	6 November 2024	Buy	156
Morgan Stanley	21 November 2024	Equal weight	140
Oddo BHF	5 November 2024	Neutral	109
Stifel	7 November 2024	Buy	183
UBS	22 November 2024	Sell	85
Warburg Research	5 November 2024	Buy	176

Closed periods.

To ensure market integrity and regulatory compliance, Redcare Pharmacy observes closed periods before the publication of quarterly statements, as well as half-year and annual reports. During closed periods, which at a minimum start thirty days before the publication of financial information, the Company's management and Investor Relations refrain from engaging with investors and analysts, unless the engagement is required to clarify or discuss previously published Company information. In the interest of fair disclosure, the Company does not hold pre-close calls with any parties. Within days of the end of each reporting period, the Company publishes a trading update that provides preliminary sales information simultaneously to the broader market.

Closed periods are also observed to prevent insider trading. All employees on the insider list and with access to sensitive Company information or material, non-public information, are therefore prohibited from buying or selling the Company's shares during closed periods. The Company's closed periods are published on the Investor Relations website.

Investor relations.

Redcare Pharmacy strives to forge good relationships with all stakeholders. The Investor Relations team's primary task is to maintain contact with current and potential shareholders of the Company and with sell-side analysts who advise shareholders. Through bilateral contacts, roadshows and participation at investor conferences, the team aims to ensure the thorough understanding of the Company's investment case and its operational performance.

Every year, Redcare Pharmacy is represented at a number of European conferences. In 2024, the team met with investors in London, Copenhagen, Zurich, Munich and Frankfurt at conferences hosted by sell-side brokers. It also held a non-deal roadshow to the United States and three e-roadshows. Besides this, numerous other group and one-on-one virtual meetings were held. In total, Redcare Pharmacy had 245 meetings, covering 155 existing and potential investors.

Throughout the year, financial and strategic information is disclosed to investors and other stakeholders in a transparent and non-discriminatory manner, principally via publication on the Company's website and newswires. Interactive, live webcasts are held every quarter to present and clarify the Company's earnings.

3

Corporate *governance.*

Table of contents.

Corporate governance.

The Managing Board and the Supervisory Board of Redcare are firmly committed to the principles of transparent, responsible corporate governance and supervision. Redcare recognises the importance of clear rules on corporate governance and, where appropriate, we have adapted our internal organisation and processes to these rules.

An outline of our corporate governance structure is provided below.

Governance structure.

Redcare is a Dutch public limited liability company listed on the Prime Standard segment of the Frankfurt Stock Exchange.

Our corporate governance practices are principally derived from our Articles of Association, the provisions of the Dutch Civil Code, the Dutch 2022 Corporate Governance Code (“Corporate Governance Code”) and complemented by our Code of Conduct and our internal policies and procedures. Given our stock listing in Germany, Redcare also complies with the German capital market law and intends to also comply – on a voluntary basis and where possible – with the recommendations of the German Corporate Governance Code.

Redcare has a two-tier board structure. The Company is managed by a Managing Board consisting of executive directors acting under the supervision of a Supervisory Board (consisting of non-executive directors). Both boards are composed of members who have the knowledge, skills, experience and ability to properly fulfil their roles and tasks. For a competence matrix, reference is made to the Supervisory Board Report.

Since 2021, a Works Council for employees at the Sevenum location has been in place.

Capital structure.

On 31 December 2024, Redcare had a total of 20,342,486 ordinary bearer shares with voting rights. Each share has a nominal value of EUR 0.02. The share capital of the Group amounts to EUR 402,108.04 divided into 20,105,402 shares which have been issued and fully paid, 237,084 shares are held in trust for stock option plans. There are no share types other than the ordinary bearer shares.

There are no shares with special rights conferring powers of control.

Managing Board.

Responsibilities.

The Managing Board is entrusted with the management of the Company and is responsible for creating long-term value by establishing and achieving the Company’s strategic objectives, managing an adequate risk management and internal control system, managing compliance with laws and regulations and embedding its sustainability strategy into operations. In doing so, the Managing Board takes the interests of all stakeholders into account.

The Managing Board consults with the Supervisory Board on important matters and submits certain decisions to the Supervisory Board for approval. The Managing Board Rules are defined in consultation with the Supervisory Board.

The Managing Board is accountable for its actions to the Supervisory Board and the Annual General Meeting of shareholders.

Composition and appointment.

The Supervisory Board determines the number of Managing Directors. Managing Directors are appointed by the General Meeting of Shareholders ("General Meeting") on the basis of a non-binding nomination made by the Supervisory Board. A person nominated by the Supervisory Board may be appointed as a Managing Board member by the General Meeting by a resolution adopted by an absolute majority of the votes cast. If a person has not been nominated for appointment as a Managing Board member by the Supervisory Board, the resolution of the General Meeting to appoint such a Managing Board member requires an absolute majority of the votes cast, representing more than one-third of the issued capital. The notice for any such General Meeting should state if a nomination has been made by the Supervisory Board.

The full procedure for the appointment and dismissal of members of the Managing Board is explained in Article 14 of the Company’s Articles of Association.

No Managing Board member holds more than two supervisory board positions at Dutch ‘large companies’ in accordance with Article 2:132a DCC.

Each member of the Managing Board is appointed for a maximum period of four years, provided that if a Managing Board member retires earlier, his / her term expires on the day following the day of closing of the General Meeting that will be held in the year in which his / her term expires.

The Supervisory Board is authorised to suspend a Managing Board member at any time. The General Meeting may suspend and dismiss a Managing Board member at any time. A Managing Board member may be suspended and dismissed by the General Meeting only based on a resolution passed by an absolute majority of the votes cast, representing at least one-third of the issued share capital, unless the dismissal or suspension has been proposed by the Supervisory Board, in which case the majority does not apply. Furthermore, in case of a suspension, the Supervisory Board is obliged to convene a General Meeting to pass a resolution either on lifting the suspension of the respective member of the Managing Board or on their dismissal.

The Managing Board currently consists of five members: Olaf Heinrich (CEO), Jasper Eenhorst (CFO), Theresa Holler (COO), Dirk Brüse (CCO) and Lode Fastré (CIO). For their profiles, reference is made to the section Meet our Managing Board.

Diversity.

The composition of the Managing Board is based on diversity of experience, personality, gender and ethnicity, background, skills, knowledge and insights. Redcare currently has one female Managing Board member (20%). Our Board competence matrix highlights key areas of expertise, skills and diversity of our members of the Managing Board.

Redcare believes in the strengths of diversity and inclusion and will further enhance diversity across all management levels, including the Supervisory Board and Managing Board, but without compromising our commitment to hiring the best individuals for positions without any discrimination. The more we make use of the differences between us and learn from each other, the stronger we will be as a company in serving a highly diverse society and creating value for our stakeholders.

Our Diversity and Inclusion Policy, published in 2022, sets out our specific and ambitious targets. The Company has set a target for 2027 to increase the number of women on the Managing Board and the number of women in sub-top management positions (consisting of Executive Director and Director roles) to 33%.

The gender composition within the Company is shown in the Social information section in the Sustainability statements.

The male / female ratio of our sub-top management level remained at the same level as last year (from 32% in 2023 to 34% in 2024) even after the inclusion of the sub-top management positions of our acquisitions in scope. Our Supervisory Board consists of 40% female and 60% male, which is in line with our target. Our Managing Board composition is not in line with our target. We will evaluate our Diversity and Inclusion Policy in 2025 including our targets and target date.

Conflict of interest.

The Managing Board members are obliged to disclose any conflicts of interest to the Chairperson of the Supervisory Board without delay and to inform the other Managing Board members accordingly. The Supervisory Board shall decide whether a conflict of interest exists as soon as possible after such notice.

Members who have a conflict of interest shall refrain from participation in the consultation and decision-making of the Managing Board with respect to the relevant subject. In case of a conflict of interest in respect of all members of the Managing Board, the decision shall be adopted by the Supervisory Board. Decisions to enter transactions under which members of the Managing Board have a conflict of interest that is of material significance to the Company and / or to relevant members of the Managing Board, require the prior approval of the Supervisory Board. No such transaction was concluded in 2024.

Risk management and internal control framework.

We have a comprehensive Enterprise Risk Management framework in place to ensure that we have a systematically updated overview of the risks that we run as a company and how those risks can be mitigated by appropriate controls. Risk-based thinking enables our organisation to proactively determine factors that could lead to deviations from planned results and the execution of our strategy, and to implement preventive measures to minimise the likelihood and magnitude of possible negative effects.

Strategic, operational, financial and compliance risks are structurally monitored as part of our Enterprise Risk Management framework. Our risk profile is considered when establishing our strategy and financial plans.

The Audit Committee assists the Supervisory Board in its responsibility to oversee the risk management and internal control system. Reference is made to the Risk management section.

Remuneration.

The Supervisory Board determines each Managing Board member's remuneration in line with our Remuneration Policy. The Managing Board Remuneration Policy is subject to a binding vote of the General Meeting once every four years. This vote last occurred in 2022, which means that our Managing Board Remuneration Policy must be submitted for approval to the General Meeting in 2026.

For the application of the Remuneration Policy in 2024, reference is made to the Remuneration report, which is subject to an advisory vote of the General Meeting in 2025. The remuneration of the members of the Managing Board can be found in the 2024 Remuneration report. The Remuneration Policy can be found on our corporate website.

Supervisory Board.

Responsibility.

The Supervisory Board oversees and supervises the Managing Board in terms of how it executes its strategic objectives and the general course of business and provides the Managing Board with solicited and unsolicited advice. In fulfilling its duties, the Supervisory Board shall act in accordance with the interests of the Company and all its stakeholders. In practice, this means supervising the corporate strategy, the achievement of the Company's operational and financial objectives, the design and effectiveness of the internal risk management and control systems, the main financial parameters, compliance with applicable laws and regulations and risk factors.

Composition and appointment of Supervisory Board members.

The General Meeting determines the number of members of the Supervisory Board. The Supervisory Board members are appointed by the General Meeting based on a non-binding nomination to be drawn up by the Supervisory Board. The General Meeting is at any time entitled to suspend or dismiss any Supervisory Board member. The appointment, dismissal or suspension of a Supervisory Board member is decided by the General Meeting by way of an absolute majority of votes cast. If a person has not been nominated for appointment as Supervisory Board member by the Supervisory Board, the resolution of the General Meeting to appoint such Supervisory Board member requires an absolute majority representing at least one-third of the issued capital.

A Supervisory Board member may serve for a maximum term of 12 years. A Supervisory Board member is appointed for a period of four years and may then be reappointed once for another four-year period. The Supervisory Board member may then subsequently be reappointed again for a period of two years, which appointment may be extended by at most two years. Except if a Supervisory Board member retires earlier, his / her term expires on the day following the day of closing of the Annual General Meeting that will be held in the year in which his / her term expires.

The full procedure for the appointment and dismissal of members of the Supervisory Board is explained in Article 20 of the Company's Articles of Association.

Members may retire periodically in accordance with a rotation schedule, as published on our corporate website.

The Supervisory Board of Redcare consists of five members: Björn Söder, Frank Köhler, Jérôme Cochet, Henriette Peucker and Jaska de Bakker. For their profiles, reference is made to the Supervisory Board Report. 100% of our Supervisory Board members are deemed to be independent.

Diversity.

The Supervisory Board currently complies with the gender diversity target (40%) set by the Company; two Supervisory Board members are female (40%). Our Board competence matrix highlights key areas of expertise, skills and diversity of our members of the Supervisory Board.

Remuneration.

The General Meeting determines the remuneration of the Supervisory Board members, including the members of its committees. The Supervisory Board Remuneration Policy is subject to a binding vote of the General Meeting of shareholders every four years. This vote last occurred in 2024.

For the application of the Remuneration Policy in 2024, reference is made to the Remuneration report, which is subject to an advisory vote of the General Meeting in 2025. The remuneration of the members of the Supervisory Board can be found in the 2024 Remuneration report. The Remuneration Policy can be found on our corporate website.

Conflict of interest.

The Supervisory Board members are obliged to inform any (potential) conflicts of interest to the chairperson of the Supervisory Board without delay. The Supervisory Board shall decide whether a conflict of interest exists as soon as possible after such notice. Members who have a conflict of interest shall refrain from participation in the deliberation and decision-making of the Supervisory Board with respect to the relevant subject. If all members of the Supervisory Board have a conflict of interest, the Supervisory Board may nevertheless decide on the relevant subject. All transactions of the Company in which there are conflicts of interest with members of the Supervisory Board shall be agreed upon on terms that are at least customary in the market. Decisions to enter into transactions under which members of the Supervisory Board have a conflict of interest that is of material significance to the Company and / or to the relevant member of the Supervisory Board, require the prior approval of the Supervisory Board. This also applies to transactions between the Company and a person or entity that holds at least 10% of the shares in the Company and that are of material significance to the Company and / or to such persons. No such transaction was concluded in 2024.

Committees of the Supervisory Board.

In line with the Corporate Governance Code, the Supervisory Board has established an Audit Committee, a Remuneration Committee and a Nomination Committee. Each of these committees is staffed by members of the Supervisory Board. At least one of the members of the Audit Committee is a financial expert and the majority of the members of the committees are independent in accordance with the criteria of the Corporate Governance Code and the Decree Establishing an Audit Committee.

Audit Committee (in place since 2018): The Audit Committee's role is to oversee all material aspects of the organisation's financial reporting, internal control and audit functions on behalf of the Supervisory Board. The three members of the Audit Committee are: Jaska de Bakker (Chairperson), Frank Köhler and Henriette Peucker. Reference is made to the Audit Committee Rules.

Remuneration Committee (in place since 2022): This committee prepares the decisions of the Supervisory Board regarding the remuneration of the individual Managing Board members and the individual Supervisory Board members. It oversees the effectiveness, relevance and implementation of the Remuneration Policy. The three members of the Remuneration Committee are: Jérôme Cochet (Chairperson), Björn Söder and Frank Köhler. Reference is made to the Remuneration Committee Rules.

Nomination Committee (in place since 2022): This committee is responsible for the size and composition of the Supervisory Board and Managing Board, their succession planning and the functioning of the members. It also focuses on the Company's talent management and succession planning for key positions. The three members of the Nomination Committee are: Henriette Peucker (Chairperson), Björn Söder and Jaska de Bakker (who was appointed by the Supervisory Board as an additional member in December 2024). Reference is made to the Nomination Committee Rules.

Annual General Meeting.

The Annual General Meeting of shareholders is held at least once a year and usually takes place in Sevenum, the Netherlands, where the Company has its corporate seat, or in Venlo. The convocation of this meeting is done through public notice on our corporate website. Recurrent agenda items are the compilation of our Annual Report, the adoption of our annual accounts, the release from liability of Managing Board members and Supervisory Board members, the application of the Remuneration Policy in the previous calendar year and the Company's corporate governance. An extraordinary General Meeting may be convened by resolution of the Managing Board or the Supervisory Board.

Voting rights.

Each share issued by Redcare entitles its bearer to one vote. There are no restrictions on voting rights. As far as is known to Redcare, there is no agreement involving a shareholder of Redcare that could lead to any restriction on the transferability of shares or of voting rights on shares.

Rules governing amendments to the Articles of Association and other special resolutions.

On a proposal of the Managing Board which has been approved by the Supervisory Board, the General Meeting is authorised to resolve to amend the Articles of Association, to dissolve the Company or to conclude a legal merger (*juridische fusie*) or a demerger (*splitsing*) as referred to in Title 7 of Book 2 DCC, unless the Company acts as acquiring company. A resolution of the General Meeting to conclude a legal merger or a demerger as referred to in Title 7 of Book 2 DCC which has been proposed by the Managing Board and approved by the Supervisory Board, requires a majority of two-thirds of the votes cast if less than fifty percent (50%) of the issued capital is represented.

A resolution of the General Meeting as referred to above which has not been proposed by the Managing Board and given prior approval by the Supervisory Board, requires a majority of at least two-thirds of the votes cast in a meeting in which at least fifty per cent (50%) of the issued capital is represented.

If less than fifty per cent (50%) of the issued share capital is represented in a meeting, a second meeting should be convened, to be held no later than six weeks after the first meeting. In the second meeting, valid resolutions can be adopted with respect to the proposals placed on the agenda for the first meeting, regardless of the share capital represented in the second meeting, provided there is a majority of at least two-thirds of the votes cast. The notice convening the second meeting should indicate and set forth the reasons why a resolution may be adopted at such second meeting, irrespective of the share capital represented at the meeting.

Issue of shares.

At the Annual General Meeting held on 17 April 2024, the General Meeting appointed the Managing Board as the corporate body authorised to, for a period of five years from the date of the meeting (i.e. up to and including 16 April 2029), or until such date on which the General Meeting revokes or again extends the authorisation, if earlier to:

i. Issue shares and grant rights to acquire shares subject to the prior approval of the Supervisory Board and up to a maximum of 20% of the total number of issued shares on the date of the meeting (i.e. up to a maximum of 20% of 20,342,486 shares).
ii. Restrict and exclude the pre-emptive rights accruing to shareholders in respect of the issue of shares or the granting of rights to acquire shares.

“2024 Managing Board Designation".

The 2024 Managing Board Designation allows for appropriate and sufficient flexibility for the Company to issue (or grant rights to acquire) shares for general purposes which include, among others, the acquisition of companies and / or their businesses in a competitive and high-growth market, financing activities or any other general corporate or commercial purpose.

The 2024 Managing Board Designation was granted under the explicit reservation that the General Meeting reserves its rights that it is at any time during such authorisation also authorised to issue shares and grant rights to acquire shares in the share capital of the Company, and to restrict and exclude the pre-emptive rights accruing to shareholders in respect of the issue of such shares or the granting of rights to acquire such shares. The authorisation for the Managing Board granted at the Annual General Meeting on 21 April 2021 is no longer in force and effect and was revoked on 17 April 2024.

In addition, the Managing Board was designated by the General Meeting on 17 April 2024 as the corporate body authorised to grant rights to acquire shares, subject to the prior approval of the Supervisory Board, up to a maximum of 40,000 (rights to acquire) shares for the calendar year 2024, under, pursuant and in connection with the Employee Stock Option Plan that was implemented in 2019, pursuant to which certain employees of the Company can be granted (rights to acquire) shares in the share capital of the Company (“2019 ESOP”).

The Supervisory Board was designated during the 2023 Annual General Meeting as the corporate body authorised to issue shares and / or grant rights to acquire shares, to members of the Managing Board up to a maximum of 130,000 (rights to acquire) shares for a period of 36 months (until 26 April 2026). In addition, on 17 April 2024 the General Meeting authorised the Supervisory Board as the corporate body to issue shares and / or grant rights to acquire shares, up to a maximum of 45,000 (rights to acquire) shares, for a period of 24 months as of the date of the Annual General Meeting (until 17 April 2026), subject to and in connection with the 2023 Stock Option Plan of the Managing Board.

Repurchase of shares.

In 2024, the General Meeting authorised the Managing Board to repurchase shares on the stock exchange or otherwise for a period of 18 months and which period will end on 16 October 2025, up to a maximum of 10% of the total number of issued shares outstanding on the date of the meeting (i.e. up to a maximum of 10% of 20,342,486 shares), provided that the Company does not hold more shares in treasury than a maximum 10% of the issued and outstanding share capital at any given time. The repurchase can take place at a price between the nominal value of the shares and the weighted average price on the Xetra trading venue at the Frankfurt Stock Exchange for five trading days prior to the day of purchase plus 10%. The price range enables the Company to adequately repurchase its own shares, also in volatile market conditions. The authorisation to repurchase shares granted to the Managing Board by the General Meeting in 2023 expired on 26 October 2024.

Anti-takeover measures.

According to the Code, the Company is required to provide an overview of its actual or potential anti-takeover measures and to indicate under what circumstances it is expected they may be used. The Company is not subject to any anti-takeover or restrictions of control. The Articles of Association of the Company do not contain any binding nomination rights (*bindende voordrachtsrechten*).

In the event of a hostile takeover bid, or other action which the Managing Board and the Supervisory Board consider to be adverse to the Company's interests, the boards reserve the right to use all available powers (including the right to invoke a response time in accordance with provisions 4.1.7 of the Corporate Governance Code) while taking into account the relevant interests of the Company and its affiliate enterprise and stakeholders.

Substantial shareholdings and short positions.

Shareholders owning 3% or more of the issued share capital of a listed company (a substantial shareholding or short position) must report this to the Netherlands Authority for Financial Markets (AFM) as soon as the threshold is reached or exceeded. Subsequently, notifications to the AFM must be made as soon as a substantial shareholding or short position reaches, exceeds or falls below set thresholds.

The thresholds are 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95% of a company's issued share capital. Shareholders' disclosures can be inspected in the register kept by the AFM.

For an overview of the substantial shareholdings which were recorded in the AFM register on 31 December 2024 reference is made to the section Shareholder information.

Non-compliance with Dutch Corporate Governance Code.

Redcare complies with all relevant best practice provisions of the Corporate Governance Code, except for provision 1.3, a dedicated internal audit function. The Supervisory Board concluded in 2023 to implement an internal audit function which will be established as of 1 January 2025. In addition, both the 2019 Stock Option Plan and the 2020 Stock Option Plan for the Managing Board did not include any performance criteria and therefore do not comply with provision 3.1.2 (v). Performance criteria were introduced in the 2022 Remuneration Policy and respective 2023 Managing Board Stock Option Plan.

Corporate governance-related documents are available on our website, including, amongst others:

- Articles of Association
- Rules of the Managing Board
- Rules of the Supervisory Board
- Committee Charters
- Managing Board Remuneration Policy
- Supervisory Board Remuneration Policy
- Supervisory Rotation Schedule
- Supervisory Board Profile
- Code of Conduct
- Speak Up Policy
- Supplier Code of Conduct
- Diversity and Inclusion Policy
- Stakeholder Engagement Policy
- Policy on Bilateral and Other Contacts with Shareholders
- Public Affairs Policy
- Insider Trading Policy
- Quality and Safety Practices
- Information Security Practices

Compliance statements.

The management report (consisting of page 30 up to and including 147), and such parts of the financial statements as referred to in the management report, comprise *"Bestuursverslag"* within the meaning of Article 2:391 DCC.

In-control and responsibility statement.

The Managing Board states, in accordance with best practice provision 1.4.3 of the Corporate Governance Code, to the best of its knowledge, that:

- The management report provides sufficient insights into any important deficiencies in the effectiveness of the internal risk management and control systems that may have been detected during the 2024 financial year. No major failings have been detected.
- The Company's internal risk management and control systems provide reasonable assurance that its financial reporting does not contain any error of material importance.
- The internal risk management and control processes in relation to financial reporting have functioned properly in 2024.
- Based on the Company's current state of affairs, it is justified that the financial reporting is prepared on a going concern basis.
- The management report discloses the material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of this report.

The risk management and control sections of the management report provide a clear substantiation of the above-mentioned statements.

With regards to Article 5.25c paragraph 2c of the Financial Markets Supervision Act, the Managing Board states that, to the best of its knowledge:

- The annual financial statements give a true and fair view of the assets, liabilities, financial position and loss of the Company and the undertakings included in the consolidation taken as a whole.
- The Managing Board report provides a fair view of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks faced by the Company.

Corporate governance statement.

The information required to be included in this Corporate Governance Statement, as described in Articles 3, 3a and 3b of the Dutch Decree on the contents of Director's Report (the Decree), are incorporated in the management report and the Supervisory Board report.

The main characteristics of the Company's internal risk management measures and control systems connected to its financial reporting process, as required by Article 3a of the Decree, are described in the Risk and opportunities section.

Decree on Article 10 of the Takeover Directive *(Besluit Artikel 10 Overnamerichtlijn)*.

The Managing Board states that all information which must be disclosed pursuant to the Decree on Article 10 of the Takeover Directive (*"Besluit Artikel 10 Overnamerichtlijn"*) is included in the Corporate Governance section, the report of the Supervisory Board and the notes referred to herein, to the extent that it is applicable to Redcare.

Non-financial statement.

Redcare is required to publish a non-financial statement based on Directive 2014/95/EU on the disclosure of non-financial information, which is implemented into Dutch law through the Decree disclosure on non-financial information (*"Besluit bekendmaking niet-financiële informatie"*). The information regarding environmental, anti-corruption and bribery matters and respect for human rights, as required by this Decree, is incorporated in the Corporate Governance report. The information regarding social and employee matters, also required by this Decree, is incorporated in the sustainability statements.

Sevenum, 10 March 2025

The Managing Board of Redcare Pharmacy:
Olaf Heinrich, Dirk Brüse, Lode Fastré, Theresa Holler, Jasper Eenhorst.

Report of the Supervisory Board.

Dear stakeholders,

I am pleased to present the Supervisory Board report and the Remuneration report for 2024. The year 2024 marks a significant milestone with the nationwide adoption of the e-prescription in Germany. This long-awaited achievement signals the beginning of a new era in healthcare and innovation – a development we have eagerly anticipated for years.

We were extremely grateful to welcome Dirk Brüse and Lode Fastré in April as new members of the Managing Board. Both have been valuable contributors to the Company over the last years in executing our strategy and we are confident in their ability to lead and further execute our strategic vision.

Since our IPO in 2016, the Company has consistently delivered solid double-digit revenue growth numbers, reflecting our customers' strong appreciation for both our Rx and non-Rx product offerings. Revenue growth of 32% in 2024 demonstrates the Company's commitment to meeting customer needs while maintaining a positive operating margin. This outstanding performance was achieved despite increased marketing expenditures to drive the adoption of e-prescription redemptions, a decision strongly supported by the Supervisory Board. This exemplifies the Company's willingness to invest in future growth.

In addition to expand capacity through the establishment of a new distribution centre in the Czech Republic, the Supervisory Board actively supported the Company's initiatives to further invest in innovation, technology and automation – including AI – to meet the growing demands of our customers.

Effective 1 January 2024, the annual base salaries of the Managing Board members were adjusted and all were granted stock options under the 2023 Managing Board Stock Option Plan. In line with Dutch law, the Supervisory Board is preparing the submission of a new Managing Board Remuneration Policy for shareholder approval at the 2026 Annual General Meeting.

A new Remuneration Policy for the Supervisory Board was approved by the General Meeting of Shareholders on 17 April 2024, after due consideration of the benchmark performed by an external remuneration expert and the feedback received as a result of the shareholder engagement sessions.

We highly value the dedication, hard work and commitment of all employees, which continue to drive the Company's success. On behalf of the Supervisory Board, I would like to extend my heartfelt thanks to the members of the Managing Board, all employees and stakeholders for their trust and ongoing support.

Sincerely,

Björn Söder,
Chairman of the Supervisory Board

Composition of the Supervisory Board.

Redcare’s Supervisory Board consists of five members.

Biographies of the members of the Supervisory Board, as well as the information on the members as prescribed by the Corporate Governance Code (2022) (“Code”), including information about the Supervisory Board’s committees and its members, can be found below.

Björn Söder **Chairperson**	German nationality / Age 52 / Male
Date of first appointment:	23 September 2016
Term of office:	2024-2026
Current positions:	Founder of Parklane Capital Beteiligungsberatung GmbH and Parklane Capital Verwaltungsgesellschaft GmbH
Former positions:	Founder of several online companies (e.g. getgo.de), strategy consultant at McKinsey & Company
Committees:	Remuneration Committee, Nomination Committee

Frank Köhler **Vice-Chairman**	German nationality / Age 60 / Male
Date of first appointment:	23 September 2016
Term of office:	2023-2025
Current positions:	Founder and co-owner of Aroma Company GmbH, Director of Humiecki & Graef, member of the Supervisory Board and Chairperson of the Audit Committee of Vita34 AG
Former positions:	Management position at Loriot Design GmbH
Committees:	Audit Committee, Remuneration Committee

Jérôme Cochet	German nationality / Age 46 / Male
Date of first appointment:	23 September 2016
Term of office:	2023-2025
Current positions:	Co-founder of goodcarbon GmbH
Former positions:	Chief Solutions Officer at Dunnhumby Ltd., Managing Director at Zalando Marketing Services, strategy consultant at McKinsey & Company
Committees:	Remuneration Committee (Chairperson)

Henriette Peucker	German nationality / Age 55 / Female
Date of first appointment:	21 April 2021
Term of office:	2021-2025
Current positions:	Chief Executive and member of the Board Deutsches Aktieninstitut
Former positions:	Deputy CEO of the Association of German Banks, Partner at Hering Schuppener (fgs global), Head of European Public Affairs at Deutsche Börse Group, investment banker at Schroders/Citigroup
Committees:	Nomination Committee (Chairperson), Audit Committee

Jaska de Bakker	Dutch nationality / Age 54 / Female
Date of first appointment:	14 April 2022
Term of office:	2022-2026
Current positions:	Non-executive board positions at Prysmian Group, The Ocean Clean-up, Nobian and AkzoNobel
Former positions:	CFO at Royal Friesland Campina, CFO at Royal HaskoningDHV, strategy consultant at Boston Consulting Group
Committees:	Audit Committee (Chairperson), Nomination Committee

Term.

A Supervisory Board member is appointed for a period of four years and may then be reappointed once for another four-year period. Subsequently, a member may be reappointed again for a period of two years, which appointment may be extended by, at most, two years.

The term for Björn Söder expired in 2024 and a proposal was adopted at the Annual General Meeting in 2024 to reappoint Björn for a fourth term of two years, which term expires at the 2026 Annual General Meeting. The reason for this reappointment was the high level of Björn's commitment and appreciation for his accumulated expertise and knowledge.

Overview of committees and terms of office of SB members:

	AC	RemCo	NomCo	Date of initial appointment	2022	2023	2024	2025	2026
Björn Söder (Chairperson)		X	X	23.09.2016	------	------	------	------	----4
Frank Köhler (Deputy Chairperson)	X	X		23.09.2016	------	------	------	-----3	
Jérôme Cochet		X		23.09.2016	-----	------	------	-----3	
Henriette Peucker	X		X	21.04.2021	------	------	------	-----1	
Jaska de Bakker	X		X	14.04.2022	------	------	------	------	------1

X – Chairperson X – member ---- – term

Independence of Supervisory Board and its members.

The Supervisory Board assesses at least annually whether it still complies with the independence requirements as set out in these principles.

The Supervisory Board is composed in accordance with the criteria set out in best practice provisions 2.1.7 to 2.1.9 of the Code, which relate to independence. As of 1 January 2024, 100% of the members of the Supervisory Board are deemed to be independent.

Until 1 January 2024, Frank Köhler was deemed not to be independent within the meaning of best practice provision 2.1.8 sub i. and vi. Frank Köhler was part of a voting agreement with his brother Michael Köhler, formerly one of the largest shareholders and former CEO of the Company, and other shareholders, in total representing around 25% of the actual outstanding voting rights of Redcare. This voting agreement was dissolved on 18 May 2023.

The Supervisory Board resolved in December 2023 that Frank Köhler was deemed to be independent as of 1 January 2024 given that i) more than five years had passed since Michael Köhler left the Managing Board of Redcare on 31 December 2018, and ii) Michael Köhler's shareholding in the Company no longer exceeded 10% as of 11 December 2023. Three Supervisory Board members hold long-term share positions in the Company: Björn Söder, Frank Köhler and Jérôme Cochet.

Conflicts of interest.

Supervisory Board members are alert to conflicts of interest, and the Rules of the Supervisory Board contain the process to follow in such events. Resolutions to enter into transactions under which members of the Supervisory Board could have a conflict of interest with the Company and which are of material significance to the Company and / or the relevant Supervisory Board member require the prior approval of the Supervisory Board. The respective member who has the conflict of interest will not participate in the deliberations and decision-making process regarding such a transaction. No such transactions were submitted to the Supervisory Board in 2024.

Diversity.

We aim for diversity across all management levels. We do not see diversity merely as a matter of gender or ethnicity, but also of personality, skills and knowledge. We need people from different backgrounds and cultures. Redcare Pharmacy will focus on further enhancing diversity across all management levels, including future appointments to its Supervisory Board and Managing Board, without compromising our commitment to hiring the best individuals for positions. The more we make use of the differences between us and the more we can cooperate and learn from each other, the stronger we will be as a Company in serving a highly diverse society and our diverse stakeholders. Currently, two out of five Supervisory Board members are female (40%).

Meetings and attendance.

Once per quarter, the Supervisory Board held a meeting to review the quarter in detail and to be provided with an operational update by the Managing Board. The Managing Board members attended all these meetings.

All members had sufficient time available for the duties related to their membership of the Supervisory Board, as demonstrated by their availability for ad hoc calls, prompt responses to e-mails, good meeting preparation and active participation in meeting discussions. Meetings were prepared in consultation with the Chairperson of the Supervisory Board, the Managing Board and the Company Secretary. The Chairperson of the Supervisory Board maintained regular contact with the CEO.

Board attendance	Supervisory Board		Audit Committee		Nomination Committee		Remuneration Committee	
No. of meetings:	**Held***	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Björn Söder	15	15			6	6	7	7
Frank Köhler	15	15	6	5			7	5
Jérôme Cochet	15	11					7	6
Henriette Peucker	15	15	6	5	6	6		
Jaska de Bakker	15	14	6	6				

*Six regular meetings and nine additional meetings

In 2024, fifteen meetings of the Supervisory Board took place with an attendance rate of 93.5%. The members of the Managing Board took part in the Supervisory Board meetings unless otherwise determined by the Chairperson of the Supervisory Board. In addition, three meetings took place with only members of the Supervisory Board attending (attendance rate of 100%) where, among other things, topics were brought forward by the Remuneration Committee and Nomination Committee.

Next to the quarterly Audit Committee meetings, two additional Audit Committee meetings took place in the first quarter of the year in preparation of the year-end closure. Meetings of the Remuneration Committee and Nomination Committee were held when necessary. In addition, a plenary session took place with all members of the Supervisory Board to perform its annual effectiveness review.

Activities during the 2024 financial year.

Strategic oversight and business review.

The Supervisory Board oversees the Managing Board in how it executes the Company's strategic objectives and operations. The Supervisory Board performs its duties pursuant to the law, the Company's Articles of Association and the Supervisory Board Rules. The Supervisory Board receives reports from the Managing Board within the scope prescribed by law, charters, best practices and upon request, in particular on all issues of relevance for Redcare. These topics include, among others, the Company's strategy, financial performance, planning, business development, compliance and risk management, organisation and talent development, sustainability, market developments, stakeholder engagement and reputation.

Key subjects discussed were: the succession of the CCO and the CIO; the development of the e-Rx segment in Germany; customer satisfaction; the building of a new distribution centre in the Czech Republic and automation investments, the internal risk management and control system; the annual operating plan for 2024. A strategy session was held with the Managing Board during which the Company's strategy and its strategic priorities were discussed and industry trends and developments were exchanged. Also, the long-term plan was discussed during this session. Every quarter, the Supervisory Board was updated on the business highlights of the Company, including its progress on the pre-determined sustainability KPIs. During these meetings, the Supervisory Board ensured that the Managing Board's ideas were challenged and tested to reach decisions that would underpin the Company's strategy.

The Supervisory Board also engaged with Forvis Mazars Accountants N.V., who were appointed as auditors for the financial year 2024 by the General Meeting on 17 April 2024. Among other topics, the outcome of the audit procedures, including the findings regarding the Company's risk management and control systems, were discussed. In addition, the Supervisory Board also engaged and resolved to appoint, and to the extent required by law, approved the resolution by the Managing Board to engage and appoint Forvis Mazars Accountants N.V. for providing limited assurance on the sustainability reporting of the Company for the financial year ending on 31 December 2024.

In 2023 the Managing Board adopted the recommendation of the Supervisory Board to implement an internal audit function, given the fast growth and ambitions of the Company, the highly regulated market in which the Company operates and the many technological components involved in its operations. The function has become effective as of 1 January 2025.

The Supervisory Board was regularly updated on the Company's governance and compliance with laws and regulations and best practices, including the Dutch Corporate Governance Code and the newly introduced Speak Up Policy and reports submitted through the Speak Up Line.

The Supervisory Board consulted with and received the advice of external experts such as legal, auditing and remuneration experts.

Sustainability.

The Supervisory Board was updated on the progress made by the Company on the pre-determined sustainability KPIs every quarter and on the identified material topics that represent the Company's most significant impact on the economy, environment and people. In addition, Supervisory Board members were informed about the CSRD and the preparations which were being undertaken by the Company to start reporting accordingly as of 2024.

Supervisory Board effectiveness review.

The Supervisory Board assessed its performance and composition and that of its committees with the support of an external facilitator. The aim of the continuous effectiveness review is to determine what measures could further improve the effectiveness of Supervisory Board work and its interaction with the Managing Board and its members. The Supervisory Board members completed a questionnaire and were interviewed by the facilitator, as were all members of the Managing Board, the two former members of the Managing Board and the Company Secretary. The consolidated feedback was discussed during a facilitated plenary session with all members attending, where actions were defined. The Supervisory Board concluded, among other things, that its meeting frequency with the Managing Board is deemed to be sufficient and that its collaboration and openness of exchange is good. The Supervisory Board may increase the number of internal meetings, depending on the respective topics. When reviewing its composition, the Supervisory Board identified some areas of expertise (i.e. C-level experience) which shall be strengthened over the next years.

The Supervisory Board is considering the engagement of an external facilitator to perform its effectiveness review every three years (i.e. next one in 2027).

Remuneration.

The Remuneration of the members of the Supervisory Board and of the members of its committees is determined by the General Meeting. A proposal for adjustment of the Remuneration Policy for the Supervisory Board was submitted for approval to the General Meeting on 17 April 2024. The proposed changes primarily related to the right of the members of the Supervisory Board to:

(i) Receive a reimbursement for all reasonable travel and accommodation expenses.
(ii) Receive multiple committee fees (cumulatively) in case they are involved in more than one committee.
(iii) Be eligible for committee fees, even when holding the position of Supervisory Board Chairperson and Supervisory Board Deputy Chairperson.

This proposal was accepted by 100% of the votes cast, where 62.35% of the total issued and outstanding share capital was represented. For more information on the Remuneration Policy of the Supervisory Board, reference is made to the Remuneration report.

The Remuneration Committee.

The Remuneration Committee met seven times in 2024, with an attendance rate of 86%. Based on the benchmarks performed in 2023, the Remuneration Committee prepared and discussed the remuneration package proposals for the newly appointed CCO and CIO which were submitted to the Supervisory Board for approval. Furthermore, the Remuneration Committee defined performance criteria linked to the stock options granted to all members of the Managing Board in 2024, in accordance with the 2023 Managing Board Stock Option Plan. The proposal for the 2024 grants under the 2019 Employment Stock Option Plan was submitted by the Managing Board to the Remuneration Committee for discussion and to the Supervisory Board for approval.

As a result of its annual review of the Remuneration Policy, the Remuneration Committee identified topics that require further discussion in 2025, also in preparation for the Annual General Meeting in 2026, where the Managing Board Remuneration Policy will be submitted for approval in accordance with Dutch law requirements. The Supervisory Board has selected an independent advisor specialised in executive compensation to be supported in this respect.

A scenario analysis was carried out to evaluate the variable component of the remuneration of the Managing Board. The Remuneration Committee also reviewed the pay ratio. For a full outline of the Remuneration Policy, its application in 2024 and the outlook for 2025, reference is made to the 2024 Remuneration report.

Nomination Committee.

The Nomination Committee met six times in 2024, with an attendance rate of 100% and updated the other Supervisory Board members regularly on its activities. It engaged an executive search firm for the performance of an evaluation assessment of the successors of Stephan Weber and Marc Fischer, who decided to step down and resign as CCO and CIO respectively and as members of the Managing Board with effect of the 2024 Annual General Meeting. Employment contracts and remuneration proposals were agreed upon with the two candidates, all in line with the Managing Board Remuneration Policy, and resulted in the nomination and appointment of Dirk Brüse (CCO) and Lode Fastré (CIO) by the General Meeting on 17 April 2024.

The Nomination Committee introduced individual objectives in close cooperation with each member of the Managing Board. Individual performance review meetings took place between each individual member of the Managing Board and the Chairperson of the Nomination Committee and the Chairperson of the Supervisory Board, where, among other things, the individual objectives were evaluated and the Managing Board member was invited to provide his / her view with regards to his / her individual remuneration package.

An external consultant was selected to facilitate the performance of an evaluation of the functioning and composition of the Supervisory Board, its committees and its members. Preparation meetings were held to ensure an effective evaluation session.

The Nomination Committee reviewed the size and composition of the Managing Board given the Company‘s rapid growth, its expansion into other markets and diversified footprint and concluded that the current size and composition are still appropriate.

The Nomination Committee also considered the succession plan for the Supervisory Board, specifically with regards to the three members whose term will expire at the 2025 Annual General Meeting (Frank Köhler, Jérôme Cochet and Henriette Peucker). In this respect, the Nomination Committee suggested and the Supervisory Board resolved to appoint Jaska de Bakker as a third member of the Nomination Committee, to allow for due process and to ensure that the majority of Nomination Committee members are not up for re-appointment.

Finally, the committee spent time on the implications of the Company's upcoming implementation of the Dutch large company regime in 2025 and the respective adjustments to the Company's Articles of Association.

Audit Committee.

The Audit Committee is charged with overseeing financial reporting and disclosure, the selection of the independent auditor and the receipt of audit results. Six meetings were held by the Audit Committee in 2024, with an attendance rate of 89%.

The Audit Committee discussed a number of issues: the initial audit plan of the external auditor; the latest financial figures and budget; evaluation of the external auditor and the enterprise risk management and controls. Every quarter, ample time was spent on the preparation and progress towards the Company's CSRD reporting over 2024 and the implementation status of the CSRD into Dutch legislation. Public Affairs updates were provided regularly to keep the members informed on the regulatory framework. Regular updates were provided by the responsible department heads on legal, tax, public affairs, IT and cybersecurity, insurances and compliance matters.

The Audit Committee discussed the unqualified audit opinion as well as the limited assurance opinion on the Company's sustainability statements issued by Forvis Mazars Accountants N.V. for the financial year 2024 . The financial statements, the combined management report (including sustainability statements) as well as the independent auditor’s report and management letter were discussed by the Audit Committee and the auditors in the presence of the Managing Board. The Audit Committee also had a meeting with the external auditor without members of the Managing Board present to independently discuss their findings.

2024 financial statements.

The Supervisory Board believes that the 2024 financial statements of Redcare Pharmacy N.V. meet all requirements for correctness and transparency. The Supervisory Board has approved the financial statements for 2024. All members of the Supervisory Board and Managing Board have signed the financial statements for 2024 pursuant to the statutory obligations under Article 2:101 (2) of DCC.

The Supervisory Board recommends to the General Meeting to be held in 2025 to adopt the financial statements for 2024 and requests the General Meeting to discharge the Managing Board members’ responsibility for the conduct of business in 2024 and the Supervisory Board members’ supervision in 2024. The Annual Report 2024 is available at the Company’s offices on request and on the Company’s website.

The Supervisory Board would like to thank Redcare’s shareholders for their trust in the Company and its management and expresses its appreciation to all Redcare employees and the Managing Board members for their continued dedication and commitment to the Company.

Sevenum, 10 March 2025

The Supervisory Board:
Björn Söder, Frank Köhler, Jérôme Cochet, Henriette Peucker, Jaska de Bakker.

Remuneration report.

Introduction.

In this Remuneration report an overview is provided of the remuneration awarded or due in the 2024 financial year to individual members of the Managing Board and Supervisory Board. It is the responsibility of the Supervisory Board and its Remuneration Committee to ensure that all remuneration elements comply with the remuneration policies of Redcare Pharmacy.

Remuneration policies of Redcare Pharmacy.

This report has been prepared in accordance with Article 2:135b of the Dutch Civil Code and the Dutch Corporate Governance Code. It will be subject to an advisory vote at the 2025 Annual General Meeting, which allows the Company's shareholders to express an opinion on the application of the remuneration policies in 2024. The 2023 Remuneration Report was approved by the 2024 Annual General Meeting with 97.15% of votes cast in favour.

The Managing Board Remuneration Policy was approved by the General Meeting in 2022 by 83.4% of the votes cast. The Managing Board Remuneration Policy will be submitted for approval to the General Meeting again in 2026 at the latest. The Supervisory Board Remuneration Policy was approved by the Annual General Meeting in 2024 by 100% of the votes cast.

Objective of the Remuneration Policy.

The aim of the Managing Board and the Supervisory Board remuneration policy of Redcare Pharmacy ("Remuneration Policy") is threefold: i) it aims to attract, retain and reward highly qualified executives with the required background, skills, experience and entrepreneurial risk and return profile, in the context of competitive global labour markets for senior executives, ii) it fosters, incentivises and rewards the execution of the Company's strategy, and iii) it aligns the interests of the Managing Board with the interests of the Company's shareholders and other stakeholders (including its employees).

The Remuneration Policy is designed in the context of international competitive labour market trends, statutory requirements, corporate governance best practices and the stakeholders' opinion on remuneration at executive level.

The Company strives to make good choices to build an ethical and sustainable business and drive sustainable profitable growth for its shareholders and other stakeholders. The overriding principle of this Remuneration Policy is to ensure fairness and transparency. Our Remuneration Policy is based on the firm belief that sustainable value creation is essential for the Company's long-term financial success. The link to long-term value creation and sustainability is created not only, but in particular, by allocating a significant portion of the remuneration package to share-based remuneration for the members of the Managing Board, i.e. granting of stock options, that:

i. Represents a fitting entrepreneurial risk and return profile.
ii. Fosters and rewards sustainable performance of the Managing Board.
iii. Provides an incentive for long-term commitment and retention of the members of the Managing Board.
iv. Is designed to incentivise and reward sound, long-term decision-making of the Managing Board.

The Remuneration Policy does not currently foresee a short-term incentive. The Supervisory Board aims to implement only medium- to long-term incentives for the members of the Managing Board at this stage of the Company's development to promote a sustainable approach to performance-based remuneration. This enables the Supervisory Board to concentrate on ambitious and strategic target settings for the performance criteria, rather than short-term targets that may be more heavily influenced by market volatility and macroeconomic fluctuations. In addition to factoring in share price performance through the grant of stock options, the current long-term incentive includes a combination of financial targets – such as revenue growth, EBITDA margin, or similar profitability metrics – alongside ESG objectives. Therefore, it ensures the continuous improvement of internal financials through the implementation of the Company's strategy, the achievement of key sustainability targets as well as capital market attractiveness, simultaneously.

The Company aims for a fair balance between the remuneration of the members of the Managing Board and the remuneration of the employees of the Company. In this regard, the Company strives to use the same benchmarking methods (e.g. grading, market medians, industry sectors, company size) for both groups and takes internal remuneration ratios of Managing Board members' remuneration and the average remuneration per employee into consideration when reviewing its policies.

Managing Board remuneration – elements.

The remuneration package of the members of the Managing Board consists of the following elements:

1. Fixed compensation.

The annual base salary is a fixed compensation and determined by a variety of factors like the benchmark data. The fixed salary is evaluated periodically, considering factors such as (i) development, experience, capability and marketability of the individual member of the Managing Board, ii) nature of the roles and responsibilities and the historic salary levels, iii) remuneration levels within the Company, and iv) general market development relevant to the Company.

2. Long-term incentive plan.

Currently, there are three stock option plans applicable to the members of the Managing Board:

1. The stock option plan that was approved by the General Meeting on 30 April 2019 (the “2019 Stock Option Plan”).
2. The stock option plan that was approved by the General Meeting on 30 April 2020 (the “2020 Stock Option Plan”).
3. The stock option plan that was approved by the General Meeting on 26 April 2023 (the “2023 Stock Option Plan”).

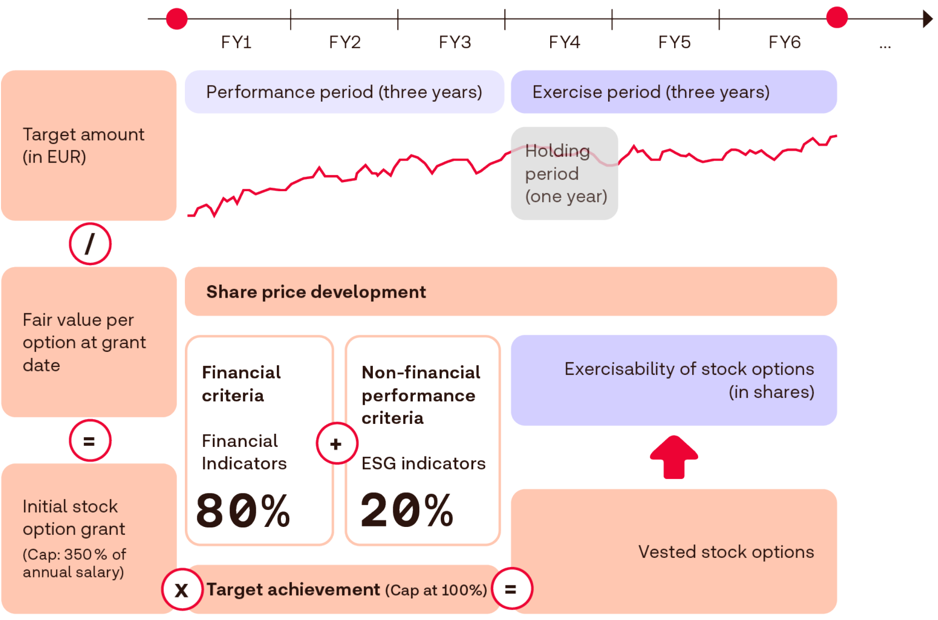
Both the 2019 Stock Option Plan and the 2020 Stock Option Plan did not include any performance criteria and therefore do not comply with the best practice 3.1.2 (v) from the Corporate Governance Code.

In October 2020, the Supervisory Board granted a total of 200,000 stock options to the members of the Managing Board. Such stock option grant was the first and only grant made to the members of the Managing Board under, pursuant to and in connection with the 2020 Stock Option Plan. On 8 June 2021 the Supervisory Board decided not to grant additional stock options to the members of the Managing Board under the 2020 Stock Option Plan. After due evaluation, the Supervisory Board proposed to the 2022 General Meeting amendments to the 2020 Stock Option Plan, which were all approved by the General Meeting (“2020 Stock Option Plan Amendments”). The 2020 Stock Option Plan Amendments retroactively apply to all stock options granted to the members of the Managing Board in 2020. The amendments were:

1. Change of the holding requirement of two years after the date of issue of the shares, to a holding requirement of one year after the respective vesting date of the stock options.
2. The period during which members of the Managing Board can exercise their options was retroactively shortened by one year until 1 October 2026.

The 2023 Stock Option Plan reflects the following key terms and conditions:

1. The maximum annual value of a grant, expressed as fair value (according to the Black-Scholes formula or similar methodologies to be determined by an external agency) on the grant date, will not exceed three-and-a-half times the annual base salary of a Managing Board member.
2. The financial gain realised with an exercise of stock options will not be capped.
3. Predetermined performance criteria will be applied which will reflect the Company’s strategy and long-term goals that are linked to shareholders’ value creation. These performance criteria will consist of weighted variables, covering both financial (weighted for 80%) and non-financial objectives (weighted for 20%), including revenue growth, EBITDA margin or similar profitability measure and an ESG-related target. A minimum and maximum threshold will be defined per criteria, which shall in any case be better than the status-quo at the time of the grant. The number of stock options that will vest will depend on the attainment of such predetermined performance criteria.
4. The performance period is three years from the grant date.
5. The duration of an award under the 2023 Stock Option Plan is six years from the grant date.
6. Stock options will not vest before the third anniversary of the grant date and only if predetermined performance criteria have been achieved.
7. Shares resulting from an exercise will be subject to a one-year holding requirement from the vesting date of such stock options, or the statutory holding period that may be applicable at the grant date if such a statutory holding period is longer than one year. During such holding period, shares are no longer contingent of any performance criteria.



3. Pension allowance and other benefits.

Individual pension allowances have been agreed with some members of the Managing Board by the Supervisory Board.

The members of the Managing Board may be awarded customary fringe benefits, such as relocation allowances, as determined by the Supervisory Board.

The Company does not provide any executive-type memberships. Other benefits in line with benefits provided to the employees of the Company will only be provided to the Managing Board members if explicitly confirmed by the Supervisory Board.

The Company does not pay any short-term incentives (e.g. bonuses or profit sharing) to its Managing Board members, which is reflective of its strong focus on its mid- to long-term value creation.

Managing Board remuneration – application 2024.

Internal alignment.

To ensure that the remuneration of the Managing Board members remains fair, reasonable and aligned with the Company's values and vision, the Supervisory Board considers the remuneration arrangements for the employees of the Company – the internal remuneration ratios – when determining the remuneration level of the members of the Managing Board.

Scenario analysis.

A scenario analysis of the possible outcome of the variable components and the impact on the remuneration of the Managing Board members is conducted annually to minimise the risk of inappropriate outcomes. In 2024, the Supervisory Board assessed and concluded that the range of potential remuneration is within outcomes that are appropriate to attract and retain highly qualified executives.

External alignment.

When implementing this Remuneration Policy, the Supervisory Board analyses the possible outcomes of the variable remuneration and the impact on the total remuneration package. From time to time, the remuneration elements are benchmarked against external market data, primarily data of other relevant European-headquartered companies of similar scale on a European regulated market. In addition, the expectations of the Company's shareholders and the views within society on remuneration in general are considered by the Supervisory Board. The data serves to provide the Supervisory Board with the relevant information to determine and evaluate the remuneration of the Managing Board, rather than drive the Supervisory Board's decision-making process.

Although the external market data provides useful context, the Supervisory Board is ultimately responsible for determining the appropriate level of the remuneration packages of the members of the Managing Board.

Peer group and benchmark.

Supported by Korn Ferry, in 2023 the Supervisory Board reviewed the market reference group (as established in 2020) while considering corporate events and the scope parameters, after which seven companies were removed and five replacement companies were selected. The selection process of the reference companies was performed in line with GICS best practices and for its validation, the ISS best practice guidelines regarding size criteria were used. The new market reference group, which is shown below, formed the basis of a remuneration benchmark.

The outcome of the benchmark formed the basis for the adjustments to the remuneration packages of the CFO and COO in 2024 and for the remuneration packages of the newly appointed CCO and CIO.

Ocado	UK
Asos	UK
THG	UK
Deliveroo	UK
boohoo	UK
Allegro	LU
About You	DE
Takkt	DE
AO World	UK
BHG	SE
Money Supermarket	UK
CompuGroup Medical	DE
Cewe	DE
Boozt	SE
eDreams Odigedo	ES
TomTom	NL
Azerion	NL
Scout 24	DE

Managing Board remuneration – 2024.

The Remuneration Committee concluded that the current remuneration elements as well as their values are still fully aligned with the objectives of the Remuneration Policy and are appropriate to attract and retain highly qualified executives for Redcare Pharmacy's Managing Board.

Fixed compensation – 2024.

Following the benchmark performed in 2023 for the Managing Board remuneration, the base salaries for the CFO and COO changed compared to 2023 with an effective date of 1 January 2024. The base salary for the CEO remained unchanged. New remuneration packages were negotiated with the CCO and CIO and approved at the Annual General Meeting in 2024.

Long-term incentive – 2024.

Stock options were granted to members of the Managing Board under the 2023 Stock Option Plan. As part of the remuneration package of the CEO, the Supervisory Board granted the second (out of four) tranche(s) of stock options. The CFO and COO were granted stock options as well; the newly appointed CCO and CIO were granted stock options upon their appointment in 2024.

The same performance criteria as defined in 2023 were pre-determined for the 2024 grants. Three financial performance criteria were defined: revenue growth (weighted for 45%), adjusted EBITDA margin (weighted for 20%) and cash flow from operations (weighted for 15%). A reduction per order (Scope 1, 2 and 3) was defined as ESG-related target (weighted for 20%). The number of stock options that vest will depend on the attainment against these pre-determined performance criteria. For more details and parameters of the share based payments, see note 27 in the notes to the consolidated financial statements of this Annual Report.

Pension allowance and other benefits – 2024.

Theresa Holler, COO, received pension benefits via payment of the employer's contribution to the statutory Dutch *Pensioenfonds Medewerkers Apotheken* (SPOA), which is a collective defined contribution plan with direct conversion into pension entitlement. Participants are entitled to a pension to the extent that a predetermined premium is sufficient. During 2024, the contribution of Redcare amounted to 20.5% (2023: 20.5%) of the pensionable base.

Jasper Eenhorst, CFO, received pension benefits and related insurance via payment of the employer's contribution to a private pension fund capped at EUR 25,000 in 2024. Olaf Heinrich (CEO) and Lode Fastré (CIO) participate in the Company pension scheme of ASR, which is a defined contribution plan. The contribution of Redcare amounted to 12% (2023: 12%) of the pensionable base. Dirk Brüse (CCO) did not receive any contributions towards pension plans or similar retirement benefits.

The members of the Managing Board benefit from directors' and officers' liability insurance coverage which are in line with market practice.

Adjustments to variable remuneration – including clawback.

Annual cash incentives as well as the long-term incentives for the Managing Board are subject to clawback provisions pursuant to Dutch law. No such clawback occurred during the financial year.

Severance payment.

Employment agreements of the members of the Managing Board do not contain any severance payment obligations of more than twelve monthly base salaries in the event of involuntary termination. For the CEO, CCO and CIO, a termination notice period of twelve months for the employer and six months for the employee apply. The service agreement with the CFO includes a reference to the Dutch statutory notice period. A termination notice period of six months for the employer and three months applies for the CCO.

Share ownership requirement.

New members of the Managing Board have five years from the date they join the Managing Board to reach the required share ownership stake of 125% of their respective base salary. By 31 December 2024, the COO continued to exceed the share ownership requirement of 125% of her individual annual base salary. The CFO, who joined the Company in February 2020, has started to build up his stake in the Company but had not yet reached the required level by the end of 2024. The same applies to the CEO, who joined the Company on 1 August 2023 and the newly appointed CCO, who joined the Managing Board on 17 April 2024. The newly appointed CIO already met the share ownership requirement as of his appointment date of 17 April 2024.

Other compensation including loans.

Neither the Company nor any of its subsidiaries have granted loans, made advance payments or granted guarantees of any nature to members of the Managing Board. No compensation was paid to parties closely associated with members, i.e. related parties, of the Managing Board. Furthermore, the Company did not provide company cars to any of its Managing Board members.

Former Managing Board members.

Stephan Weber and Marc Fischer decided to step down and to resign as CCO and CIO, respectively, and as members of the Managing Board with effect of the 2024 Annual General Meeting on 17 April 2024.

During the 2020 Annual General Meeting of the Company (i.e. on 30 April 2020), the General Meeting adopted a stock option plan for the members of the Managing Board, which was subsequently amended by the 2020 Stock Option Plan Amendments. Each of Mr Weber and Mr Fischer was awarded 40,000 stock options under the 2020 Stock Option Plan on 1 October 2020, of which (i) 20,000 stock options per person vested on 1 October 2023, and (ii) 20,000 stock options per person, in case of continued Managing Board membership, would have vested on 1 October 2024. As Mr Weber and Mr Fischer resigned with effect of the date of the 2024 Annual General Meeting, the unvested stock options vested early and in full as per the resignation date. Pursuant to the terms of the 2020 Stock Option Plan Amendments, such stock options need to be exercised within six months after the relevant resignation date (i.e. 17 October 2024). If the stock options are not exercised within such six months, the relevant stock options will lapse.

The General Meeting on 17 April 2024 approved an extension of the exercise period for the 40,000 stock options held by each of Mr Weber and Mr Fischer, from 17 October 2024 to 1 October 2026, the expiry date of their envisaged continued advisory role at the Company. The extension does not affect the applicability of any other terms and conditions of the 2020 Stock Option Plan and the 2020 Stock Option Plan Amendments for Mr Weber and Mr Fischer. These terms, amongst other, provide for a one-year holding period from the relevant vesting date in respect of any shares resulting from an exercise of the stock options held by Mr Weber and Mr Fischer. Such holding period in respect of each of Mr Weber and Mr Fischer expires (i) as per 1 October 2024 for the 20,000 stock options which vested on 1 October 2023 and (ii) as per 17 April 2025 for the 20,000 stock options that vested on 17 April 2024.

Mr Weber and Mr Fischer are co-founders of the Company and were members of he Redcare Pharmacy's leadership team from its foundation in 2001, and subsequently the Managing Board, as of the IPO in 2016.

The Company has retained the expertise of Mr Weber and Mr Fischer, who will continue to support the Company with their extensive knowledge and experience in an advisory capacity until 1 October 2026. As part of their agreements, both will be subject to customary protective covenants, including a significantly extended non-compete covenant, which will only expire on 1 October 2026.

The extension of the exercise period of their stock options allows Mr Weber and Mr Fischer to demonstrate their confidence in the long-term value growth of the Company.

Managing Board remuneration – 2024.

In the tables below, the total remuneration costs as well as the remuneration per individual member of the Managing Board are shown for the financial year 2024.

Board member	Period	Financial Year	Base salary	Pension	Other benefits	Total fixed	% Fixed	STI[1]	LTI	Total variable	% Variable	Total Remuneration
O. Heinrich, CEO	**01/01 - 31/12**	**2024**	**500,004**	**13,060**	**6,532**	**519,596**	**56 %**	**—**	**410,010**	**410,010**	**44 %**	**929,606**
	01/08 - 31/12	2023	208,333	—	2,485	210,818	76 %	—	66,666	66,666	24 %	277,484
J. Eenhorst, CFO	**01/01 - 31/12**	**2024**	**450,000**	**25,000**	**—**	**475,000**	**57 %**	**—**	**364,874**	**364,874**	**43 %**	**839,874**
	01/01 - 31/12	2023	420,000	25,000		445,000	41 %	—	628,882	628,882	59 %	1,073,882
T. Holler, COO	**01/01 - 31/12**	**2024**	**450,000**	**9,921**	**6,532**	**466,453**	**56 %**	**—**	**360,888**	**360,888**	**44 %**	**827,341**
	01/01 - 31/12	2023	250,000	2,280	5,964	258,244	29 %	—	628,000	628,000	71 %	886,244
D. Brüse, CCO	**17/04 - 31/12**	**2024**	**254,000**	**—**	**736**	**254,736**	**78 %**	**—**	**71,999**	**71,999**	**22 %**	**326,735**
		2023	—	—	—	—	— %	—	—	—	— %	—
L. Fastre, CIO	**17/04 - 31/12**	**2024**	**253,637**	**7,020**	**4,602**	**265,259**	**79 %**	**—**	**71,999**	**71,999**	**21 %**	**337,258**
		2023	—	—	—	—	— %	—	—	—	— %	—
S. Weber, CCO	**01/01 - 16/04**	**2024**	**74,306**	**—**	**125,572**	**199,878**	**45 %**	**—**	**241,725**	**241,725**	**55 %**	**441,603**
	01/01 - 31/12	2023	250,000	—	2,764	252,764	29 %	—	628,000	628,000	71 %	880,764
M. Fischer, CIO	**01/01 - 16/04**	**2024**	**74,306**	**—**	**125,572**	**199,878**	**45 %**	**—**	**241,725**	**241,725**	**55 %**	**441,603**
	01/01 - 31/12	2023	250,000	—	1,718	251,718	27 %	—	680,882	680,882	73 %	932,600
S. Feltens, CEO		**2024**	**—**	**—**	**—**	**—**	**— %**	**—**	**—**	**—**	**— %**	**—**
	01/01 - 31/05	2023	116,186	—	2,280	118,466	100 %	—	—	—	— %	118,466
Total Managing Board		**2024**	**2,056,252**	**55,001**	**269,546**	**2,380,799**	**57 %**	**—**	**1,763,220**	**1,763,220**	**43 %**	**4,144,020**
		2023	1,494,519	27,280	15,211	1,537,010	37 %	—	2,632,430	2,632,430	63 %	4,169,440

Members of the Managing Board did not receive any additional compensation from companies of the Redcare Pharmacy Group. Moreover, no compensation for Managing Board members was charged to any Group company. Managing Board members did not receive any compensation from Supervisory Board memberships at other companies.

1 The fair value according to IFRS of each year's grant is determined on the grant date and expensed on a straight-line basis over the vesting period. The fair value is determined by an external agency. The expense for 2024 reflects this year's portion of stock option grants which are not yet vested or which vested during 2024.

Stock options of individual Managing Board members.

The table below provides an overview of the Redcare Pharmacy stock options of the Managing Board members, including the 2024 opening balance, changes during 2024 and the 2024 closing balance.

		The main conditions of the share option plans				Information regarding the reported financial year						
		Grant date	Vesting date	Expiry date	Strike price of the share	Outstanding at 01.01.2024	Awarded	Exercised	Forfeited	Outstanding 31.12.2024	Costs (IFRS) during the year)	Realised value of options exercised in 2024
O. Heinrich, CEO	14	1/8/2023	1/8/2026	1/8/2029	€ 116.50	9,984	0	0	0	9,984	€ 159,998	€ 0
	15	1/3/2024	1/3/2028	1/3/2030	€ 127.90	0	19,300	0	0	19,300	€ 250,012	€ 0
J. Eenhorst, CFO	7a	1/2/2020	1/2/2022	11/6/2027	€ 46.40	1,000	0	1,000	0	0	€ 0	€ 103,494
	7b	1/2/2020	1/2/2023	11/6/2027	€ 46.40	10,000	0	5,000	0	5,000	€ 0	€ 517,471
	7c	1/2/2020	1/2/2024	11/6/2027	€ 46.40	10,000	0	0	0	10,000	€ 3,986	€ 0
	9a	1/10/2020	1/10/2023	1/10/2026	€ 149.40	20,000	0	0	0	20,000	€ 0	€ 0
	9b	1/10/2020	1/10/2024	1/10/2026	€ 149.40	20,000	0	0	0	20,000	€ 241,725	€ 0
	16	2/2/2024	2/2/2027	2/2/2030	€ 133.15	0	9,608	0	0	9,608	€ 119,163	€ 0
T. Holler, COO	9a	1/10/2020	1/10/2023	1/10/2026	€ 149.40	20,000	0	0	0	20,000	€ 0	€ 0
	9b	1/10/2020	1/10/2024	1/10/2026	€ 149.40	20,000	0	0	0	20,000	€ 241,725	€ 0
	16	2/2/2024	2/2/2027	2/2/2030	€ 133.15	0	9,608	0	0	9,608	€ 119,163	€ 0
D. Brüse, CCO	18	17/4/2024	17/4/2027	17/4/2030	€ 136.20	0	7,773	0	0	7,773	€ 71,999	€ 0
L. Fastre, CIO	18	17/4/2024	17/4/2027	17/4/2030	€ 136.20	0	7,773	0	0	7,773	€ 71,999	€ 0

Stock options of former individual Managing Board members.

		The main conditions of the share option plans				Information regarding the reported financial year						
		Grant date	Vesting date	Expiry date	Strike price of the share	Outstanding at 01.01.2024	Awarded	Exercised	Forfeited	Outstanding 31.12.2024	Costs (IFRS) during the year)	Realised value of options exercised in 2024
S. Weber, (former) CCO	9a	10/01/2020	10/01/2023	10/01/2026	€149.40	20,000	—	—	—	20,000	€ —	€ —
	9b	10/01/2020	10/01/2024	10/01/2026	€149.40	20,000	—	—	—	20,000	€ 241,725	€ —
M. Fischer, (former) CIO	9a	10/01/2020	10/01/2023	10/01/2026	€149.40	20,000	—	—	—	20,000	€ —	€ —
	9b	10/01/2020	10/01/2024	10/01/2026	€149.40	20,000	—	—	—	20,000	€ 241,725	€ —

Pay ratio.

The pay ratio is calculated as the total remuneration of the respective Managing Board member, as published in this Remuneration Report, divided by the average remuneration per employee.

The average remuneration per employee is based on the total salaries, stock option expenses and pension costs divided by the average number of FTEs during the 2024 financial year, as published in note 8 of the consolidated financial statements. For this calculation, we have excluded the effect of the contingent considerations related to the acquisitions of smartpatient, MedApp and GoPuls, which have to be accounted for as cost of labour as per IFRS but do not represent typical ongoing compensation expenses.

The development of the pay ratio on a full-time equivalent basis over the last five years is shown in the table on this page. Using a standardised approach and the IFRS financial statements as a reference, the aim is to present and compare developments of the remuneration of Managing Board members and employees. In years where changes to the composition of the Managing Board occurred, the amount shown is the annualised remuneration of the most recent function holder.

	2024		2023		2022		2021		2020	
	Remuneration	Pay ratio[1]	Remuneration	Pay ratio	Remuneration	Pay ratio	Remuneration	Pay ratio	Remuneration	Pay ratio
Chief Executive Officer	929,606	15.8	665,962	13.2	911,845	19.7	911,597	20.7	375,530	9.1
		9.0		10.2		5.9		6.4		4.2
Chief Financial Officer	839,874	14.3	1,125,882	22.3	1,217,447	26.3	1,297,319	29.5	767,376	18.6
		8.3		10.0		10.3		11.3		11.3
Chief Operating Officer	827,341	14.0	886,244	17.5	913,837	19.7	913,372	20.7	382,795	9.3
		8.1		5.3		5.9		6.5		4.8
Chief Commercial Officer	461,273	7.8	880,764	17.4	909,182	19.6	909,320	20.7	378,521	9.2
		6.3		5.2		5.8		6.4		4.7
Chief Information Officer	476,129	8.1	879,718	17.4	908,628	19.6	908,628	20.6	376,975	9.2
		6.5		5.1		5.8		6.3		4.6

The pay ratio for the annualised remuneration including share-based payment costs have decreased overall, except for the CEO, considering the fact that the stock options granted under the 2020 MB Stock Option Plan have now fully vested in 2024. In addition, the share-based payment costs for the stock options granted in 2024 under the 2023 MB Stock Option Plan were lower compared to the costs for the stock options granted in 2020 (and vested during 2020 until 2024) under the 2020 MB Stock Option Plan. For the CEO, this pay ratio increased considering the share-based payment costs for the stock options granted in 2023 and 2024 under the 2023 MB Stock Option Plan.

The pay ratio for the annualised remuneration, excluding share-based payment costs for the COO, CCO and CIO, have increased compared to 2023 because of the higher fixed salaries of the Managing Board members effective in 2024. For the CEO and CFO this pay ratio declined because of the relatively higher increase in the average remuneration per employee compared to the unchanged or relatively lower increase in the salaries of the CEO and the CFO.

[1] Pay ratio is presented including (first line) and excluding (second line) share-based payments costs.

Comparative information.

To understand the relative performance of remuneration developments compared to the Company's performance developments, the table below is included. It shows the changes in comparative remuneration and Company performance over the last five financial years reported.

Reference is made to the pay ratio development, as set out above, in combination with an increase in the average remuneration per employee as a result of minimum wage increases, salary increases required under Collective Labour Agreements and relatively higher salaries for newly hired personnel.

Annual change	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019
Company performance (EUR 1.000)					
Net revenue	+571.817	+ 594.406	+ 144.031	+ 92.259	+ 267.052
EBITDA	-10.763	+ 69.655	+ 9.072	- 53.931	+ 33.780
Market capitalisation	(11)%	+ 231%	-0.61	-0.23	+ 335%
Directors' remuneration (in EUR)					
CEO	263,645	-245,883	248	536,068	77,295
CFO	(286,008)	-91,565	-79,872	529,942	393,961
COO	(58,903)	-27,593	465	530,577	102,133
CCO	(419,491)	-28,418	-138	530,799	102,128
CIO	(403,589)	-28,910	—	531,653	101,752
Average remuneration (excl. share-based payments) on FTE basis					
Wages and salaries / FTE (in EUR)	+7.963	+ 4.264	+ 2.288	+ 2.884	+ 2926
Wages and salaries / FTE (in %)	+16.1%	+ 9.2%	+ 5,2%	+ 7,0%	+ 7,7%

Supervisory Board remuneration.

This section provides an overview of the Supervisory Board Remuneration Policy, which was adopted at the Annual General Meeting on 17 April 2024.

Supervisory Board remuneration – elements.

The remuneration of the Supervisory Board is not tied to the performance of the Company. In addition to a fixed fee, the members of the Supervisory Board are provided with a committee fee, depending on the respective committee(s) in which a member participates. In addition, reasonable travel and accommodation expenses are reimbursed by the Company in line with Company policy.

The old Remuneration Policy provided that the members' remuneration comprised of a fixed fee and a maximum of one committee fee. The Chairperson and Deputy Chairperson were only eligible to receive the fixed fee.

The fees for 2024 are as follows:

in EUR	Chairperson	Deputy Chairperson	Member
Supervisory Board	80,000	60,000	40,000
Audit Committee	12,000		8,000
Remuneration Committee	9,000		6,000
Nomination Committee	9,000		6,000

Members of the Supervisory Board are not entitled to receive any payments under the Company's pension or under any long-term incentive plans. No shares or rights to acquire shares were granted to a Supervisory Board member by way of remuneration. None of the members of the Supervisory Board are entitled to any benefits upon the termination of their appointment and no loans are made to them.

Supervisory Board remuneration - deviations.

The Remuneration Committee did not deviate from its decision-making process in relation to the implementation of the Remuneration Policy nor derogated from any provision of the policy.

Supervisory Board remuneration – application 2024.

The following table provides an overview of the actual remuneration of the Supervisory Board in 2024.

Remuneration overview Supervisory Board members.

	Supervisory Board position	2024	2023	2022	2021	2020
Current Supervisory Board		EUR	EUR	EUR	EUR	EUR
Björn Söder	chairperson	92,000	80,000	80,000	61,918	20,000
Frank Köhler	deputy chairperson	74,000	60,000	60,000	47,945	20,000
Jérôme Cochet	member	49,000	49,000	46,460	33,973	20,000
Henriette Peucker	member	57,000	49,000	48,000	27,945	—
Jaska de Bakker	member	52,242	52,000	37,326	—	—
Total current Supervisory Board Remuneration		324,242	290,000	271,786	171,781	60,000
Former Supervisory Board members						
Jan Pyttel	former chairperson	—	—	—	9,041	30,000
Total former Supervisory Board Remuneration		—	—	—	9,041	30,000
Total Supervisory Board Remuneration		324,242	290,000	271,786	180,822	90,000

Outlook 2025.

The current Managing Board Remuneration Policy was reviewed and the Remuneration Committee concluded that the Managing Board policy still meets the objectives outlined for this policy. No changes to the Managing Board Policy will be recommended to the General Meeting in 2025.

The Supervisory Board resolved not to increase the fixed salary for the members of the Managing Board in 2025. The annual stock option grant under the 2023 Managing Board Stock Option Plan was performed in January 2025, in line with the authorisation which was approved by the General Meeting in 2024, in the amount of a target value of EUR 1,000,000 for the CEO, EUR 650,000 for the CFO as well as the CCO, and EUR 540,000 for the CCO and the CIO. Performance criteria were set which are similar to the performance criteria set in 2024; a combination of financial targets – revenue growth (45%), adjusted EBITDA margin (20%), cash flow (15%) – alongside a reduction of emissions- per order (weighted for 20%) as ESG-target. A holding period of one year after a three-year vesting period applies.

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Financial statements.

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Consolidated financial statements.

Consolidated statement of profit and loss.

in EUR 1,000	Notes	Period ended 31 12 2024	Period ended 31.12.2023
Revenue	5	2,370,575	1,798,758
Cost of sales		-1,824,796	-1,358,375
Gross profit		545,779	440,383
Other income	6	345	318
Selling and Distribution	7	-501,971	-385,141
Administrative Expense	8	-83,140	-72,855
Operating result		-38,987	-17,295
Finance income	10	7,418	18,221
Finance expense	10	-16,679	-15,500
Share of profit of associates and joint ventures and badwill	16	415	226
Result before tax		-47,833	-14,348
Income tax	11	1,477	2,742
Result after tax		**-46,356**	**-11,606**
Attributable to:			
Owners of Redcare Pharmacy N.V.		-45,464	-12,041
Non-controlling interests		-892	435
		-46,356	-11,606
Earnings per share	12	EUR	EUR
Basic earnings per share		-2.27	-0.73
Diluted earnings per share		-2.27	-0.73

Consolidated statement of comprehensive income.

in EUR 1,000	Notes	Period ended 31.12.2024	Period ended 31.12.2023
Result for the period		**-46,356**	**-11,606**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
- Foreign operations - foreign currency translation differences		-654	1,697
Items that will not be reclassified to profit or loss			
- Remeasurement of net defined benefit plans	28	1,026	-3,241
- Income taxes from remeasurement of net defined benefit plans	28	-170	517
Other comprehensive income/loss for the period		**202**	**-1,027**
Total comprehensive result		**-46,154**	**-12,633**
Total comprehensive result attributable to:			
Owners of Redcare Pharmacy N.V.		-45,361	-12,564
Non-controlling interests		-793	-69
		-46,154	**-12,633**

Consolidated statement of financial position.

in EUR 1,000	Notes	31.12.2024	31.12.2023
Assets			
Non-current assets			
Property, plant and equipment	13	49,808	52,193
Right of use assets	32	32,759	34,714
Intangible assets	14	411,312	428,107
Deferred tax assets	11	1,410	2,296
Other financial assets	19	6,552	3,456
Investments in joint ventures	16	1,408	1,297
Investments in associates		5	5
Investments in equity instruments		10	10
		503,264	**522,078**
Current assets			
Inventories	17	153,824	135,786
Trade and other receivables	18	109,865	103,134
Prepayments and other current assets	18	58,775	49,380
Other financial assets	19	80,664	127,058
Cash and cash equivalents	20	96,892	84,160
		500,020	**499,518**
Total assets		**1,003,284**	**1,021,596**

	Notes	31.12.2024	31.12.2023
Equity and liabilities			
Shareholders' equity	21		
Issued capital and share premium		755,301	733,424
Reserves / accumulated losses		-271,320	-211,230
Equity attributable to owners of the Company		483,981	522,194
Non-controlling interests	29	25,988	29,838
Total equity		**509,969**	**552,032**
Non-current liabilities			
Loans and Borrowings	22	237,648	236,068
Employee benefit liabilities	28	2,363	3,454
Deferred tax liability	11	3,572	6,318
		243,583	**245,840**
Current liabilities			
Trade and other payables	23	183,986	157,591
Loans and Borrowings	23/24	9,729	8,770
Other current liabilities	23	56,017	57,363
		249,732	**223,724**
Total equity and liabilities		**1,003,284**	**1,021,596**

Consolidated statement of cash flows.

in EUR 1,000	Notes	Period ended 31.12.2024	Period ended 31.12.2023
Cash flow from operating activities			
Operating result		-38,987	-17,295
Adjustments for:			
– Depreciation and amortisation of non-current assets	9	68,217	57,288
- Result of disposal of non-current assets	9/10	0	140
– Net foreign exchange differences	10	519	277
– Share-based payment charge for the period	27	3,182	8,997
Corporate income tax paid	11	-614	-1444
Operating result adjusted for depreciation and amortisation and taxes		32,317	47,963
Movements in:			
- (Increase)/decrease in trade and other receivables	18	-8,019	-20,316
- (Increase)/decrease in inventory	17	-17,392	-16,597
- Increase/(decrease) in trade and other payables	23	25,080	56,814
- Increase/(decrease) in other net current assets	23	-9,860	-6,408
Total change in working capital		-10,191	13,493
Net cash (used in)/generated by operating activities		**22,126**	**61,456**

	Notes	Period ended 31.12.2024	Period ended 31.12.2023
Cash flow from investing activities			
Investment for property, plant and equipment	13	-8,744	-6,437
Investment for intangible assets	14	-33,407	-31,784
Investment in other financial assets	19	-3,731	-41,125
Disposal of other financial assets	19	40,000	33,761
(Investment in)/disposal from escrow account	19	7,058	4,234
Acquisition of subsidiary, net of cash acquired	30	256	-23,441
Dividend received from associates		122	190
Interest received	10	6,827	4,639
Net cash (used in)/generated by investing activities		**8,381**	**-59,963**
Cash flow from financing activities	24		
Interest paid	10	-8,969	-8,022
Capital increase	21	0	29,391
Capital increase exercised options	21	3,966	2,646
Repayment of other long-term loans	**22**	-3,058	-1,666
Proceeds from other long-term loans	**22**	-1,625	0
Cash-out lease payments	**32**	-8,250	-7,303
Net cash (used in)/generated by financing activities		**-17,936**	**15,046**
Net increase/(decrease) in cash and cash equivalents		**12,571**	**16,539**
Cash and cash equivalents at the beginning of the period	**20**	**84,160**	**66,777**
Effect of movements in exchange rates on cash held		**161**	**844**
Cash and cash equivalents at the end of the period	**20**	**96,892**	**84,160**

Consolidated statement of shareholders' equity.

in EUR 1,000	Notes	Equity attributable to Redcare Pharmacy shareholders								
		Issued and paid-up share capital	Share premium	Retained earnings	Equity part on convertible bonds	Reserve for stock option plan	Translation Reserve	Equity	Non controlling interests	Total equity
Equity as of 1 January 2023		**362**	**570,695**	**-285,428**	**31,698**	**37,303**	**0**	**354,630**	**0**	**354,630**
Comprehensive income for the period										
Loss for the period		0	0	-12,041	0	0	0	-12,041	435	-11,606
Other comprehensive income for the period		0	0	-1,389	0	0	865	-524	-504	-1,027
Total comprehensive income for the period		**0**	**0**	**-13,430**	**0**	**0**	**865**	**-12,565**	**-69**	**-12,633**
Capital increase	21	8	29,383	0	0	0	0	29,391	0	29,391
Capital increase due to exercised options	21	5	13,476	0	0	-10,835	0	2,646	0	2,646
Capital increase related to business combinations	29	23	119,472	0	0	0	0	119,495	0	119,495
Share-based payment charge for the period	27	0	0	0	0	8,997	0	8,997	0	8,997
Acquisition of subsidiary with NCI	29	0	0	0	0	0	0	0	29,907	29,907
Acquisition of subsidiary consideration in kind	29	0	0	19,600	0	0	0	19,600	0	19,600
Balance as at 31 December 2023		**398**	**733,026**	**-279,258**	**31,698**	**35,465**	**865**	**522,194**	**29,838**	**552,032**
Comprehensive income for the period										
Loss for the period		0	0	-45,464	0	0	0	-45,464	-892	-46,356
Other comprehensive income for the period		0	0	437	0	0	-334	103	99	202
Total comprehensive income for the period		**0**	**0**	**-45,027**	**0**	**0**	**-334**	**-45,361**	**-793**	**-46,154**
Capital increase	21	0	0	0	0	0	0	0	0	0
Capital increase due to exercised options	21	4	21,872	0	0	-17,910	0	3,966	0	3,966
Share-based payment charge for the period	27	0	0	0	0	3,182	0	3,182	0	3,182
Dividend paid to minority shareholder		0	0	0	0	0	0	0	-3,057	-3,057
Balance as at 31 December 2024		**402**	**754,898**	**-324,285**	**31,698**	**20,737**	**531**	**483,981**	**25,988**	**509,969**

Notes to the consolidated financial statements.

1. Corporate information.

The consolidated financial statements of Redcare Pharmacy N.V. (or the “Company”) and its subsidiaries (collectively, the Group) for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Managing Board on 10 March 2025. Redcare Pharmacy N.V. is a limited liability company incorporated in the Netherlands on 30 September 2015 and is legally domiciled in Sevenum, the Netherlands, with its registered address at Erik de Rodeweg 11/13, 5975 WD Sevenum. Redcare Pharmacy N.V. is listed on the regulated market of the Frankfurt Stock Exchange.

Redcare Pharmacy N.V. is an online pharmacy business primarily for prescription and non-prescription (“over-the-counter” or “OTC”) pharmaceuticals, beauty and personal care products (BPC) and food supplements.

2. Group information.

Besides the financial information of Redcare Pharmacy N.V., the financial information of the following wholly owned subsidiaries is also included in these consolidated financial statements.

SA Europe B.V., Sevenum, the Netherlands, with its 100% subsidiaries unless otherwise indicated:

- Shop-Apotheke B.V., Sevenum, the Netherlands
- Shop-Apotheke Service B.V., Sevenum, the Netherlands
- EuroService Venlo B.V., Sevenum, the Netherlands
- EuroService Pilsen S.r.o., Prague, Czech Republic
- RC Staff B.V., Sevenum, the Netherlands
- RC Pharma B.V., Sevenum, the Netherlands
- Fastnet BVBA, Tongeren, Belgium
- nu3 GmbH, Berlin, Germany
- Shop Apotheke Service GmbH, Cologne, Germany
- Hygée Santé SAS, Ennevelin, France
- Redcare srl., Milan, Italy
- nu3 Schweiz GmbH, Lachen, Switzerland
- nu3 France S.A.R.L., Entzheim, France
- smartpatient GmbH, Munich, Germany
- smartpatient Business Services Sp. z.o.o., Warsaw, Poland
- MedApp Holding B.V., Eindhoven, the Netherlands
- MedApp Nederland B.V., Eindhoven, the Netherlands
- MedApp Apotheek B.V., Eindhoven, the Netherlands
- APS All Pharma Service Nettetal GmbH, Viersen, Germany
- Aust Pharma GmbH, Vienna, Austria
- Aurora Gesundheit GmbH, Berlin, Germany
- Aurora Gesundheit Services 1 UG, Berlin, Germany
- MediService AG (51% subsidiary), Zuchwill Switzerland
- Curarex Swiss AG (51% subsidiary via parent MediService AG), Zuchwill Switzerland

EHS Europe Health Services B.V., Sevenum, the Netherlands, with its 100% subsidiary:

EHSC B.V., Sevenum, the Netherlands, with its 100% subsidiaries:
- Europa Apotheek Venlo B.V., Sevenum, the Netherlands
- Europa Apotheek Service Venlo B.V., Sevenum, the Netherlands

The following associates and joint ventures are accounted for using the equity method in these consolidated financial statements:

Associates
The Group has a 37.5% interest in DatamedIQ GmbH (2023: 37.5%), incorporated and located in Germany.

Joint arrangements in which the Group is a joint venturer
The Group has a 50% interest in König IDV GmbH (2023: 50%) and König IT Systeme GmbH (2023: 50%), both incorporated and located in Germany.

The Group has the following interest classified as equity instruments:
The Group has a 5% interest in Verkstedt GmbH (2023: 5%), incorporated and located in Germany.

3. Material accounting policy information.

3.1. Basis of preparation.

The consolidated financial statements of the Group have been prepared in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB), as endorsed by the EU and in accordance with the Dutch Civil Code, Book 2, Title 9.

The consolidated financial statements have been prepared on a historical cost basis, except when otherwise indicated. The consolidated financial statements are presented in euro and all values are rounded to the nearest thousand (EUR 000), except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents a statement of the financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in the financial statements.

Going concern.
In 2024, the Group incurred losses after tax of EUR 46.4 million (2023: EUR 11.6 million). The working capital at the end of 2024 was positive at EUR 72.7 million (2023: EUR 64.6 million). Development of the working capital was in line with expectations.

in EUR 1,000	31.12.2024	31.12.2023
Trade and other receivables, prepayments and other current assets	168,640	152,514
Inventory	153,824	135,786
Trade and other payables	-183,986	-157,591
Loans and borrowings (short-term)	-9,729	-8,770
Other liabilities (short-term)	-56,017	-57,363
Working capital	72,732	64,576
% Revenue	3.07%	3.59%
Working capital incl. cash and short-term securities	250,288	275,794

The current liquidity of the Company has largely resulted from the successful placement on 14 January 2021 of the senior unsecured convertible bonds with a zero (0.0%) coupon, in an aggregate principal amount of EUR 225 million and a maturity of seven years as well as a put option for the investors to redeem at par after five years on 21 January 2026. Depending on the future share price trajectory, there could be a refinancing risk in the event that bond holders exercise the put option on 21 January 2026.

The Company is closely monitoring its cash position and performs short-term, mid- and long-term planning to track and model future liquidity levels and requirements to ensure future growth financing and financial robustness. The underlying unit economics and the overall financial performance in its larger markets are cash flow positive, but the Company is executing a fast growth strategy to build market share and increase its base of active customers. Parallel to the focus on growth, the Company is driving gross profit margin improvements, other income improvements, efficiencies and scale. We also actively safeguard flexibility in our operations to adjust the balance of growth and cash generation or requirements. We diversify funding and manage options to do so. We closely monitor and steer cash flow, margins, working capital and capital allocation to ensure a sustainable business model, as well as continuously monitor external capital and debt market developments. Liquidity is secured for at least the next twelve months.

On the basis of the above, the consolidated financial statements have been prepared on a going concern basis.

3.2. Basis of consolidation.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and

expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.
Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

On 16 May 2023, SA Europe B.V. acquired a majority stake of 51% in the share capital of MediService AG (including its 100% subsidiary Curarex Swiss AG), a leading speciality pharmacy in Switzerland with a focus on mail order prescription medicines (Rx) and the care of chronically ill patients. The transaction was executed after approval of the competition authorities. The closing date of the transaction was determined to be 16 May 2023. In accordance with the control assessment outlined in IFRS 10, the MediService AG figures were consolidated from the closing date, 16 May 2023, directly contributing to the earnings per share.

On 31 October 2024, SA Europe B.V. acquired 100% of the shares of Aust Pharma GmbH, a pharmaceutical wholesaler holding an EU wholesale distribution authorisation dedicated to the supply of pharmaceutical products for the Austrian market. The results of Aust Pharma have been consolidated effective from 1 November 2024.

Non-controlling interests (NCI) are initially measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

3.3. Summary of material accounting policies.

3.3.1. Current versus non-current classification.

The Group presents assets and liabilities in the statement of financial position based on current / non-current classification. An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period;
  or
- Cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:
- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period;
  or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.3.2. Fair value measurement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.3.3. Revenue from contracts with customers.

The Group is in the business of providing pharmaceuticals, food supplements and beauty and personal care products. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. For direct product sales the Group has concluded that it is the principal in its revenue arrangements, because it controls the goods or services before transferring them to the customer. Therefore, this revenue is recognised in full, whereas in the platform business the revenue is recognised in the amount of the commission and other fees expected to be received from the partners. Sales are reduced by sales deductions, taxes and fees.

Revenue is measured as the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Upon the sale of products to customers, the date on which the goods are delivered at the indicated place of destination is the date on which economic title to the products passes to the customer. In this case, the transfer of economic title is attached to the transfer of legal title. Revenue is recorded net of sales deductions.

Loyalty points programme.
The Group has a loyalty points programme, “RedPoints”, which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer.
A portion of the transaction price is allocated to the loyalty points awarded to customers based on the relative stand-alone selling price and recognised as a contract liability, under current liabilities, until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a yearly basis and any adjustments to the contract liability balance are charged against revenue.

3.3.4. Cost of sales.

Cost of sales mainly consists of cost of goods sold, inventory obsolescence provisions and contributions by our suppliers for product promotion and discounts. Allowances on inventories reflect write-downs of inventories to their net realisable value to allow for risks from slow-moving goods, items past their use-by date or reduced extent to which goods can still be sold.

Vendor allowances.
The Group receives various types of vendor allowances. The most common allowances vendors offer are (i) volume allowances, which are off-invoice or amounts billed back to vendors based on the quantity of products purchased from the vendor and (ii) promotional allowances, which relate to (online) advertising and market development efforts. Volume allowances are recognised as a reduction of the cost of the related products as they are sold.

Promotional allowances are recognised as a reduction of the cost of the related products when the Company has performed the activities specified in the contract with the vendor. If the contract does not specify any performance criteria, the allowance is recognised over the term of the contract. Vendor allowances are generally deducted from cost of sales, unless there is clear evidence that they should be classified as revenue resulting from the Company providing a distinct good or service to the vendor.

3.3.5. Marketing expenses.

Marketing expenses, which include the development and production of advertising materials and the communication of these materials through various forms of media, are expensed over the period that these expenses relate to. Marketing expense is recognised in selling and distribution in the consolidated statement of profit and loss.

3.3.6. Employee benefit obligations.

Defined contribution plans.
The Group maintains three pension plans covering pharmacy personnel:

- Pharmacists of the Group participate in the occupational pension plan ‘SPOA’. This pension plan is a collective defined contribution plan with direct conversion into pension entitlements. The pension plan is based on a predetermined premium that the participants transfer to the fund. Although this pension plan is based on the ‘average pay system’, the pension scheme is based on a predetermined premium. Therefore, the participants are entitled to a pension to the extent that the previously determined premium is sufficient. During 2024 the employer contribution amounted to 20.5% (2023: 20.5%) of the pensionable base.
- Eligible employees of the Group participate in the multi-employer pension plan (PMA) determined in accordance with the collective bargaining agreements effective for the industry in which the Group operates. The employees in service before 2013 participate voluntarily in the PMA pension plan. This multi-employer pension plan covers approximately 2,000 companies and approximately 25,000 contributing members. The PMA pension plan is a collective defined contribution plan based on the average pay system. During 2024, the employer contribution amounted to 19.0% (2023: 19.0%) of the pensionable base.
- Eligible employees of the Group participate in the pension scheme of ASR (previously named BrandNewDay). The ASR pension plan is a defined contribution plan. During 2024 the employer contribution amounted to 12.0% (2023: 12.0%) of the pensionable base.

The SPOA and PMA pension plans monitor risks on a global basis, not by company or employee and are subject to regulation by Dutch governmental authorities. By law (the Dutch Pension Act), a pension fund must be monitored against specific criteria, including the coverage ratio of the plan’s assets to its obligations. On 1 January 2015, new pension legislation was enacted. One of the results of this legislation was an increase of legally required coverage levels. The coverage percentage is calculated by dividing the fund’s capital by the total sum of pension liabilities and is based on actual market interest rates.

The coverage ratio of the SPOA pension fund as per 31 December 2024 amounts to 121.3% (31 December 2023: 120.0%).

The coverage ratio of the PMA pension fund as per 31 December 2024 amounts to 106.6% (31 December 2023: 104.3%).

In line with the definitions in IAS 19.29, the Group has no obligation whatsoever to pay off any deficits the pension funds may incur and has no claim to any potential surpluses.

The Group has no further payment obligations once the predetermined contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plans.
The subsidiary MediService AG has a defined benefit obligation. This defined benefit obligation (DBO) is assessed annually by independent pension actuaries using the projected unit credit method. This method considers employees’ service in the periods prior to the reporting date and their future expected salary development. In addition, actuaries make use of statistical data such as employee turnover and mortality to calculate the defined benefit obligation.

Any deficit or surplus in funded defined benefit plans (when the fair value of plan assets falls short of or exceeds the present value of the defined benefit obligation) is recorded as a net defined benefit liability or asset. The Group only recognises a net defined benefit asset if it has the ability to use the surplus to generate future economic benefits that will be available to the Group in the form of a reduction in future contributions. If the Group does not have the ability to use the surplus or it will not generate any future economic benefit, the Group does not recognise an asset, but instead discloses the effect of this asset ceiling in the notes.

The components of defined benefit cost are service cost, net interest on the net defined benefit asset or liability and remeasurements of the net defined benefit asset or liability. Service cost is a component of personnel costs and comprises current service cost, past service cost (including gains and losses from plan amendments) and gains and losses from plan settlements.

Net interest is determined by multiplying the net defined benefit liability or asset by a discount rate at the beginning of the reporting period. Net interest is included in the financial result.

Actuarial gains and losses result from changes in actuarial assumptions and differences between actuarial assumptions and actual outcomes. Actuarial gains and losses resulting from remeasuring the defined benefit plans are recognised immediately in comprehensive income as remeasurements of the net defined benefit liability or asset. This includes any differences in the return on plan assets (excluding interest, based on the discount rate). Remeasurements of the net defined benefit liability or asset are not reclassified through profit or loss at any point in time.

Other employee benefit obligations.
MediService AG rewards employees for long service with jubilee benefits. These long-term benefits to employees are also measured using the projected unit credit method and included in employee benefit liabilities. These obligations are unfunded. Changes in obligations are recognised in profit or loss in personnel costs and interest expense as part of the financial expense, in line with the defined benefit plans.

3.3.7. Share-based payments.

Selected employees, including senior executives of the Group, have received remuneration in the form of share-based payments.

Where equity-settled stock options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied.

3.3.8. Taxes.

The tax expense for the financial year is comprised of current and deferred income tax. Tax expense is recognised in the consolidated statement of profit and loss.

Current income tax.
The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income.

The Group recognises liabilities for uncertain tax positions when it is more likely than not that an outflow will occur to settle the position. The liabilities are measured based on management's estimation of the expected settlement of the matter. These liabilities are presented within income taxes payable on the consolidated statement of financial position. These amounts, along with estimates of interest and penalties on tax liabilities are also recorded in income taxes payable and are included in current tax expense.

Deferred tax.
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses, can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets and liabilities are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets and deferred tax liabilities is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority, on either the same taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis. Deferred taxes are recognised separately for individual corporate income tax entities.

Value added taxes.
Expenses and assets are recognised net of the amount of sales tax, except:
- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item.
- The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.3.9. Foreign currencies.

The Group's consolidated financial statements are presented in euro, which is also the parent Company's functional currency. In preparing the consolidated financial statements of the Group, transactions in currencies other than the euro, being the functional currency of each entity in the Group, are recognised at the rates of exchange prevailing at the dates the transactions first qualify for recognition.
Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

3.3.10. Non-current assets held for sale and discontinued operations.

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

3.3.11. Property, plant and equipment.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction), less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.3.12. Leases.

The Group assesses at contract inception whether a contract is or contains a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee.
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets.
The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policy in 3.3.15 Impairment of tangible and intangible assets.

Lease liabilities.
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. This change is also recorded in the right-of-use asset. The Group's lease liabilities are included in loans and borrowings.

Short-term leases and leases of low-value assets.
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.3.13. Business combinations and goodwill.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements, are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree, are measured in accordance with IFRS 2 at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9 or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3.3.14. Intangible assets.

Internally generated intangible assets.
An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The intention to complete the intangible asset and use or sell it.
- The ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets: software, technology and contracts.
Software, technology and contracts are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period.

Intangible assets: brands.
Brands are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets: customer base.
Customer base is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of intangible assets.
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.3.15. Impairment of tangible and intangible assets.

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Growth rates are based on past performance, external market growth assumptions and market conditions forecast by our management using a combination of our business plans and growth assumptions for future years. Our business plans and growth assumptions are based on our customer data model and assessed against existing customer development and the acquisition of new customers. Furthermore, all variable costs, like marketing budgets, delivery cost and operations expenses for impairment analysis are planned based on performance. Non-performance-based costs like finance, management and facility, etc. are planned according to business growth, including economies of scale.

The Group includes the impact of climate-related risks and opportunities on the key assumptions of the estimation of the future cash flows.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss; impairment for goodwill is not reversed.

Non-current assets include goodwill, other intangible assets, investments in equity-accounted joint ventures, investments in associates and property, plant and equipment. At the end of each reporting period, the Group performs an impairment test on the carrying amounts of its goodwill to determine whether there is an impairment loss. Goodwill is allocated to the cash-generating units. The impairment review is prepared by comparing the carrying values of the cash-generating units related to that cash-generating unit's recoverable amount, being the higher of the value in use and fair value less costs to sell. Value in use is a valuation derived from the discounted future cash flows of the cash-generating units. The most important estimates in determining the present value of cash flows are growth rates used to calculate revenue growth, expected improvements as a result of economics of scale and the discount rate in order to determine present value. The weighted average cost of capital used e.g. for goodwill impairment calculations, has been determined based on the capital asset pricing model using the risk-free rate, market premium and beta based on a peer-group capital structure. The pre-tax discount rates are calculated from the post-tax discount rate using the goal-seek method. Estimates are reviewed at least annually as of the date of each impairment test and believed to be appropriate. However, changes in these estimates could change the outcomes of the impairment reviews and therefore affect future financial results, the effects of which would be recognised in the consolidated income statement through operating profit.

3.3.16. Associates and joint ventures.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identified assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less cost of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3.3.17. Inventories.

Inventory contains raw materials, consumables and finished goods and is valued at the lower of cost and net realisable value. Costs are determined by:

- For raw materials, consumables and third-party finished goods: The average purchase price method and include direct product purchasing rebates.
- For finished goods from own manufacturing: Integral manufacturing cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. There are limited net realisable value adjustments due to the fact that in general products can be returned to the manufacturer or wholesaler prior to expiring.

3.3.18. Cash and cash equivalents.

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash, as defined above. The bank overdrafts are not included since they are not considered to be an integral part of the Group's cash management. Short-term securities are shown in Other financial assets.

3.3.19. Cash flow statement.

The Company has chosen to prepare the statement of cash flows using the indirect method, which presents cash flows from operating activities as the operating result adjusted for non-cash transactions, working capital movement, corporate income tax paid, and items of income or expense associated with investing or financing cash flows. Cash flows in foreign currencies have been translated using weighted average periodic exchange rates. Interest paid on loans is presented as a financing activity, while interest received is presented as an investing activity. Acquisitions and divestments of businesses are presented net of cash and cash equivalents acquired or disposed of respectively. In the cash flow statement, the Company has classified the principal portion of lease payments, as well as the interest portion, within financing activities. Lease payments are not split between interest and principal portions but are shown as one line, Cash-out lease payments, in the cash flow statement. Lease payments for short-term leases and lease payments for leases of low-value assets not included in the measurement of the lease liability are classified as cash flows from operating activities.

3.3.20. Provisions.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, that is probable that the Group will be required to settle and a reliable estimate can be made of the amount of the obligation.

3.3.21. Financial instruments - initial recognition and subsequent measurement.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets.

Initial recognition and measurement.
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price as disclosed in note 3.3.3 Revenue from contracts with customers.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Subsequent measurement.
For purposes of subsequent measurement, the Group classified the financial assets in the following categories:

- Financial assets at amortised cost (debt instruments).
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments).
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade and other receivables. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The financial assets are included in current assets except for maturities greater than twelve months after the statement of financial position date. These are classified as non-current assets.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Financial assets at fair value through profit or loss.
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition of financial assets.
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets.
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next twelve months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Further disclosures relating to impairment of financial assets is also provided in note 4.2.

Financial liabilities.

Initial recognition and measurement.
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts.

Subsequent measurement.
For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss.
- Financial liabilities at amortised cost (loans and borrowings).

Financial liabilities at fair value through profit or loss.
The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings).
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (hereafter: EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Classification as debt or equity.
Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments.
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Convertible debt.
Proceeds received on issuance of the Group's convertible debt are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the bond. The remainder of the proceeds are allocated to the conversion option and are recognised in the equity part on convertible bonds within shareholders' equity, net of income tax effects.

Borrowing costs.
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Derecognition of financial liabilities.
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments.
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.4. Changes in accounting policies and disclosures.

New and amended standards and interpretations.
In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. In 2024, the Group has not adopted early any new standards, interpretations or amendments that have been issued but are not yet effective.

The Group has adopted the amendments of the following four IFRS standards for the first time in the current year:

- Classification of Liabilities as Current or Non-current with covenants - Amendments to IAS 1;
- Lease Liability in Sale and Leaseback - Amendments to IFRS 16; and
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7.

The amendments listed above did not have a material impact on the valuation and classification of assets and liabilities of the Group, nor on its income statement or cash flows and are not expected to significantly affect the current or future periods.

4. Significant accounting judgements, estimates and assumptions.

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities reported in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Other disclosures relating to the Group's exposure to risks and uncertainties include:

- Capital management (note 25).
- Financial instruments (note 25).

4.1. Judgements.

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options - Group as lessee.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, that is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

Capitalisation of development expenses.
The Group capitalises costs for development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

In particular, we have capitalised development work for our websites and for the ERP system that runs our business operations.

4.2. Estimates and assumptions.

The key assumptions concerning the future, including climate-related risks and opportunities and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Evaluation of non-current assets for impairment.
Non-current assets include goodwill, other intangible assets, investments in equity-accounted joint ventures, investments in associates and property, plant and equipment. Estimates are reviewed at least annually as of the date of each impairment test and believed to be appropriate. However, changes in these estimates could change the outcomes of the impairment reviews and therefore affect future financial results, the effects of which would be recognised in the consolidated statement of profit and loss through operating profit.

The key assumptions used, including a sensitivity analysis, are disclosed and further explained in note 3.3.15 and note 15.

Leases - estimating the incremental borrowing rate.
The Group cannot readily determine the market rate in the lease. Therefore, it uses its incremental borrowing rate (IBR) to measure leases.
The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Convertible bonds - estimating the effective interest rate.
The Group measures the convertible bonds, net of directly attributable transaction costs, at amortised cost.

The effective interest rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain a convertible bond in a similar economic environment. The Group estimates the effective interest rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Taxes.
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits, together with future tax planning strategies.

Under consideration of IAS 12, no deferred tax assets have been recognised in excess of existing deferred tax liabilities, since no positive fiscal results have been reported yet.

Provision for expected credit losses of trade receivables.
Almost all accounts receivable are derived from sales to customers and receivables from vendors. In order to monitor potential credit losses, the Group performs ongoing credit evaluations of its customers' financial condition. Respective allowances for expected credit losses on accounts receivable are maintained based on management's assessment of the expected collectability of all accounts receivable. The respective allowances for credit losses on accounts receivable are reviewed periodically to assess the adequacy of these allowances. In making this assessment, the Group takes into consideration any circumstances of which it is aware regarding a customer's inability to meet the financial obligations and its judgements as to potential prevailing economic conditions in the industry and their potential impact on its customers.

Provision for net realisable value of inventories.
The assessment of a risk for a lower net realisable value of the inventories is done on a periodical basis. Based on trends in sales quantities and prices as well as other market developments, we review if the net realisable value is lower when measured at cost. The net realisable value is equal to the amount for which we expect the product can be sold, after deduction of costs still to be incurred. In making this assessment, the Group takes into consideration any circumstances of which it is aware regarding a potential decrease in current purchase and sales prices or sales demand.

Employee benefit plans and other non-current employee benefits.
The costs of the employee benefit plans and other long-term employee benefits are determined using actuarial valuations. These valuations involve making assumptions about the discount rate, future salary and pension developments, mortality and the employee turnover rate. The Group considers the discount rate, the selection of mortality tables and the development of salaries to be key assumptions.

5. Revenue from contracts with customers and segment information.

A business segment in the sense of IFRS 8 is a unit of a business which conducts business activities and produces financial income and expenses, the operating results of which are regularly reviewed by the Company's chief operating decision makers with regards to decisions on allocating resources to this segment and the assessment of profitability for which there exists corresponding financial information.

Our operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources, for assessing the performance of the operating segments and for making strategic decisions, have been identified as statutory members of the Managing Board of the Group.

Segment information.

For the year ended	2024			2023		
in EUR 1,000	DACH	International	Total	DACH	International	Total
Revenue	1,934,077	436,498	2,370,575	1,453,551	345,207	1,798,758
Cost of sales	-1,496,302	-328,494	-1,824,796	-1,097,883	-260,492	-1,358,375
Gross Profit	437,775	108,004	545,779	355,668	84,715	440,383
% of revenue	22.6%	24.7%	23.0%	24.5%	24.5%	24.5%
Other income	335	10	345	290	29	319
Selling & Distribution	-341,844	-102,143	-443,987	-248,129	-88,318	-336,447
Administrative expense	-48,879	-24,028	-72,907	-41,591	-22,671	-64,262
EBITDA	47,387	-18,157	29,230	66,238	-26,245	39,993
Depreciation	-44,338	-23,879	-68,217	-37,009	-20,279	-57,288
EBIT	3,049	-42,036	-38,987	29,229	-46,524	-17,295
Finance income			7,418			18,221
Finance expense			-16,679			-15,500
Share of profit of associates and joint ventures and badwill			415			226
Income tax			1,477			2,742
Net Loss			-46,356			-11,606

Within the context of IFRS 8, we consider two business segments for external reporting purposes: Our DACH segment, which includes medications and pharmacy-related BPC products sold to customers in Germany, Austria and Switzerland, and our International segment, which includes only OTC medications and pharmacy-related BPC products sold to customers in Belgium, the Netherlands, France and Italy.

In 2023, Redcare Pharmacy entered a strategic partnership with Galenica AG in Switzerland by acquiring 51% of the shares in MediService AG. As part of this strategic partnership, Redcare Pharmacy and Galenica AG have combined the business activities of the speciality pharmacy MediService AG and the online pharmacy redcare.ch. As a consequence, MediService has been included in our DACH segment since May 2023.

The Group's assets and liabilities are not disclosed by segment as they are not included in the segment information used by the chief operating decision makers. The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3.

The Group allocates all costs (excluding net finance cost and income tax) to the segments. The result by segment is shown in the EBITDA line, including all costs directly related to the revenue of the segments (marketing, operations) and administrative expenses. EBITDA means earnings before tax, interest, depreciation and amortisation.

Revenue from type of products and services.

The revenue from type of products and services is the following:

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Rx revenue	749,809	457,272
Non-Rx revenue	1,620,766	1,341,486
	2,370,575	**1,798,758**

The 2024 revenue from the country of domicile amounts to EUR 1,696million (2023: EUR 1,367 million). The Group has no revenue from transactions with a single external customer amounting to 10% or more of revenue.

Revenue from the sale of major products comprises the amount of the consideration Redcare Pharmacy expects to or has already received in exchange for transferring the promised goods to our customers.

The strong revenue growth within the prescription (Rx) products in the DACH segment was primarily driven by the acquisition of MediService and experiencing significant momentum due to the continued roll-out of e-prescriptions in Germany.

The concentration of credit risk with respect to receivables is limited, as the Company's customer base and vendor base are large and unrelated. No customer individually represents more than 1% of the total balance of trade receivables.

Other geographical information.

The Group's information about its non-current assets (property, plant and equipment, right-of-use assets and intangible assets) based on geographic location of the assets is as follows (all amounts in thousands of euro):

Other geographical information – additions to non-current assets.

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Netherlands	35,369	35,052
Germany	8,543	8,102
Switzerland	1,350	154,159
Italy	1,703	-115[1]
Belgium	120	340
France	18	10
Austria	883	0
Czech Republic	0	0
	47,986	**197,548**
Additions and acquisitions		
Property, plant and equipment	8,743	7,136
Right-of-use assets	5,836	10,190
Intangible assets	33,407	180,222
	47,986	**197,548**

Other geographical information – location of non-current assets.

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Netherlands	277,600	294,854
Germany	65,088	62,768
Switzerland	142,794	149,904
Italy	6,544	6,203
Belgium	890	1,187
France	78	97
Austria	885	0
Czech Republic	0	0
	493,879	**515,013**

[1] Negative additions in Italy result from tax credits granted in 2023 under Industry 4.0 regulations.

6. Other income.

For 2024 and 2023, the other income relates to other transactions such as proceeds from the sale of fixed assets.

7. Selling & distribution.

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Other selling & distribution expenses	315,167	234,439
Employee benefit expenses	128,820	102,007
Depreciation and amortisation expenses	57,984	48,695
	501,971	**385,141**

The main categories within selling and distribution are fulfilment, last mile and marketing and also cost related to online payment methods. As a percentage of sales, selling and distribution expenses remained in line with the prior year. While the underlying marketing expenses of Redcare increased as a percentage of sales due to the Rx marketing push, they were offset by the full-year inclusion effect of MediService, the business acquired in May 2023, which has a typically lower selling and distribution ratio due to high average basket sizes.

8. Administrative expenses.

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Other administrative expenses	41,482	32,998
Employee benefit expenses	31,425	31,264
Depreciation and amortisation expenses	10,233	8,593
	83,140	**72,855**

The main categories within administrative expenses are personnel expenses e.g. for management, Finance, HR and Legal, as well as other IT-related non-labour cost, operations overhead cost and facility expenses.

Reconciliation: Employee benefit to selling and distribution, administrative expenses and cost of sales.

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Included in selling & distribution	128,820	102,007
Included in administrative expenses	31,425	31,264
Included in cost of sales	17,744	16,380
	177,989	**149,651**

Reconciliation: Employee benefit to various categories.

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Wages & salaries	148,089	117,224
Social securities	22,693	17,846
Pension contributions	4,024	3,011
Share-based payment expenses	3,182	3,507
Post-combination services	0	8,063
	177,988	**149,651**

The expenses mentioned above include expenses of own employees (including expenses for the employee stock option plans) and costs of contingent workers.

In 2023, the employee benefit expenses include costs of EUR 8.1 million (of which EUR 8.2 million for smartpatient and EUR -0.1 million for MedApp) for post-combination services payments related to the acquisitions of smartpatient and MedApp. In the year 2024, there were no costs related to post-combination services.

The number of employees of the Group as of the end of the year converted to full time. equivalents was as follows:

	2024	2023
Average full-time-equivalents during year	2,266	2,075

These full-time equivalents are divided over the various departments as follows:

	2024	2023
Cost of sales	293	285
Selling & distribution	1,744	1,589
Administrative	229	201
	2,266	**2,075**

All employees are involved in providing the Group's services relating to its online pharmacy and e-commerce activities. As of 31 December 2024, 954 of the 2,266 FTEs were working outside the Netherlands (31 December 2023: 896 of 2,075).

Total expenses for defined contribution pension plans.
The total expenses of EUR 4.0 million (2023: EUR 3.0 million) recognised in profit or loss represent contributions relating to payments to the plan by the Group.

As of 31 December 2024, contributions of EUR 0 (2023: EUR 0) due in respect of the reporting period had not been paid over to the plan.

9. Total depreciation and amortisation expenses.

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Depreciation of property, plant and equipment	11,096	9,762
Depreciation of right-of-use asset	6,978	6,272
Amortisation of intangible assets	36,979	30,603
Amortisation of intangible assets from business combinations	13,164	10,651
	68,217	**57,288**

10. Finance income and expenses.

Finance income.

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Change of contingent consideration liability measured at FVTPL	0	12,854
Finance income from cash and other financial assets	6,403	4,605
Net foreign exchange differences	590	315
Other finance income	425	447
	7,418	**18,221**

Finance income for the year 2023 included a release of EUR 12.9 million, due to a fair value adjustment of the contingent consideration liability related to the prior-year acquisition of GoPuls. During 2023, assessment of the expected earnout resulted in an adjustment (full release) of the fair value of the consideration. The future expected cash flows in the business plan were virtually entirely based on a rapid increase of electronic prescriptions (e-Rx). During the course of 2023, it was determined that it was not viable for the then stand-alone business of GoPuls to reach business case levels within the earnout period. The performance of GoPuls until and during 2023 and its near-future expectations led Redcare to conclude that any future earnout as determined during the business combination transaction had an insignificant probability.

Finance expenses.

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Expenses for online payment methods	8,549	7,434
Interest and other expenses convertible bonds	6,416	6,218
Interest costs related to leasing	1,188	1,262
Interest expenses credit institutions	171	518
Net foreign exchange differences	72	38
Interest on defined benefit plans	35	0
Other finance expenses	248	30
	16,679	**15,500**

Part of the fees paid to companies for the financing of online payment methods, such as credit card companies and PayPal, related to the financing (pre-payment) element has been reported as finance expenses; the remainder as selling and distribution cost.

11. Income tax expenses.

The income tax expenses for the year can be reconciled to the accounting profit as follows:

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Result before tax	-47,833	-14,348
At Redcare's statutory income tax rate of 25.8% (2023: 25.8%)	12,341	3,702
Effect of tax rates in other jurisdictions	1,109	1,101
Adjustments in respect of current income tax of previous years	13	49
Tax effect of non deductible amounts	-826	0
Utilisation of previously unrecognised tax losses	588	0
No recognition of taxable losses due to uncertainty	-12,308	-5,830
Change in deferred tax positions	559	3,720
At the effective income tax rate of 3.1% (2023: 19.1%)	**1,477**	**2,742**

The effective tax rate deviates from the applicable tax rate as a result of corporate income tax rates being different in certain jurisdictions and due to loss-generating subsidiaries. The Company has not recognised deferred tax assets for all losses carried forward.

The tax expense in profit and loss can be divided into deferred and current taxes as follows:

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Current taxes	-647	-978
Deferred taxes	2,124	3,720
	1,477	**2,742**

Deferred tax balances.

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25.8% in the Netherlands and 32% in Germany (2023: 25.8% and 32%, respectively).

The combined movement on the deferred tax assets and liabilities is as shown below:

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Balance 1 January	-4,022	-7,425
Recognised in profit and loss	2,124	3,720
Arising on tax effect on OCI	-170	517
Foreign currency translation effect	-94	242
Arising on business combination	0	-1,076
Balance 31 December	**-2,162**	**-4,022**

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where management believes it is probable that these assets will be recovered.

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) during the period are shown below.

in EUR 1,000	Asset 2024	Liability 2024	Net 2024	(Charged)/ credited to profit & loss 2024	(Charged)/ credited to equity 2024	Arising on business combination 2024
Available losses	9,246	0	9,246	-2,610	0	0
Temporary difference fiscal amortisation goodwill	0	-1,177	-1,177	0	0	0
Temporary difference intangible fixed assets from business combinations	5,481	-12,164	-6,683	2,154	-113	0
Temporary difference on IAS 19	369	0	369	7	-181	0
Temporary difference on convertible bond	0	-4,627	-4,627	1,655	0	0
Temporary difference valuation differences other assets	0	-1,485	-1,485	224	30	0
Temporary difference on leases	9,315	-8,613	702	699	0	0
Temporary difference on software capitalisation	1,493	0	1,493	-5	0	0
Tax assets / (liabilities)	25,904	-28,066	-2,162	2,124	-264	0
Set off of tax	-24,494	24,494	0	0	0	0
Total	**1,410**	**-3,572**	**-2,162**	**2,124**	**-264**	**0**

in EUR 1,000	Asset 2023	Liability 2023	Net 2023	(Charged)/ credited to profit & loss 2023	(Charged)/ credited to equity 2023	Arising on business combination 2023
Available losses	11,855	0	11,855	-74	0	0
Temporary difference fiscal amortisation goodwill	0	-1,177	-1,177	2	0	0
Temporary difference intangible fixed assets from business combinations	6,903	-14,988	-8,086	2,002	358	1,268
Temporary difference on IAS 19	542	0	542	-16	517	41
Temporary difference on convertible bond	0	-6,282	-6,282	1,605	0	0
Temporary difference valuation differences other assets	0	-1,568	-1,568	934	-117	-2,385
Temporary difference on leases	8,615	-9,420	-805	-805	0	0
Temporary difference on software capitalisation	1,498	0	1,498	71	0	0
Tax assets / (liabilities)	29,413	-33,435	-4,022	3,720	758	-1,076
Set off of tax	-27,117	27,117	0	0	0	0
Total	**2,296**	**-6,318**	**-4,022**	**3,720**	**758**	**-1,076**

The Company has carry-forward losses in the Netherlands and Germany for an amount of EUR 286.5 million at the end of 2024 and EUR 271.4 million at the end of 2023. The anticipated applicable tax rate on taxable profits is the Dutch corporate tax rate of 25.8% payable by corporate entities in the Netherlands and the corporate tax rate of 32% payable by corporate entities in Germany.

A deferred tax asset has not been recognised for the following:

in EUR 1,000	2024	2023
Unused tax losses - no expiry date	258.7	223.6
Non-deductible interest roll forward - no expiry date	22.2	0
	280.9	**223.6**

Deferred tax liabilities.

As per 31 December 2024, the deferred tax liability for intangible assets mainly relates to:

- Acquisition of the Shop Group in 2010, which was an asset deal under Dutch jurisdiction with an initial (at acquisition) duration of ten years: EUR 1.2 million (2023: EUR 1.2 million).
- The intangible assets identified in the purchase price allocation for the acquisition of EHS Europe Health Services B.V., in 2017: EUR 5.5 million (2023: EUR 6.3 million).
- Intangible assets identified in the purchase price allocation for the acquisition of nu3 in 2018: EUR 0.7 million (2023: EUR 0.9 million).
- Intangible assets identified in the purchase price allocation for the acquisition of smartpatient GmbH in 2022: EUR 1.5 million (2023: EUR 2.0 million).
- Intangible assets identified in the purchase price allocation for the acquisition of MedApp in 2022: EUR 335 thousand (2023: EUR 492 thousand).
- Intangible assets identified in the purchase price allocation for the acquisition of MediService in 2023: EUR 4.1 million (2023: EUR 5.1 million).

As per 31 December 2024, a deferred tax liability of EUR 4.6 million (2023: EUR 6.3 million) has been recorded. This relates to a temporary difference in the convertible bond arising from the initially separate recognition of the equity component from the liability component.

Deferred tax assets.

For the fiscal entities MedApp Holding B.V., SA Europe B.V. and EHSC B.V., deferred tax assets related to losses carried forward are recognised only as far as they can be offset against deferred tax liabilities for the same fiscal entity.

For the fiscal entities nu3 GmbH and smartpatient GmbH, deferred tax assets related to losses carried forward are recognised based on financial forecasts for future years.

Global minimum top-up tax.

The Organisation for Economic Co-operation and Development (OECD) / G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) published the Pillar Two model rules designed to address the tax challenges arising from the digitalisation of the global economy.

In alignment with the OECD's Pillar Two framework, the Minimum Tax Act 2024 (*Wet minimumbelasting 2024*) was enacted in the Netherlands, entering into force on 31 December 2023. This legislation transposes the EU Pillar Two Directive of 14 December 2022. Effective for financial years beginning on or after 31 December 2023, the law ensures that groups with annual revenues of at least EUR 750 million are subject to a minimum effective tax rate of 15% calculated on adjusted accounting profit on a jurisdiction-by-jurisdiction basis.

The Group has adopted International Tax Reform – Pillar Two model rules (amendments to IAS 12). The amendments provide a temporary mandatory exception to the requirements of IAS 12 under which a company does not recognise or disclose information about deferred tax assets and liabilities related to the proposed OECD / G20 BEPS Pillar Two model rules.

The Group is in scope of the above-mentioned legislation and has performed an assessment of the potential exposure to Pillar Two rules for its financial year ending 31 December 2024. This assessment was based on the most recent available financial data, taking into consideration the requirements of the Pillar Two rules for each of the Group entities. Based on the current interpretation of the Pillar Two model rules, all jurisdictions pass at least one of the Transitional CbCR Safe Harbour tests. Consequently, the Group estimates that there will be no Pillar Two top-up tax due in relation to its 2024 financial year.

12. Earnings per share.

Basic and diluted earnings.

	Year ended 31.12.2024	Year ended 31.12.2023
Basic and diluted earnings per share in EUR 1,000		
Result for the year attributable to owners of the Company	-45,464	-12,041
Earnings used in the calculation of basic and diluted earnings per share	-45,464	-12,041
Earnings used in the calculation of basic and diluted earnings per share from continuing operations	-45,464	-12,041
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	20,054,068	19,238,592
Basic and diluted earnings per share in Euro per share		
From continuing operations	-2.27	-0.73
From discontinued operations	0.00	0.00
Total basic and diluted earnings	-2.27	-0.73

Basic and diluted earnings per share.

Redcare Pharmacy has an equal basic and diluted earnings per share. The outstanding contingently issuable shares are not included in the calculation of diluted earnings per share because they are anti-dilutive for the present periods. Conversion of potential ordinary shares would decrease loss per share from continuing operations.

The Group has the following (contingent) issuable shares outstanding, whereby the exercise of these shares depends on the following circumstances:

- Employee stock options: Assuming full execution of the total outstanding options per 31 December 2024, an additional 600,168 new shares would be issued in the future, of which 237,084 have already been issued and are held in treasury. This relates to stock option plans 6a up to and including 18. We refer to note 27 for an explanation regarding the vesting and expiry dates.

- Convertible bonds: As outlined in note 33, the Group issued a EUR 225 million convertible bond on 14 January 2021. Assuming full conversion of the total convertible bond, 962,238 new shares would be issued in the future. The maturity of the convertible bond is seven years, with an investor put option after five years.

The number of outstanding shares is 20,342,486 as of 31 December 2024. If all the potentially issuable shares mentioned are issued, the number of outstanding shares would increase to 21,667,808.

13. Property, plant and equipment.

A summary of the movements of property, plant and equipment is given below.

in EUR 1,000	Land & buildings	Machinery	Other	Under construction	Total
Cost					
Balance 1 January 2023	6,434	43,533	20,903	3,818	74,688
Reclassification	233	6,169	45	-6,447	0
Additions	-377	35	3,424	3,355	6,437
Acquisitions	327	0	373	0	700
Currency revaluation	33	0	27	0	60
Disposals	-1,346	0	-3,300	0	-4,646
Balance 31 December 2023	**5,304**	**49,737**	**21,472**	**726**	**77,239**
Reclassification	576	3,180	0	-3,756	0
Additions	738	535	3,380	4,090	8,743
Acquisitions	0	0	3	0	3
Currency revaluation	-5	0	-10	0	-15
Disposals	0	0	-95	0	-95
Balance 31 December 2024	**6,613**	**53,452**	**24,750**	**1,060**	**85,875**
Accumulated amortisation and impairment					
Balance 1 January 2023	**2,365**	**7,864**	**9,620**	**0**	**19,849**
Depreciation	1,000	4,861	3,901	0	9,762
Impairment	0	0	0	0	0
Currency revaluation	18	0	3	0	21
Disposals	-1,308	0	-3,278	0	-4,586
Balance 31 December 2023	**2,075**	**12,725**	**10,246**	**0**	**25,046**
Reclassification	0	0	0	0	0
Depreciation	1,048	6,143	3,905	0	11,096
Impairment	0	0	0	0	0
Currency revaluation	0	0	1	0	1
Disposals	0	0	-76	0	-76
Balance 31 December 2024	**3,123**	**18,868**	**14,076**	**0**	**36,067**
Carry value					
Balance 31 December 2023	3,229	37,012	11,226	726	52,193
Balance 31 December 2024	3,490	34,584	10,674	1,060	49,808

In the calculation of depreciation, the following useful lives are used:

- Machinery, leasehold improvements, furniture, office equipment: 5–10 years
- IT and communication equipment, other: 3–5 years
- Right-of-use assets (according to IFRS 16, refer to note 32): depending on the lease term. 2–10 years

The additions during the financial year mainly relate to IT equipment and further investments in mechanisation and IT equipment in the logistics centre in the Netherlands and Italy.

14. Intangible assets.

Intangible assets consist of finite-life intangible assets, except for goodwill. A summary of the movements of intangible assets is given below.

in EUR 1,000	Software, technology & contracts	Brand	Customer database	Goodwill	Under construction	Total
Cost						
Balance 1 January 2023	115,646	15,734	41,796	171,452	20,950	365,579
Reclassification	33,844	0	0	0	-33,844	0
Additions	5,567	56	0	0	26,161	31,784
Acquisitions	0	12,671	24,000	107,924	3,843	148,438
Currency revaluation	0	0	0	0	214	214
Disposals	-6,941	-280	0	0	0	-7,221
Balance 31 December 2023	**148,116**	**28,181**	**65,796**	**279,376**	**17,324**	**538,794**
Reclassification	32,680	0	0	0	-32,150	530
Additions	6,393	42	0	0	26,972	33,407
Acquisitions	0	0	0	0	0	0
Currency revaluation	0	0	0	0	-59	-59
Disposals	0	0	0	0	0	0
Balance 31 December 2024	**187,189**	**28,223**	**65,796**	**279,376**	**12,087**	**572,672**
Accumulated amortisation and impairment						
Balance 1 January 2023	48,525	10,794	15,375	1,879	0	76,574
Amortisation	32,749	3,883	4,622	0	0	41,254
Currency revaluation	0	0	0	0	0	0
Disposals	-6,861	-280	0	0	0	-7,141
Balance 31 December 2023	**74,413**	**14,397**	**19,997**	**1,879**	**0**	**110,687**
Reclassification	530	0	0	0	0	530
Amortisation	39,121	5,482	5,540	0	0	50,143
Currency revaluation	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Balance 31 December 2024	**114,064**	**19,879**	**25,537**	**1,879**	**0**	**161,360**
Carry value						
Balance 31 December 2023	73,703	13,784	45,799	277,497	17,324	428,107
Balance 31 December 2024	73,125	8,344	40,259	277,497	12,087	411,312

In the calculation of amortisation the following useful lives are used:

- Software licences: 2–5 years, depending on the license contract.
- ERP software: 3–7 years.
- Smart technology (included in software category): 15 years.
- Customer database: 7–17 years, depending on the nature.
- Brand name: 2–10 years, depending on the brand.
- Goodwill: Indefinite life subject to impairment.

Assets under construction mainly relate to capitalised costs for development projects. These costs are capitalised at the moment the project is ready for use.

15. Impairment tests for goodwill.

15.1. Description of the impairment test process.

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Growth rates used for impairment analysis are assessed by existing customer development and acquisition of new customers based on our customer data model as well as external market research to estimate future market size and online penetration.

Furthermore, all variable costs like marketing budgets, delivery costs and operations expenses for impairment analysis are planned on a performance basis. Non-performance-based costs like finance, management and facility are planned according to business growth, including economies of scale.

Considering the requirements of IAS 36.49, the Company has identified the main drivers for future cash flows. The past year, 68% or EUR 1.6 billion (2023: 75% or EUR 1.3 billion) of total company sales were from OTC and other pharmacy-related products, excluding prescription medicines. Sales of prescription medicines increased by 64% compared to the prior year, with 41% resulting from the full-year inclusion of the acquisition of MediService and 23% from Rx growth in Germany. In each of the markets in which the Company operates, double-digit growth has been attained for many consecutive years, in part due to a successful customer proposition and execution, and in part from a continuous shift from off- to online pharmacies. The Company and external experts, including analysts, expect the shift from off- to online pharmacies to continue in the coming years as current online penetration numbers are still relatively low and online customer satisfaction is high. Redcare Pharmacy's DACH reporting segment already operates at a positive adjusted EBITDA. In addition, across Europe but foremost in Germany, there is an opportunity for the Company to significantly increase the sales of prescription medications. In Germany, online sales of prescription medications have been allowed for some time but the process was initially cumbersome for customers because of the requirement to provide the pharmacist with the doctor's paper prescription. In the case of “Shop Apotheke”, customers had to post the prescription. In 2019, the gematik began developing an electronic alternative (e-Rx) and, following a successful trial period that lasted until mid 2022, by the start of 2023 a total of 1 million e-Rx had been dispensed by doctors across Germany. Since January 2024, it has been mandatory for doctors to provide e-prescriptions, which has resulted in the nationwide adoption of e-Rx. This has created a great opportunity for customer-centred online pharmacy “Shop Apotheke”. Expected sales and unit economics are taken into account for the best estimates of total cash flows.

15.2. Determination of cash-generating units (CGUs).

Redcare Pharmacy determines whether goodwill impairment is necessary at least on an annual basis. The impairment test for goodwill is performed based on cash-generating units that represent the lowest level within the company at which goodwill is monitored for internal management purposes. The groups of cash-generating units are defined as the customer-facing channels. The customer-facing channels are Germany, Belgium (Farmaline), Switzerland, France (Hygée Santé), MedApp, Italy, Austria and nu3. The number of groups of cash-generating units amounted to a total of eight at the end of 2024. Goodwill has been allocated to six of those groups.

In 2024, there have been no changes / updates to the identified cash-generating units (CGU).

15.3. Overview goodwill.

As a result, the following table shows the goodwill existing in the Group as of 31 December 2024:

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Germany	161,161	161,161
Switzerland	107,924	107,924
Belgium (Farmaline)	4,179	4,179
nu3	2,975	2,975
MedApp	1,253	1,253
Hygée Santé	5	5
	277,497	**277,497**

The goodwill reflects the value of the Group's overall market and competitive positioning, which is described in the following strategic information.

Strategic information
The Group is a fast-growing online pharmacy in continental Europe. With the acquisition of Europa Apotheek Venlo in November 2017, the Group significantly enhanced its position in Germany and in prescription medicines. The product range of OTC, beauty and personal care products as well as prescription drugs was supplemented by high quality natural food and health products, low-carb and sports nutrition products as a result of the acquisition of nu3 GmbH in July 2018. In 2021, the Group acquired smartpatient, an enhanced pharmacy solutions expert and MedApp, a prescription medication business in the Dutch market. In 2022, GoPuls (formerly First A), a start-up medication delivery platform was acquired in Germany and in 2023, in a transaction with Swiss Galenica AG, Redcare Pharmacy acquired 51% of the Swiss online prescription medication business MediService AG.

The Group operates online pharmacies in Germany, Austria, Switzerland, France, Belgium, Italy and the Netherlands.

The Group delivers a broad range of more than 150,000 original products on stock and 100,000 products via its marketplace at attractive prices to well over 12 million active customers (12.5 million active customers at year-end 2024). In addition, the Group provides comprehensive pharmaceutical consultation services. In Germany, where it operates as "Shop Apotheke", the business has transitioned from a pure e-pharmacy retailer to a customer-centred e-pharmacy platform. Its goal is to gain a relevant share of the online prescription market growth that is expected from the adoption of electronic prescriptions.

In order to assess the potential impairments on the listed goodwill, the Group follows an eight-year forecasting process.

Internal process for preparing the eight-year forecast to perform impairment tests.
The forecasting process is based on internal data, in particular, a detailed customer data model that considers customer acquisition costs from previous periods and expected customer activation rates, as well as external market research that forecasts future online penetration rates and the market size of advanced online markets e.g. in the United States or Sweden. Assumptions on sales growth and profitability are checked against third-party reports and tested with sensitivity analyses in order to make the test robust.

Historical financial information.
The health sector is driven by regulations that result in barriers to entry and loyal, longer-term customers with high customer lifetime values. As the online market is expected to stay in a growth mode for a number of years, due to the expected continuation of the shift from offline to online in the continental European markets, the length of the forecasting period needs to reflect this. An eight-year forecast period, with robust assumptions regarding the nature of the industry, the long-term growth phase expected from the adoption of electronic prescriptions in Germany and the gradual shift in consumer preferences from offline to online, is considered adequate.

The Company has achieved fast (double-digit) growth for many consecutive years. In 2024, total sales growth was 32% or, excluding the contribution by MediService, 26%. This growth was driven by a strong performance in the German OTC / BPC online market. For impairment testing purposes, we assume approximately 15% sales growth p.a. in the coming years. Until 2020, the growth of prescription medication (Rx) sales was 10–20% p.a. In 2021, there was a strong decline in Rx sales as a result of the discontinuation of the Rx bonus; in 2022, this decline stopped, with sales volumes stabilising in all quarters of the year. In 2023, quarterly sales in Germany further increased, with growth totalling 49% including MediService, which was acquired during the year. In 2024, the year that the e-prescription became the new standard in Germany, Rx sales grew 68.7% year over year.

As in 2023, geopolitical conflicts persisted in 2024, but inflationary pressures declined, leading to lower interest rates. On the back of this and strong labour markets, consumer spending remained resilient. Against this backdrop and the Group's strategic decision to invest in the growth of the Rx market, Redcare Pharmacy realised a margin in line with the external guidance provided in October, while continuing to achieve high double-digit sales growth in both non-Rx and Rx and rapidly expanding its customer base. Redcare's active customers increased by 1.7 million to end the year at 12.5 million.

After the opening of a next-generation central distribution facility in Sevenum, the Netherlands in 2021, in 2022 a distribution centre was opened near Milan in Italy. A new distribution centre is planned to be opened in 2025 in the Czech Republic. In late 2021, a marketplace platform was launched in Germany. Austria followed in 2022 and Italy and Belgium in 2024, enabling our customers in the these countries to choose from a wide range of additional healthcare-related assortment from our marketplace merchants. In 2024, we continued to extend the delivery options available to our customers, particularly in Germany, with further same-day or quick delivery options organised by ourselves or via partners and platforms.

We used long-term forecasts as a base to perform the goodwill impairment tests.

Support for main assumptions.
Future revenue growth is planned in a two-step approach, firstly, based on customer data and future expectations on sales growth rates and market shares. The results of these calculations are then partially compared against organic growth rates and market shares realised historically. In a second step, the outcome is compared against the total market size, based on the calculations regarding total market share computed in step one. In addition, specifically for the prescription-based market, an online mail order penetration of 10 % is assumed to be reached in a couple of years following the nationwide and mandatory adoption of electronic prescriptions.

Target-adjusted EBITDA profitability in access of 8 % (2023: 8 %) is based both on benchmarking of local German pharmacies (information from ABDA Pharmacists' Association), and a bottom-up build-up of current unit economics, future income streams, efficiencies and scale.

Cost of sales is based on historic information plus annual improvements expected from economies of scale in purchasing and manufacturer discounts.

Operations personnel is calculated on the number of parcels, taking into account realised and expected efficiency gains from the sites based on calculations from an external general planner.

Marketing personnel is calculated on a country basis, with variable marketing expenses that are based on sales growth and the respective number of new customers with their respective acquisition costs.

Administrative personnel and IT infrastructure personnel are calculated taking into account economies of scale and typical efficiency gains. Internal and external IT personnel are calculated for the first year based on the required man days for the IT projects that are planned to be delivered; for future years, they are based on a percentage of sales, as these costs and demands are expected to increase together with our sales growth.
CapEx is calculated based on the capacity and IT required to enable future sales. Finally, on a high level, the business plan is compared to patterns experienced by peers.

Climate-related matters.
The Group constantly monitors climate-related risks, including physical risks and transition risks, when measuring the recoverable amount. The Group does not believe its operations are currently significantly exposed to physical risk or by transition risk. As a result, the Group has concluded that no single climate-related assumption is a key assumption for the 2024 test of goodwill.

Upsides and downsides.
The downside risk of the impairment test for the CGU Germany is the significant delay (years) in the online penetration of the electronic prescription in Germany. There could also be a potential, albeit very unlikely ban (due to conflict with European law) on mail order sales for prescription medications in Germany.

The upside potential is a stronger adoption of the electronic script in 2024 and beyond, or an overall acceleration (vs. our estimates) of the shift in customer preference from off- to online pharmacies across our geographies. A broader overview of the risks and opportunities of the Company is described in the Risk management chapter of this report.

WACC.
The calculation of the WACC follows the capital asset pricing model, applying current interest rates, market premiums and betas benchmarked by a peer-group analysis performed by independent experts that results in a 8.1% WACC for the Group (2023: 7.9%). From the post-tax discounted cash-flow analysis, pre-tax rates were determined using the goal-seek method (in accordance with IAS 36.BCZ85 determining a pre-tax discount rate). The respective pre-tax WACC was 10.9% (2023: 9.8%) for the CGU Germany impairment test, 10.8% (2023: 7.9%) for the CGU nu3 impairment test, 11.9% (2023: 10.8%) for the CGU Farmaline impairment test, 9.2% (2023: 9.2%) for the CGU Switzerland impairment test and 9.5% (2023: 10.0%) for the CGU MedApp impairment test.

15.4. Impairment test.

Impairment tests on goodwill in line with IAS 36 have been made for the goodwill related to the CGUs:

- Germany
- Belgium (Farmaline)
- nu3
- MedApp
- Switzerland

Hygée Santé was acquired in 2017. As the respective goodwill of the CGU Hygée Santé is not material, no specific impairment test was carried out for this CGU.

The main assumptions for the CGU Germany impairment test are the sales growth expected from the mandatory adoption of electronic prescriptions at the start of 2024, the total number of annual prescriptions in Germany as well as an e-Rx online penetration rate of approximately 10%, as seen in other markets such as Switzerland, Sweden and the United States. The related cash-flow projections include projected investment in capacity expansion as well as increased personnel cost and working capital needs in line with the expected sales growth. Due to the long-term growth prospects based on demographic factors, i.e. market studies projecting a population with a higher need for prescription medication, the respective calculations are based on an eight-year forecasting period.

The assumptions used in the impairment test as of 31 December 2024 are summarised in the table below:

CGU	Terminal sales growth	Revenue growth rate	EBITDA margin	Discount rate
Germany	0%	8.5%-61.1%	1.3%-8.1%	10.90 %
Farmaline	0%	5%-9.3%	7.3-12.8%	11.90 %
Nu3	0%	6%-10%	3.9%-12.2%	10.80 %
MedApp	0%	10%-66.7%	-16,8%-4.7%	9.50 %
Switzerland	0%	5.7%-16.6%	0.7%-3.8%	9.20 %

The impairment test shows that in all cases the recoverable amounts were higher than the carrying amounts. As a result, management concludes that no impairment of goodwill is applicable. Management also performed a sensitivity analysis on the sales growth rates and WACCs, the individual estimates and assumptions and concluded that the possibility of a reasonable change in the estimates does not result in impairment.

16. Accounting for joint ventures.

The Company has a 50% (2023: 50%) interest in two joint ventures, König IDV GmbH and König IT Systeme GmbH, both incorporated and located in Germany. The primary business of König IDV GmbH is data processing. The primary business of König IT Systeme GmbH is IT services.

The contractual arrangement provides the Group with the rights to the net assets and liabilities of the joint ventures. Under IFRS 11 these joint ventures have been included in the consolidated financial statements using the equity method.

	Country of incorporation principal place of business	Proportion of ownership interest held as at 31 December	
		2024	2023
König IDV GmbH[1]	Germany	50%	50%
König IT-Systeme GmbH[2]	Germany	50%	50%

König IDV GmbH had a result after taxes of EUR 222 thousand in financial year 2024 (2023: EUR 74 thousand).

König IT Systeme GmbH had a result after taxes of EUR nil (2023: EUR 10 thousand).

The joint ventures are not individually material. Therefore, the aggregated financial information in relation to the joint ventures is presented below.

[1] The primary business of König IDV GmbH in Gottmadingen, Germany, is data processing. The 50% share was acquired as part of the acquisition of EHS Europe Health Services B.V. on 8 November 2017.

[2] The primary business of König IT GmbH in Gottmadingen, Germany, is IT services. The 50% share was acquired as part of the acquisition of EHS Europe Health Services B.V. on 8 November 2017.

Summarised statement of financial position - joint ventures.

in EUR 1,000	As at 31 December 2024	As at 31 December 2023
Non-current assets	20	38
Current assets	1,666	1,423
Total assets	**1,686**	**1,461**
Equity	1,547	1,325
Current liabilities	139	136
Total equity and liabilitites	**1,686**	**1,461**

Summarised statement of profit or loss - joint ventures.

in EUR 1,000	2024	2023
Revenue from contracts with customers	1,237	1,094
Other operating income	9	8
Cost of sales	-43	-93
Operating expenses	-945	-882
Result before tax	**258**	**128**
Income tax expense	-36	-43
Result for the year (continuing operations)	**222**	**84**
Total comprehensive income for the year (continuing operations)	**222**	**84**
Group's share of result for the year	**111**	**42**

The operating expenses include depreciation expenses of EUR 28 thousand (2023: EUR 28 thousand).

The consolidated statement of profit and loss shows a share of profit of associates and joint venture of EUR 415 thousand. This mainly concerns EUR 111 thousand share in a joint venture, EUR 122 thousand result from associates and EUR 182 thousand badwill on the acquisition of Aust Pharma (refer to note 29).

17. Inventories.

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Finished products held for resale	158,029	138,954
Raw materials, packaging materials and other	1,511	1,516
Inventory allowance	-5,716	-4,684
	153,824	**135,786**

The cost of inventories recognised as an expense during the year in respect of continuing operations was EUR 1,870 million (2023: EUR 1,342 million).

No inventories are expected to be recovered after more than twelve months.

The inventories include EUR 1.8 million (2023: EUR 1.2 million) carried at net realisable value. Such write-down was recognised as an expense during 2024. The write-downs and reversals are included in Cost of sales.

18. Current receivables.

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Trade receivables	112,053	108,219
Provision for impairment	-2,188	-5,085
	109,865	**103,134**

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Prepayments	17,994	10,886
Other current assets and deferred income	25,791	22,323
VAT receivable	14,990	16,171
	58,775	**49,380**

The average credit period on sales of goods and services is 17 days in 2024 (2023: 19 days).

The increase in trade receivable balances is impacted by the growth of the revenues that are related to the business combination with MediService; the average credit period for the added business is above the average credit period of Redcare businesses.

As of 31 December 2024, the age analysis of receivables was as follows:

in EUR 1,000	Total	Not past due - 0- 30 days	Past due - 30- 60 days	Past due - 61 – 90 days	Past due - 91 – 120 days	Past due - 121 days and older
Trade receivables	112,053	99,551	3,210	1,731	2,027	5,534
Provision for impairment	-2,188	-252	-97	-135	-142	-1,562
Net trade receivables	**109,865**	**99,299**	**3,113**	**1,596**	**1,885**	**3,972**
Expected credit loss	2%	0%	3%	8%	7%	28%

As of 31 December 2023, the age analysis of receivables was as follows:

in EUR 1,000	Total	Not past due - 0- 30 days	Past due - 30- 60 days	Past due - 61 – 90 days	Past due - 91 – 120 days	Past due - 121 days and older
Trade receivables	108,219	87,482	3,777	3,050	2,370	11,540
Provision for impairment	-5,085	-514	-287	-181	-149	-3,954
Net trade receivables	**103,134**	**86,968**	**3,490**	**2,869**	**2,221**	**7,586**
Expected credit loss	5%	1%	8%	6%	6%	34%

No interest is charged on trade receivables. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer scoring. Limits and scoring attributed to customers are reviewed periodically. In addition, customer orders are checked automatically by defined algorithms to prevent fraud.

Movement in the provision for impairment:

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Balance beginning of the year	5,085	4,802
Provision for expected credit losses	-2,269	774
Write-off	-628	-491
Balance end of the year	2,188	5,085

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

19. Other financial assets.

in EUR 1,000	Fixed deposits	Escrow	Other	Total
Current other financial assets	120,000	7,058	0	127,058
Non-current other financial assets	0	0	3,456	3,456
Balance 1 January 2024	**120,000**	**7,058**	**3,456**	**130,514**
Additions	664	0	3,067	3,731
Currency revaluation	0	0	29	29
Disposal	-40,000	0	0	-40,000
Cash out payment	0	-7,058	0	-7,058
Current other financial assets	80,664	0	0	80,664
Non-current other financial assets	0	0	6,552	6,552
Balance 31 December 2024	**80,664**	**0**	**6,552**	**87,216**

The current other financial assets of EUR 80.6 million (2023: EUR 127.1 million) include fixed term deposits amounting to EUR 80.6 million (2023: EUR 120 million). The disposal of fixed deposits of EUR 40 million is the result of the transfer of fixed cash to current bank accounts. The remainder is the short-term portion of the prepaid post-combination services in escrow related to the EUR 7.1 million acquisition of smartpatient, which was released from escrow during 2024.

Non-current other financial assets of EUR 6.6 million (2023: EUR 3.5 million) are related to payments made regarding rent deposits; it is expected that they will be repaid at the end of the rental contract.

20. Cash and cash equivalents.

All cash balances are at free disposal of the Group, except for a rent guarantee of EUR 286 thousand (2023: EUR 381 thousand).

Within the cash and cash equivalents, an amount of EUR 17.6 million (2023: EUR 20.2 million) is included for the cash pooling agreement between MediService AG and Galenica Finanz AG. The cash pooling agreement is seen as a demand deposit. Based on the agreement, the balances of the cash pooling are freely available to MediService.

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash, as defined above. Bank overdrafts are not included since they are not considered to be an integral part of the Group's cash management. Current securities are shown in Other financial assets according to IAS 7.

21. Shareholders' equity.

Share capital.

The share capital of the Group as of 31 December 2024 amounts to EUR 402.1 thousand (31 December 2023: EUR 397.7 thousand) divided into 20,342,486 shares (31 December 2023: 20,203,287) each with a nominal value of EUR 0.02, of which 20,105,402 have been issued and fully paid, 237,084 shares are held in trust for stock option plans.

The total number of authorised shares amounts to 85,000,000 shares.

Capital increase.

During the financial year 81,145 employee options were exercised (2023: 59,132) within the employee stock option plan. Each stock option gives the participant the right to subscribe newly issued ordinary shares of the Company on exercise at a predetermined exercise price. The average exercise price amounts to EUR 48.84 per share (2023: EUR 44.66 per share). The options exercised resulted in a capital increase in 2024 of EUR 4.0 million (2023: EUR 2.6 million).

Additionally, 139,200 employee options were exercised (2023: 227,200) under the smartpatient option plan. The plan vests over a period of three years, beginning in 2021. The options exercised have a total nominal value of EUR 3 thousand (2023: EUR 4 thousand).

Reference is made to note 27 for disclosures on share-based payments.

22. Non-current liabilities.

Loans and borrowings.

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Amounts due to banks	4,875	6,500
Lease liabilities	27,677	30,676
Convertible bond	204,263	197,847
Employee benefit liabilities	833	1,045
	237,648	**236,068**

Convertible bond.

In January 2021, the Company issued 2,250 0.0% convertible bonds with an aggregate principal amount of EUR 225.0 million. Each bond entitles the holder to convert to ordinary shares at a conversion price of EUR 233.83. Given the zero coupon no interest is due on these bonds. Conversion of the above-mentioned bonds may occur as of 3 March 2021 in the period to and including the earlier of the following days:

- The 40th business day prior to the maturity date (21 January 2028); or
- If the bonds are redeemed by the issuer, the 30th business day prior to the redemption date or, if such day falls within an excluded period, the first business day prior to the beginning of this excluded period.

To the extent the bonds have not previously been redeemed, converted or repurchased and cancelled they will be redeemed at their principal amount on the maturity date (21 January 2028). The issuer will be entitled to fulfil its obligation to redeem the bonds in cash by redeeming all but not only some of the bonds, according to the share redemption option.

The convertible bonds contain two components: liability and equity elements. The equity element is presented in equity under the heading of equity part on convertible bonds.

The effective interest rate of the liability element on initial recognition is 3.05% per annum.

Initial recognition convertible bonds.

A summary of the initial recognition of the convertible bonds is given below:

in EUR 1,000	Issued on 14.01.2021
Proceeds of principal issued (amount less costs)	222,197
Liability component at date of issue	-179,933
Deferred tax liability on equity component	-10,566
Equity component	31,698

Movements of the convertible bonds.

A summary of the movements of the convertible bonds is given below:

in EUR 1,000	
Balance 1 January 2023	191,629
Interest charged calculated at an effective interest rate of 3.05%	6,218
Interest paid	0
Balance 31 December 2023	**197,847**
Interest charged calculated at an effective interest rate of 3.05%	6,416
Interest paid	0
Balance 31 December 2024	**204,263**

Current versus non-current classification.

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Liability component	204,263	197,847
- of which long-term position	204,263	197,847
- of which short-term position	0	0

Amount due to banks.

In February 2021, the Company obtained a EUR 13 million loan at a credit institution. This loan is secured by a pledge over the logistics automation in the Sevenum logistics centre. The loan has a duration of six years, ending on 31 December 2026; repayment is quarterly for an amount of EUR 406,250 starting on 31 March 2021. The annual interest amounts to 3-month EURIBOR + 2.95% of the principal amount.

Employee benefit liabilities.

This relates to the long-term portion of the post-combination benefit payments as a result of the acquisitions of smartpatient and MedApp. For detailed disclosure, reference is made to note 31 (business combinations in prior periods).

23. Current liabilities.

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Trade and other payables	183,986	157,591
Loans and Borrowings	9,729	8,770
Other liabilities	56,017	57,362
	249,732	**223,723**

Trade and other payables.

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Trade payables	175,290	151,996
Other payables	8,696	5,595
	183,986	**157,591**

The average credit period on purchases in 2024 is 40 days (2023: 38 days). No interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Trade and other payables grew by EUR 26.4 million to EUR 184 million. This is largely due to the growth in the existing business.

Loans and borrowings.

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Loans to credit institutions - short term portion	1,625	1,625
Lease liabilities - short term position	8,104	7,145
	9,729	**8,770**

Amounts due to banks are further disclosed in note 22.

Lease liabilities are reported under non-current and current liabilities. A further disclosure of leases can be found in note 32.

Other liabilities.

in EUR 1,000	Year ended 31.12.2024	Year ended 31.12.2023
Corporate income tax	460	573
Wage tax & social security charges	3,267	4,508
VAT	21,696	18,491
Employee benefit liabilities	8,692	7,240
Liability due to customer loyalty program	10,658	8,854
Accrued expenses	11,244	17,696
	56,017	**57,362**

Other liabilities remained relatively stable compared to prior year.

Employee benefit liabilities.

The employee benefit liabilities include accruals for bonus payments, vacation days and several other accruals.

Other liabilities.

No interest is charged on the other liabilities.

24. Changes in liabilities arising from financing activities.

In accordance with IAS 7, the overview below shows the changes arising from cash flows and non-cash changes:

in EUR 1,000	31.12.2023	Cash flows	Non-cash changes			31.12.2024
			Acquisition	Addition/Movement	Interest accretion to liability	
During financial year 2024						
Long term borrowings (incl. current)	8,085	-1,625	0	40	0	6,500
Short term borrowings - bank overdraft	0	0	0	0	0	0
Lease liabilities (non-current)	30,676	0	0	-4,187	1,188	27,677
Lease liabilities (current)	7,145	-8,250	0	9,209	0	8,104
Contingent consideration	0	0	0	0	0	0
Convertible bond	197,847	0	0	0	6,416	204,263
	243,753	**-9,875**	**0**	**5,062**	**7,604**	**246,544**

in EUR 1,000	31.12.2022	Cash flows	Non-cash changes			31.12.2023
			Acquisition	Addition/Movement	Interest accretion to liability	
During financial year 2023						
Long term borrowings (incl. current)	9,750	-1,665	0	0	0	8,085
Short term borrowings - bank overdraft	40	-40	0	0	0	0
Lease liabilities (non-current)	27,593	0	0	1,821	1,262	30,676
Lease liabilities (current)	5,880	-7,303	4,268	4,300	0	7,145
Contingent consideration	12,872	0	0	0	-12,872[1]	0
Convertible bond	191,629	0	0	0	6,218	197,847
	247,764	**-9,008**	**4,268**	**6,121**	**-5,392**	**243,753**

For the disclosure relating to our credit facility, we refer to note 33.

The total number of additions / movements in lease liabilities relates to a movement from non-current to current and to the additions in the lease liabilities during the financial year. For further substantiation of the total amount of additions (non-current and current) of EUR 5,022 thousand (2023: EUR 6,121 thousand), please refer to Note 32.

[1] During 2023 a fair value adjustment of EUR 12,872 thousand was recorded; refer to note 10 for a detailed explanation.

25. Financial instruments.

Categories of financial instruments.

in EUR 1,000	Financial assets at fair value through profit or loss		Financial assets at amortised cost	
	Year ended 31.12.2024	Year ended 31.12.2023	Year ended 31.12.2024	Year ended 31.12.2023
Trade and other receivables	0	0	109,865	103,134
Other financial assets	0	0	87,216	130,514
Cash and cash equivalents	0	0	96,892	84,160
Total financial assets	**0**	**0**	**293,973**	**317,808**

in EUR 1,000	Financial liabilities at fair value through profit or loss		Financial liabilities at amortised cost	
	Year ended 31.12.2024	Year ended 31.12.2023	Year ended 31.12.2024	Year ended 31.12.2023
Non-current liabilities (excluding lease)	0	0	209,971	205,392
Trade and other payables	0	0	183,986	157,591
Current loans and borrowings (excluding lease)	0	0	1,625	1,625
Other current liabilities	0	0	34,115	33,790
Total financial liabilities	**0**	**0**	**429,697**	**398,398**

Information on risks.

The following financial risks can be identified: interest rate risk, credit risk, liquidity risk and currency risk. This note provides information on the financial risks to which the Group is exposed, the objectives and policy for managing risks arising from financial instruments as well as the management of capital.

Interest rate risk.

The interest rate risk includes the influence of positive and negative changes to interest rates on the profit, equity or cash flow in the current or a future reporting period. Interest rate risks from financial instruments can arise within the Group mainly in connection with financial liabilities. A change in the market risk at the reporting date would not have a significant effect on the Group profit or equity, since the credit facility is normally not used and most other non-current liabilities have a fixed interest rate. Given current market circumstances, a potential positive affect on cash and equivalent balances would arise if interest rates were to increase.

Credit risk.

Credit risk is the risk of a loss being incurred because a counterparty is unable or unwilling to meet its obligations. The Group is exposed to credit risk; this risk mainly relates to non-payment by customers for services provided. Credit risk also arises from cash, cash equivalents and other financial assets. For banks and financial institutions, only independently rated parties with minimum rating A are accepted.

The risk of default on receivables has been reflected in provisions for bad debt. Due to constant close monitoring of potential default risks, additional receivables risk is very limited. Without exception, receivables which are past due but for which no provision has been recognised, are trade receivables from normal sales. In relation to the provision for doubtful debts, see note 18 of the consolidated financial statements.

The other receivables and the prepayments and accrued income do not contain any accounts older than one year.

Liquidity risk.

Liquidity risk is the risk that the Group is unable to obtain the financial resources required to meet its financial obligations on time. In this regard, the Group regularly assesses the expected cash flows over a period of several years. These cash flows include operating cash flows and share premium repayment, interest payments, e.g. on the convertible bond, replacement capital expenditure and the effects of a change in the Group's creditworthiness. The aim is to have sufficient funds available at all times to provide the required liquidity.

The Group's liquidity needs are affected by many factors, some of which are based on the normal ongoing operations of the business and others relate to the uncertainties of the global economy and the industry. Although cash requirements fluctuate based on the timing and extent of these factors, the Group believes that cash generated from operations, together with the liquidity provided by existing cash and cash equivalents, are sufficient to satisfy the current requirements, including the 2024 capital expenditure.

Currency risk.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). The cost of raw materials and consumables used and other expenses is mostly denominated in euro, except for the acquired business of MediService. The MediService business mainly operates in Swiss franc. Outstanding intra-Group balances between MediService and Redcare Group companies are limited. Therefore, foreign currency exchange risk is considered not material.

Liquidity and interest risk tables.

The following tables detail the Company's remaining contractual maturity for its financial liabilities (excluding lease liabilities) with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest curves at the end of the reporting period. The contractual maturity is based on the earliest day on which the Company may be required to pay.

The following table sets out the maturities (representing undiscounted cash flows) of financial liabilities. The maturities of lease liabilities are specified in note 32.

in EUR 1,000	Up to 1 Year	1 - 5 Year	Over 5 Years	Total
At 31 December 2024				
Non-current liabilities (excluding lease)	0	231,012	0	231,012
Trade and other payables	183,986	0	0	183,986
Current loans and borrowings (excluding lease)	1,625	0	0	1,625
Other current liabilities	34,115	0	0	34,115
Total financial liabilities (excluding lease)	**219,726**	**231,012**	**0**	**450,738**

in EUR 1,000	Up to 1 Year	1 - 5 Year	Over 5 Years	Total
At 31 December 2023				
Non-current liabilities (excluding lease)	0	233,253	0	233,253
Trade and other payables	157,591	0	0	157,591
Current loans and borrowings (excluding lease)	1,625	0	0	1,625
Other current liabilities	33,790	0	0	33,790
Total financial liabilities (excluding lease)	**193,006**	**233,253**	**0**	**426,259**

Capital management.

The Group manages its equity to ensure it will be able to continue as a going concern with an emphasis on capital preservation. The Group's overall strategy is to obtain leadership in all relevant European markets. The Group is subject to reporting and governance rules of the Dutch *Autoriteit Financiële Markten* (AFM) and the Frankfurt Stock Exchange, where it has been listed since 21 September 2020.

Fair value of financial assets and financial liabilities.

The Company considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values, except for the convertible bond which is presented as part of the non-current liabilities, accounted for based on amortised costs. The fair value of the convertible bond is at EUR 188,875 thousand (2023: EUR 174,535 thousand) compared to the carrying amount of EUR 204,263 thousand (2023: EUR 197,874 thousand).

The fair values of the other financial assets and liabilities are the same as the carrying amounts, since all trade and other receivables are due within 30 days and all trade and other payables are paid within 90 days.

26. Related party transactions.

Compensation of key management personnel.

Key management personnel are those persons who have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The Company considers the members of the Managing Board and the Supervisory Board to be key management personnel.

The remuneration of the Managing Board per member is disclosed in the Remuneration report.

The total compensation of key management personnel in 2024 amounted to EUR 4,457 thousand (2023: EUR 4,459 thousand).

Remuneration of the Managing Board.

The table below specifies the remuneration of the Managing Board.

in EUR 1,000	2024	2023
Base salary	2,056	1,495
Short term variable incentives (STI)	0	0
Other (1)[1]	270	15
Share-based compensation	1,763	2,632
Pensions	55	27
Total remuneration	**4,144**	**4,169**

Remuneration of the members of the Supervisory Board.

The table below specifies the remuneration of the members of the Supervisory Board.

in EUR 1,000	2024	2023
Björn Söder	92	80
Frank Köhler	74	60
Jérôme Cochet	49	49
Henriette Peucker	57	49
Jaska de Bakker	52	52
Total	**324**	**290**

Loans to key management personnel.

Redcare Pharmacy N.V. does not provide loans or advances to members of the Managing Board or the Supervisory Board. There are no loans or advances outstanding as Redcare Pharmacy N.V. does not issue guarantees to the benefit of members of the Managing Board or the Supervisory Board. No such guarantees are outstanding.

Loans from related parties.

As in 2023, no loans from related parties were obtained in 2024.

[1] Other mainly includes gross allowances for fringe benefits such as compensation for car and phone.

Other transactions with related parties.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

in EUR 1,000	Sales to related parties	Purchases from related parties	Amounts owed by related parties[1]	Amounts owed to related parties	Other transactions
Joint venture in which the parent is a venturer:					
2024	0	367	0	42	0
2023	0	212	0	18	0
Associates:					
2024	378	0	174	0	0
2023	371	0	170	0	0
Key management personnel:					
2024	0	0	0	0	2[2]
2023	0	242[3]	0	242	26[4]

Redcare Pharmacy N.V. has entered into arrangements with a number of its subsidiaries in the course of its business. These arrangements relate to service transactions and financing agreements. Transactions were conducted at market prices.

Identified related parties.

Until its dissolvement on 18 May 2023, twenty-five individual shareholders (with a combined stake of 26.4%) agreed to coordinate the exercise of their voting rights in advance and to exercise these rights jointly by means of a voting pool agreement. This pool of shareholders was comprised around and included the Company's founder Michael Köhler, both directly and through his holding companies (at that time holding around 12% of Redcare Pharmacy’s shares), his brother Frank Köhler, a member of the Supervisory Board of Redcare Pharmacy and Dr. R. Hess, an employee of the Company. Until that time, the Company had good reasons to identify Michael Köhler and the entities he then controlled as a related party of Redcare Pharmacy N.V.

Michael Köhler has fully transferred his control in one of his holding companies (MK Beleggingsmaatschappij Venlo B.V.) to third parties as of 11 December 2023 and has further reduced his shareholding in Redcare Pharmacy to below 3.0%. Therefore, he and the aforementioned legal entities are no longer deemed to be a related party of Redcare Pharmacy N.V.

During 2024, SA Europe B.V. acquired 100% of the shares of Aust Pharma GmbH. This is a transaction with Dr. R. Hess, an employee of the Group (not identified as a related party). Reference is made to note 30 for disclosure on the business combination transaction.

1 The amounts are classified as trade receivables and trade payables, respectively (see note 18 and note 22).

2 The other transactions relate to consulting services provided by Fastgoed BVBA (an entity owned by Lode Fastrë) during 2024 after the start date as newly appointed CIO.

3 In 2023, the Company concluded a transaction with Goodcarbon GmbH regarding the purchase of carbon credits for EUR 241,660 on terms that are customary in the market. Goodcarbon is considered a related party of the Company since it is owned and managed by, among others, Jérôme Côchet, a member of the Supervisory Board of Redcare Pharmacy.

4 The other transactions relate to services under the consultancy agreement with Olaf Heinrich prior to his start date (1 August 2023) as newly appointed CEO.

27. Share-based payments.

As of 31 December 2024 and for the year 2024, the Group provides two share-based payment plans for a selected group of employees:

- Employee stock option plan of the Group (equity-settled).
- smartpatient plan (equity-settled).

Employee stock option plan of the Group.

Details of the employee stock option plan of the Group.

The Group has a stock option scheme for a selected group of employees (mostly executive management and senior management) of the Group and its subsidiaries. In accordance with the terms of the plan, certain employees may be granted options to purchase ordinary shares. The General Meeting of Shareholders has designated the Managing Board to grant (rights to acquire) shares under, pursuant to and in connection with the respective employee stock option plans, subject to the prior approval of the Supervisory Board.

Each employee stock option converts into one ordinary share of the Group on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following share-based payment arrangements were in existence during the current year:

Fair value of the stock options granted in the year.

The weighted average exercise price of the stock options granted during the year is EUR 131.35 (2023: EUR 97.96). The actuarial valuation was performed using best estimate assumptions developed by the management of the Group.

An external expert performed the valuation of the expected fair value of the option. The Black-Scholes valuation method for option valuation was used for Option Plans 1 to 6; for the Option Plans 7 to 18 the Monte Carlo model was used for valuation, taking into consideration the terms and conditions on which the stock options were granted. The Monte Carlo model allows the expected life of the option to be included in the determination of fair value.

The only vesting condition is that employees must remain in service for the period from the grant date until the vesting date of the stock options. The employee stock option agreement states that the employee reserves the right to exercise, even if the employee becomes disabled, deceases or retires.

Options series	Quantity	Grant date	Vesting date	Expiry date	Exercise price	Fair value grant date	Balance at end of year
6a	78,334	02/07/2019	18/06/2021	30/06/2026	35.50	12.72	0
6b	78,333	02/07/2019	18/06/2022	30/06/2026	35.50	12.72	20,890
6c	78,333	02/07/2019	18/06/2023	30/06/2026	35.50	12.72	50,061
7a	10,000	01/02/2020	01/02/2022	11/06/2027	46.40	17.06	0
7b	10,000	01/02/2020	01/02/2023	11/06/2027	46.40	18.18	5,000
7c	10,000	01/02/2020	01/02/2024	11/06/2027	46.40	19.13	10,000
8a	93,000	12/05/2020	12/05/2022	11/06/2027	81.40	29.59	46,643
8b	93,000	12/05/2020	12/05/2023	11/06/2027	81.40	31.47	70,777
8c	93,000	12/05/2020	12/05/2024	11/06/2027	81.40	33.05	73,945
9a	100,000	01/10/2020	01/10/2023	01/10/2026	149.40	61.14	80,000
9b	100,000	01/10/2020	01/10/2024	01/10/2026	149.40	64.46	80,000
10a	4,184	04/05/2021	04/05/2023	04/05/2028	160.60	63.94	3,350
10b	4,183	04/05/2021	04/05/2024	04/05/2028	160.60	68.45	3,350
10c	4,183	04/05/2021	04/05/2025	04/05/2028	160.60	75.25	3,350
11a	8,183	28/04/2022	28/04/2024	28/04/2029	74.42	31.55	7,058
11b	8,183	28/04/2022	28/04/2025	28/04/2029	74.42	34.01	7,553
11c	10,910	28/04/2022	28/04/2026	28/04/2029	74.42	36.15	10,070
12a	1,605	02/11/2022	02/11/2024	02/11/2029	44.12	19.90	1,005
12b	1,605	02/11/2022	02/11/2025	02/11/2029	44.12	21.52	1,605
12c	2,140	02/11/2022	02/11/2026	02/11/2029	44.12	22.95	2,140
13a	8,458	26/04/2023	26/04/2025	26/04/2030	91.56	42.48	8,115
13b	8,458	26/04/2023	26/04/2026	26/04/2030	91.56	45.99	8,115
13c	11,277	26/04/2023	26/04/2027	26/04/2030	91.56	48.93	10,820
14	9,984	01/08/2023	01/08/2026	01/08/2029	116.05	60.10	9,984
15	19,300	03/01/2024	03/01/2027	03/01/2030	127.90	64.77	19,300
16	19,216	02/02/2024	02/02/2027	02/02/2030	133.15	67.65	19,216
17a	9,683	26/04/2024	26/04/2027	26/04/2031	130.00	59.57	9,683
17b	9,683	26/04/2024	26/04/2028	26/04/2031	130.00	64.47	9,683
17c	12,910	26/04/2024	26/04/2029	26/04/2031	130.00	68.57	12,910
18	15,546	17/04/2024	17/04/2027	17/04/2030	136.20	69.47	15,546
	913,690						**600,168**

Inputs to the model.

Option series	Series 6a	Series 6b	Series 6c	Series 7a	Series 7b	Series 7c	Series 8a	Series 8b	Series 8c	Series 9a
Grant date share price	35.80	35.80	35.80	46.40	46.40	46.40	81.40	81.40	81.40	149.40
Exercise price	35.50	35.50	35.50	46.40	46.40	46.40	81.40	81.40	81.40	149.40
Expected volatility	36.01%	36.01%	36.01%	44.33%	44.33%	44.33%	44.33%	44.33%	44.33%	47.32%
Option life	7 years	7 years	7 years	7 years + 4m	7 years + 4m	7 years + 4m	7 years	7 years	7 years	6 years
Dividend yield	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%
Risk-free interest rate	-0.77%	-0.77%	-0.77%	-0.549%	-0.549%	-0.549%	-0.561%	-0.561%	-0.561%	-0.638%
Calculation model	BS	BS	BS	MC	MC	MC	MC	MC	MC	MC

Option series	Series 9b	Series 10a	Series 10b	Series 10c	Series 11a	Series 11b	Series 11c	Series 12a	Series 12b	Series 12c
Grant date share price	149.40	160.60	160.60	160.60	74.42	74.42	74.42	44.12	44.12	44.12
Exercise price	149.40	160.60	160.60	160.60	74.42	74.42	74.42	44.12	44.12	44.12
Expected volatility	47.32%	49.49%	49.49%	49.49%	51.88%	51.88%	51.88%	54.39%	54.39%	54.39%
Option life	6 years	7 years	7 years	7 years	7 years	7 years	7 years	7 years	7 years	7 years
Dividend yield	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%
Risk-free interest rate	-0.638%	-0.45%	-0.45%	-0.45%	0.850%	0.850%	0.850%	2.132%	2.132%	2.132%
Calculation model	MC	MC	MC	MC	MC	MC	MC	MC	MC	MC

Option series	Series 13a	Series 13b	Series 13c	Series 14	15	16	17a	17b	17c	18
Grant date share price	91.56	91.56	91.56	116.05	127.90	133.15	130.00	130.00	130.00	136.20
Exercise price	91.56	91.56	91.56	116.05	127.90	133.15	130.00	130.00	130.00	136.20
Expected volatility	55.68%	55.68%	55.68%	55.31%	54.75%	54.72%	54.44%	54.44%	54.44%	54.48%
Option life	7 years	7 years	7 years	6 years	6 years	6 years	7 years	7 years	7 years	6 years
Dividend yield	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%
Risk-free interest rate	2.419%	2.419%	2.419%	2.544%	1.950%	2.131%	2.567%	2.567%	2.567%	2.452%
Calculation model	MC	MC	MC	MC	MC	MC	MC	MC	MC	MC

For the options granted during the year, the expected share volatility has been determined by measuring the volatility of the daily changes of the share price of Redcare Pharmacy N.V. over the past three to four years.

The dividend yield is equal to 0.00%, since the Company is not expected to pay out dividends soon.

Movements in stock options during the year.

The following reconciles the stock options outstanding at the beginning and end of the year:

	Number of options 2024	Weighted average exercise price 2024	Number of options 2023	Weighted average exercise price 2023
Balance at beginning of the year	597,456	90.61	664,514	89.55
Granted during the year	86,338	131.35	38,176	97.96
Forfeited during the year	-2,481	48.84	-45,186	140.87
Exercised during the year	-81,145	48.84	-59,132	43.32
Expired during the year	0	0.00	-916.00	140.87
Balance at end of year	600,168	102.19	597,456	90.61

For the dates on which the different options are exercisable please refer to the table above.

Stock options outstanding at the end of the year.

The stock options outstanding at the end of the year had a weighted average exercise price of EUR 102.19 (2023: EUR 90.61) and a weighted average remaining contractual life of 1,146 days (2023: 1,322 days).

For the stock option plan, a total expense of EUR 3,182,000 was recognised in the 2024 result (2023: EUR 3,507,000).

Smartpatient plan.

With the acquisition of smartpatient, the Group provided a post-combination services benefit to the former owners of smartpatient with the objective that they continue their efforts to roll out the Company's strategy. The smartpatient plan successively vests over a period of three years and includes a lock-up period until 31 December 2024. The fair value of the plan at the grant date was EUR 29.6 million; this amount is amortised in the employee benefit costs over the graded vesting period and the shares to be provided are to the undiscounted value of this amount.

During 2024, the Group recognised EUR 0.0 million (2023: EUR 8.1 million) in employee benefit expenses.

28. Employee benefit plans.

The MediService employees work in Switzerland and participate in the “Galenica Pension Fund”, which is financed by the employers and the employees. This plan is legally separate from MediService and qualifies as a defined benefit plan. The pension plan covers the risks of the economic consequences of old age, disability and death in accordance with the Swiss Federal Occupational Retirement, Survivors and Disability Pension Plans Act (BVG / LPP). The pension plan is structured in the legal form of a foundation. All actuarial risks are borne by the foundation and regularly assessed by the Board of Trustees based on an annual actuarial appraisal prepared in accordance with BVG / LPP. The Company's liabilities are limited to contributions that are based on a percentage of the insured salary under Swiss law. Only in cases of a funded status that is significantly below a funded status of 100% as per the BVG / LPP law can Galenica be required to pay additional contributions. The calculations made in these appraisals do not apply the projected unit credit method required by IFRS. If the calculations made in accordance with the provisions of BVG / LPP reveal a funded status of less than 100%, suitable restructuring measures need to be introduced. The Board of Trustees consists of employee and employer representatives.

The defined benefit plan is funded. Plan assets are managed separately from MediService’s assets by the independent pension fund.

The most recent actuarial valuation was prepared as at 31 December 2024. The pension fund assets are invested in accordance with local investment guidelines. MediService pays its contributions to the pension fund in accordance with the regulations defined by the fund.

The final funded status pursuant to BVG / LPP is not available until the first quarter of the subsequent year. The projected funded status as at 31 December 2024 for the MediService Pension Fund is 117.0% (unaudited) and as at 31 December 2023 110.8% (final).

Defined benefit plans and long-service awards.

	2024		2023	
in EUR 1,000	**Defined benefit plans**	**Long-service awards**	**Defined benefit plans**	**Long-service awards**
Plan assets measured at fair value	36,079	0	30,574	0
Present value of defined benefit obligation	-38,068	-370	-33,732	-297
Surplus / (deficit)	**-1,989**	**-370**	**-3,158**	**-297**
Effect of asset ceiling	0	0	0	0
Net carrying amount recognised in employee benefit liabilities	**-1,989**	**-370**	**-3,158**	**-297**
of which recognised in assets	0	0	0	0
of which recognised in liabilities	-1,989	-370	-3,158	-297

Change in present value of defined benefit obligation.

	2024		2023	
in EUR 1,000	**Defined benefit plans**	**Long-service awards**	**Defined benefit plans**	**Long-service awards**
1 January	**-33,711**	**-297**	**0**	**0**
From business combination	0	0	-29,878	-259
Current service cost	-1,015	-37	-379	-16
Past service cost	0	0	0	0
Interest on defined benefit obligation	-448	-3	-276	-2
Actuarial gain/(loss)	-1,137	-50	-2,775	-17
Employee contributions	-782	0	-363	0
Benefits/awards paid	-1,437	15	-39	-2
Currency revaluation	462	3	0	0
Plan compensation	0	0	0	0
31 December	**-38,068**	**-370**	**-33,711**	**-297**

Change in fair value of plan assets.

in EUR 1,000	**2024**	**2023**
1 January	**30,574**	**0**
From business combination	0	30,707
Interest on plan assets	417	297
Remeasurement gain/(loss)	2,194	-1,355
Employee contributions	782	370
Employer contributions	1,127	531
Net benefits paid	1,437	40
Administration cost	-34	-16
Currency revaluation	-418	0
Plan compensation	0	0
31 December	**36,079**	**30,574**

Net defined benefit cost.

in EUR 1,000	**2024**	**2023**
Current service cost	1,015	-395
Past service cost	0	0
Net interest on net defined benefit liability	31	18
Administration cost	34	-16
Effect of plan compensation	0	0
Net defined benefit cost	**1,080**	**-393**

Remeasurement of net defined benefit liability.

in EUR 1,000	2024	2023
Actuarial gain/(loss) due to:		
– Changes in demographic assumptions	0	0
– Changes in financial assumptions	-1,819	-2,227
– Experience adjustments	682	-549
Remeasurement of plan assets	2,194	-1,355
Effect in the change of asset ceiling	0	836
Adjustment	0	0
Remeasurement of net defined benefit liability recognised in other comprehensive income	**1,057**	**-3,295**

Investment structure of plan assets.

in EUR 1,000		2024		2023
Cash and cash equivalents	283	0.8 %	134	0.4%
Debt instruments	7,982	22.1 %	6,982	22.8%
Equity instruments	15,549	43.1 %	12,854	42.0%
Real estate	8,204	22.7 %	7,333	24.0%
Other investments	4,061	11.3 %	3,272	10.7%
Fair value of plan assets	**36,079**	**100.0 %**	**30,574**	**100.0%**
Current return on plan assets		8.8 %		-3.4%

The Board of Trustees is responsible for investing the plan assets. It defines the investment strategy and determines the long-term target asset structure (investment policy), taking into account the legal requirements, objectives set, the benefit obligations and the foundations' risk capacity. The Board of Trustees delegates implementation of the investment policy in accordance with the investment strategy to an investment committee, which also comprises trustees from the Board of Trustees and a general manager. Plan assets are managed by external asset managers in line with the investment strategy.

Cash and cash equivalents are deposited with financial institutions with a credit rating of A or above.

Debt instruments (e.g. bonds) have a credit rating of at least BBB and quoted prices in active markets (level 1 of the fair value hierarchy). They can be investments in funds and direct investments.

Equity instruments are investments in equity funds. These generally have quoted prices in active markets (level 1 of the fair value hierarchy).

Real estate relates to both residential property and offices. These can be investments in quoted real estate funds (level 1 of the fair value hierarchy) or direct investments (level 3 of the fair value hierarchy). If real estate is held directly, it is valued by an independent expert.

Other investments consist of hedge funds, insurance-linked securities (ILS), infrastructures, senior loans, private equity and receivables. Investments in hedge funds are classified as alternative investments. They are primarily used for risk management purposes. In most cases, quoted prices in an active market are not available for hedge funds investments (level 2 or level 3 of the fair value hierarchy).

The use of derivative financial instruments is only permitted if sufficient liquidity or underlying investments are available. Leverage and short selling are not permitted. The total pension funds manage the assets of 6,027 active members (previous year: 5,629) and 1,135 pensioners (previous year: 950).

MediService does not use any pension fund assets.

Basis for measurement.

in EUR 1,000	2024	2023
Discount rate	0.95%	1.40%
Salary development	2.10%	2.25%
Pension development	—%	—%
Mortality (mortality tables)	BVG 2020 GT (CMI), 1.5%	BVG 2020 GT (CMI), 1.5%
Turnover	BVG 2020 (100%)	BVG 2020 (60% –100%)

Sensitivity analysis.

in EUR 1,000	Variations in assumptions	Impact on DBO 2024	Variations in assumptions	Impact on DBO 2023
Discount rate	+0.25%	-1,256	+0.25%	-1,080
	— %	1,371	— %	1,180
Salary development	+0.25%	152	+0.25%	102
	— %	-114	— %	-102
Mortality	+1 year	0	+1 year	708
	-1 year	0	-1 year	-708

The sensitivity analysis assumes potential changes in the above parameters as at year end. Every change in a key actuarial assumption is analysed separately. Interdependencies are not taken into account.

The pension obligations have an average duration of 16.2 years.

Cash outflows for pension payments and other obligations can be budgeted reliably. The benefit plans collect regular contribution payments. Furthermore, the investment strategies safeguard liquidity at all times.

The employer contributions to the pension fund are estimated at EUR 1.2 million for 2025.

29. Non-controlling interests.

The following table summarises the information relating to the Group's subsidiary that has a material NCI, before any intra-Group eliminations.

in EUR 1,000	Year ended 31 Dec 2024	Year ended 31 Dec 2023
Mediservice AG		
NCI percentage	49%	49%
Non-current assets	41,499	49,783
Current assets	84,409	97,323
Non-current liabilities	-10,236	-15,639
Current liabilities	-62,636	-7,573
Net assets	53,036	60,894
Net assets attributable to NCI	25,988	29,838
Revenue	496,168	306,880
Profit	2,470	888
OCI	202	-1,027
Total comprehensive income	2,672	-139
Profit allocated to NCI	892	435
OCI allocated to NCI	99	-504

On 16 May 2023, the Group acquired 51% of MediService AG; as a consequence, a non-controlling interest of 49% of the shares of MediService has been accounted for. Accordingly, the comparative information relating to MediService is only for the period of 16 May 2023 until 31 December 2023.

30. Business combinations during the period.

Acquisition of Aust Pharma.

On 31 October 2024, the Group acquired 100% of the shares of Aust Pharma GmbH ("Aust Pharma"), a pharmaceutical wholesaler holding an EU wholesale distribution authorisation dedicated to the supply of pharmaceutical products for the Austrian market. Redcare acquired Aust Pharma for a cash consideration of EUR 275,000.

The results of Aust Pharma have been consolidated effective from 1 November 2024 (and directly contributed to earnings per share).

Purchase consideration.
Details of the purchase consideration are as follows:

in EUR 1.000	
Cash paid	275
Contingent consideration	0
Total purchase consideration	275

Identified assets and liabilities.

The assets and liabilities recognised as a result of the acquisition are as follows:

in EUR 1,000	Book Value	Adjustment	Fair Value
Tangible fixed assets	3	0	3
Inventory	812	0	812
Trade and other receivables	0	0	0
Cash	531	0	531
Non-current liabilities	0	0	0
Trade and other payables	-647	0	-647
Other current liabilities	-242	0	-242
Goodwill on acquisition	0	-182	-182
Total consideration	**457**	**-182**	**275**

The acquisition of Aust Pharma resulted in a badwill of EUR 182,000 which has been recorded in the profit and loss statement of 2024 in the Share of profit of associates and joint ventures and badwill.

Impact of acquisition on the results of the Group.

The amounts included in the Revenue and result after tax for 2024 in the consolidated figures are considered non-material.

Acquisition costs.

In 2024, the Group incurred acquisition-related costs of EUR 26 thousand. These costs have been included in Administrative expenses.

Cash flow statement.

The total amount of consideration paid, net of cash acquired can be reconciled with the cash flow statement as follows:

in EUR 1.000	
Cash paid	-275
Cash acquired	531
Total cash impact of acquisition of subsidiary	256

31. Business combinations completed in prior periods.

Acquisition of MediService.

On 16 May 2023, Redcare Pharmacy N.V. entered a strategic partnership with Galenica AG in Switzerland by acquiring 51% of the shares and voting interest in MediService AG, including Curarex AG.

As part of this strategic partnership, Redcare Pharmacy and Galenica AG combined the business activities of the speciality pharmacy MediService AG and the online pharmacy redcare.ch.

Purchase consideration.

Details of the purchase consideration, are as follows:

in EUR 1,000	
Purchase consideration 51% MediService AG	130,541
Additional purchase consideration	8,529
Variable consideration	0
Total purchase consideration	**139,070**

As part of the transaction, approximately 1.2 million Redcare shares were issued and transferred to Galenica in return for the sale of a 51% shareholding in MediService – net of and after the purchase of the shop-apotheke.ch business by MediService via an exclusive license agreement.

In order to determine the purchase consideration, the number of total shares transferred was multiplied by the share price as at the closing date (EUR 92.90), resulting in a purchase price of the shares transferred of EUR 110,941,459. Apart from the equity instruments issued, Redcare also implicitly transferred 49% of the licence agreement for the webshop of redcare.ch to Galenica via Galenica's 49% shareholding in MediService AG ("consideration in kind") for an amount of EUR 19,600,000, resulting in a total purchase consideration of EUR 130,541,459.

In addition to the share transfer, by means of the transaction documentation, Galenica acquired an additional number of approximately 0.4 million Redcare shares via a cash payment. Given that both the share transfer and the additional shares acquired were fixed at the same price – at the volume-weighted average price of the 20 trading days preceding signing of EUR 72 per share – the difference between the share price as per the transaction documentation on 29 March 2023 and the share price as at the closing date was considered to be an additional purchase consideration of EUR 8.5 million.

During the six months after the closing date the net working capital position of MediService was measured. If the average of net working capital position during that period had been higher than the normalised net working capital position, Redcare would have been entitled to a compensation payment from Galenica. The preliminary fair value of this variable purchase consideration (contingent consideration) was determined at EUR nil. The net working capital measurement period was closed in 2024; no payout occurred.

Identified assets and liabilities.

The assets and liabilities recognised as a result of the acquisition are as follows:

in EUR 1,000	Book Value	Adjustment	Fair value
Intangible fixed assets	3,843	36,672	40,515
Right-of-use assets	4,268	0	4,268
Tangible fixed assets	700	0	700
Deferred tax assets	7,066	0	7,066
Inventories	18,668	0	18,668
Cash and cash equivalents	1,366	0	1,366
Trade and other receivables	52,934	0	52,934
Deferred tax liability	-2,385	-5,757	-8,142
Employee benefit liability	-247	0	-247
Lease liabilities	-4,268	0	-4,268
Trade and other payables	-26,979	0	-26,979
Cash pooling balance	-24,807	0	-24,807
Goodwill on acquisition	0	107,924	107,924
Non-controlling interest on acquisition	-14,778	-15,148	-29,926
Total consideration	**15,381**	**123,691**	**139,072**

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

- Brand name is valued at EUR 12.7 million and is depreciated over a period of three years. The relief-from-royalty method has been applied to value the brand name.
- Customer relationships are valued at EUR 24.4 million and are depreciated over a period of ten years. The multi-period excess earnings method has been applied to value the customer relationships.

Deferred tax of EUR 5.8 million has been provided in relation to these fair value adjustments.

Goodwill arising from the transaction has been recognised as follows:

in EUR 1,000	
Consideration transferred	139,070
Non-controlling interest, based upon their proportionate interest	29,926
Fair value of the identifiable net assets	(61,074)
Goodwill from transaction	**107,922**

The residual goodwill mainly originates from the value attributable to the significant growth expectations of MediService in the future. The goodwill arising on the MediService acquisition is not deductible for tax purposes.

Impact of acquisition on the results of the Group.
Included in the result after tax for the year 2023 is EUR 888 thousand attributable to the additional business generated by the MediService acquisition. Revenue for the year 2023 includes EUR 307 million in respect of the MediService business. In determining these amounts, management has included the fair value adjustments that arose on the date of the acquisition.

Acquisition costs.
In 2023, the Group incurred acquisition-related costs for an amount of EUR 873 thousand. These costs have been included in Administrative expenses.

Cash flow statement.
The total amount of consideration paid, net of cash acquired can be reconciled with the cash flow statement as follows:

in EUR 1.000	
Cash paid	0
Cash acquired	-23,441
Contingent consideration paid during financial year	0
Total cash impact of acquisition of subsidiary	**-23,441**

32. Leases.

All operating lease contracts (except for short-term leases and leases of low-value assets) have been presented as right-of-use assets and lease liabilities respectively. The operating lease contracts consist of leasing properties. Therefore, only one lease category is identified.

The development of right-of-use assets and lease liabilities during the year was as follows:

in EUR 1,000	Right-of-use asset	Lease liability
Balance 1 January 2023	30,596	33,473
Additions	5,921	5,921
Arising on business combination	4,268	4,268
Disposal	0	0
Depreciation charge	-6,272	0
Interest expense	0	1,262
Cash out lease payments	0	-7,303
Currency effects	201	200
Balance 31 December 2023	**34,714**	**37,821**
Additions	5,836	5,836
Arising on business combination	0	0
Disposal	-720	-720
Depreciation charge	-6,978	0
Interest expense	0	1,188
Cash out lease payments	0	-8,250
Currency effects	-93	-94
Balance 31 December 2024	**32,759**	**35,781**

in EUR 1,000	31.12.2024	31.12.2023
Lease liabilities non-current	27,677	30,676
Lease liabilities current	8,104	7,145
	35,781	**37,821**

The following table sets out the maturities (representing undiscounted cash flows) of financial lease liabilities:

in EUR 1,000	Up to 1 Year	1 - 5 Years	Over 5 Years	Total
As at 31 December 2023	7,250	25,774	8,332	41,356
Movements 2024	905	535	-4,618	-3,177
As at 31 December 2024	**8,155**	**26,309**	**3,714**	**38,179**

The obligations for property leases as of 31 December 2024 (except for short-term leases and leases of low-value assets) that have not been presented as lease liabilities in the statement of financial position are disclosed in note 33.

33. Contingent liabilities.

Guarantees.

Guarantee obligations regarding rental contracts have been provided by the Group for EUR 34 thousand (2023: EUR 381 thousand).

Credit facility.

The Deutsche Bank EUR 25 million credit facility agreement was also secured by a EUR 25 million pledge over assets.

Fiscal unity.

For the purpose of value added tax, Redcare Pharmacy N.V., SA Europe B.V., EuroService Venlo B.V., Shop Apotheke B.V., Shop Apotheke Service B.V., RC Staff B.V., RC Pharma B.V., EHS Europe Health Services B.V., EHSC B.V., Europa Apotheek Venlo B.V. and Europa Apotheek Service Venlo B.V. are associated in a fiscal unity and therefore severally liable for the debts with respect to value-added taxes of the fiscal unity.

For the purpose of corporate income tax, SA Europe B.V., Shop Apotheke B.V., Shop Apotheke Service B.V., RC Staff B.V., RC Pharma B.V. and EuroService Venlo B.V. are associated in a fiscal unity and are therefore severally liable for the corporate income tax owed of the entire fiscal unity as of October 2015 (subsequent to this date and not for the prior period).

For the purpose of corporate income tax, EHS Europe Health Service B.V., EHSC B.V., Europa Apotheek Venlo B.V. and Europa Apotheek Service Venlo B.V. are associated in a fiscal unity and therefore severally liable for the corporate income tax owed by that fiscal unity.

For the purpose of corporate income tax, MedApp Holding B.V., MedApp Apotheek B.V. and MedApp Nederland B.V. are associated in a fiscal unity and are therefore severally liable for the corporate income tax owed of the entire fiscal unity.

Rental commitments buildings and other (lease) agreements.

The obligations for property leases as of 31 December 2024 (except for short-term leases and leases of low-value assets) have been presented as lease liabilities in the statement of financial position.

The company has entered contractual obligations for the lease of property of the new distribution centre in the Czech Republic as at 31 December 2024. This lease will commence on 1 July 2025 and has a duration of 10.5 years. The estimated total future payments per year amount to approximately EUR 2.2 million. Since the Company does not have the right of use of the property as per 31 December 2024 and the contract is subject to construction of the premises, which has to be fulfilled, its lease contract has not been accounted for in accordance with IFRS 16.

Redcare initiated a comprehensive logistics automation project, within our existing premises, with a total budget of approximately EUR 100 million, payable during the years 2025, 2026 and 2027. Early 2025, Redcare signed contractual commitments for about 75% of the budget. Redcare will likely pay the first instalment(s) from its existing funds, but a total project-financing through an asset leasing structure is being evaluated.

Legal proceedings.

Redcare Pharmacy N.V. and its subsidiaries are parties to a number of other legal proceedings arising out of their business operations. Redcare Pharmacy believes that the ultimate resolution of these proceedings will not, in the aggregate, have a material adverse effect on Redcare Pharmacy’s financial position, results of operations or cash flows. Such other legal proceedings, however, are subject to inherent uncertainties and the outcome of individual matters is unpredictable. It is possible that Redcare Pharmacy could be required to have expenses in excess of established provisions, at amounts that cannot reasonably be estimated.

34. Standards issued but not yet effective.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2025 and have not been adopted early in preparing these financial statements. None of these amendments are expected to have a material effect on the financial statements of the Group except for "IFRS 18 Presentation and Disclosure in Financial Statements". Redcare's assessment of the impact of these new standards and amendments is set out below.

IFRS 18 Presentation and Disclosures in Financial Statements.
IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities’ net profit will not change.

- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.

- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as a starting point for the statement of cash flows when presenting cash flows under the indirect method.

The Company anticipates that the application of the new standard may have an impact on the Group's consolidated financial statements in future periods. The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group’s statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs.

The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

35. Subsequent events.

Reference is made to note 33 for information on commitments signed after balance sheet date.

There have been no significant subsequent events.

36. Other information.

Auditor's fees.

The Company's 2024 and 2023 financial statements were audited by Forvis Mazars Accountants N.V. The following auditor's fees were expensed in the statement of profit and loss in the reporting period:

	Year ended 31.12.2024		Year ended 31.12.2023	
in EUR 1,000	**Forvis Mazars Accountants N.V.**	**Other audit firms[1]**	**Forvis Mazars Accountants N.V.**	**Other audit firms**
Audit of the financial statements	647[2]	103	626[3]	130
Other assurance engagements	225[4]	0	30	0
Total	**872**	**103**	**656**	**130**

Approval and signing of the consolidated financial statements.

Sevenum, 10 March 2025

Managing Board members:
Olaf Heinrich, Jasper Eenhorst, Dirk Brüse, Theresa Holler, Lode Fastré.

Supervisory Board members:
Björn Söder (Chairman), Frank Köhler, Jérôme Cochet, Henriette Peucker and Jaska de Bakker.

1 This relates to the audit for Group purposes of financial data of a subsidiary by a local audit firm. This audit has been provided by another audit firm.

2 This amount includes EUR 120 thousand relating to the audit 2023.

3 This amount includes EUR 70 thousand relating to the audit 2022.

4 The other assurance engagement relates to the voluntary limited assurance engagement into the sustainability reporting in accordance with CSRD regulations of the Company for the financial year ending on 31 December 2024.

Company financial statements.

Company statement of financial position.

before appropriation of result (in EUR 1,000)	Notes	31.12.2024	31.12.2023
Assets			
Financial fixed assets			
Subsidiaries	4	156,387	151,193
Current assets			
Trade and other receivables		1,016	852
Receivables from Group Companies	5	621,945	544,793
Tax receivables		1,985	236
Other financial assets		80,664	120,000
Cash and cash equivalents	6	23,660	21,819
		729,270	**687,700**
Total Assets		**885,657**	**838,893**

	Notes	31.12.2024	31.12.2023
Equity and Liabilities			
Capital and reserves			
Issued Capital		402	398
Share premium		754,898	733,026
Legal reserves		26,307	27,378
Equity part on convertible bonds		31,698	31,698
Reserve for stock option plan		20,737	35,465
Accumulated losses		-304,597	-293,728
Net income for the year		-45,464	-12,041
Shareholders' equity	7	**483,981**	**522,194**
Provisions for subsidiaries	4	183,973	102,326
Deferred tax liabilities		4,627	6,282
Non-current liabilities			
Loans and borrowings	8	209,138	204,347
Current liabilities			
Trade and other payables		679	612
Loans and borrowings	8	1,625	1,625
Payables to Group Companies	9	601	905
Other liabilities		1,033	601
		3,938	3,743
Total Equity and Liabilities		**885,657**	**838,893**

Company statement of profit and loss.

in EUR 1,000	Notes	Period ended 31.12.2024	Period ended 31.12.2023
General & Administrative Expenses		-475	-6,579
Total Expenses		**-475**	**-6,579**
Other Income		0	0
Financial Income	3	20,848	16,186
Finance expense	3	-7,403	-6,741
Result before tax		**12,970**	**2,866**
Income tax expenses		1,655	1,604
Share of post-tax results of subsidiaries	4	-60,089	-16,511
Net Result		**-45,464**	**-12,041**

Notes to the Company Financial Statements.

1. General.

The Company is registered at the Dutch Chamber of Commerce under Commercial Register Number 63986981.

The description of the Company's activities and the Company structure, as included in the notes to the Consolidated financial statements, also apply to the Company financial statements.

2. Summary of material accounting policies.

The Company financial statements of Redcare Pharmacy N.V. are prepared in accordance with the legal requirements of Part 9, Book 2 of the Dutch Civil Code.

The Company has made use of the possibility based on Article 362, paragraph 8, Part 9, Book 2 of the Dutch Civil Code to prepare company financial statements based on the accounting policies used for the Consolidated financial statements.

The summaries of applications of new and revised reporting standards, significant accounting policies and critical judgements are given in notes 3 and 4 respectively of the notes to the Consolidated financial statements.

An investment in a subsidiary is accounted for using the equity method from the date on which the investee becomes a subsidiary. On acquisition of the investment in a subsidiary, any excess of the cost of the investment over the Group's share of the net fair value of the identified assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

Participations in consolidated entities are accounted for using the asset value method applying the same accounting policies as those used in the consolidated financial statements. If a participating interest has negative equity and the parent company is guarantor, a provision is formed for the best estimate of the liability.

Receivables are mainly receivables on Group companies. The accounting policy on trade and other receivables is included in note 18 of the notes to the Consolidated financial statements.

3. Finance income and expenses.

in EUR 1,000	31.12.2024	31.12.2023
Interest on group companies financing	16,009	12,080
Finance income from cash and other financial assets	4,712	4,027
Other finance income	128	79
	20,848	16,186

in EUR 1,000	31.12.2024	31.12.2023
Interest and other expenses convertible bonds	6,416	6,218
Interest expenses credit institutions	837	517
Losses from other financial assets	150	0
Other finance expenses	0	6
	7,403	6,741

4. Financial fixed assets.

Subsidiaries.

Redcare Pharmacy N.V. holds 100% interest in the following subsidiaries:

- SA Europe B.V., Sevenum, the Netherlands.
- EHS Europe Health Services B.V., Sevenum, the Netherlands.

A summary of the movements in the subsidiaries is given below:

in EUR 1,000	Subsidiaries	Provisions for subsidiaries	Total
Balance, 1 January 2023	154,502	-103,807	50,695
Result for the year	-16,511	0	-16,511
Share of other changes in equity	19,076	-4,393	14,683
Addition to provision negative equity	-5,874	5,874	0
Balance, 31 December 2023	151,193	-102,326	48,867
Result for the year	-60,089	0	-60,089
Share of other changes in equity	107	0	107
Change in equity due to exercised options	0	-16,471	-16,471
Addition to provision negative equity	65,176	-65,176	0
Balance, 31 December 2024	156,387	-183,973	-27,586

The change in equity due to exercised options relates to the exercised options of the smartpatient plan; for more information refer to note 27 of the consolidated financial statements.

The addition to provision for negative equity relates to a reclassification of the negative equity value of a participating interest of which Redcare Pharmacy N.V. is guarantor between the subsidiaries and provision for subsidiaries.

5. Receivables from Group companies.

in EUR 1,000	31.12.2024	31.12.2023
SA Europe BV	357,391	306,162
EuroService Venlo B.V.	24,812	6,310
Shop Apotheke B.V.	4,757	20,561
Shop Apotheke Service B.V.	233,626	193,380
Europa Apotheek Service B.V.	1,221	18,380
MedApp Holding B.V.	139	0
Balance 31 December	**621,945**	**544,793**

Regarding receivables and payables from / to Group companies, no repayment schedules have been agreed. Debit and credit amounts may be netted.

6. Cash and cash equivalents.

Cash and cash equivalents are at the immediate free disposal of the company.
;

7. Shareholder’s equity.

The share capital of the Group as of 31 December 2024 amounts to EUR 402.1 thousand (31 December 2023: EUR 397.7 thousand) divided into 20,342,486 shares (31 December 2023: 20,203,287) each with a nominal value of EUR 0.02, of which 20,105,402 have been issued and fully paid, 237,084 shares are held in treasury for stock option plans.
The total number of authorised shares amounts to 85,000,000.

Additional information is given in the consolidated statement of changes in shareholder’s equity and in note 21 to the Consolidated financial statements.

Legal reserves.

Legal reserve participations.

Based on Dutch law, a legal reserve needs to be established for positive results in the subsidiaries that cannot be used for dividend distribution without restriction. The legal reserve relates to the cost for software development as recognised by Redcare Pharmacy N.V.’s subsidiaries.

Movements during 2024 relate to the net balance of capitalisation and amortisation of software development by these subsidiaries.

Legal reserves.

The foreign operations of MediService, with CHF as the accounting currency, are translated into the reporting currency EUR of Redcare Pharmacy N.V. The resulting foreign currency translation differences on the net investment in such operations are included in a legal reserve.

in EUR 1,000	Legal reserves	Currency translation reserve	Total
Balance, 01 January 2023	30,988	0	30,988
Acquisition	0	0	0
Informal capital	0	0	0
Changes	-4,475	865	-3,610
Balance, 31 December 2023	26,513	865	27,378
Changes	-738	-333	-1,071
Balance, 31 December 2024	**25,775**	**532**	**26,307**

8. Loans and borrowings.

in EUR 1,000	31.12.2024	31.12.2023
Convertible bond	204,263	197,847
Amounts due to banks	4,875	6,500
Balance 31 December	209,138	204,347

Convertible bond.

In January 2021, the Company issued 2,250 0.0% convertible bonds with an aggregate principal amount of EUR 225.0 million. Each bond entitles the holder to convert to ordinary shares at a conversion price of EUR 233.83. Given the zero coupon no interest is due on these Bonds.

Further information is given in note 22 to the Consolidated financial statements.
The short-term liability portion of the convertible bond amounts to EUR nil (31 December 2023: EUR nil).

Amount due to banks.

In February 2021, the Company obtained a EUR 13 million loan at a credit institution. This loan is secured by a pledge over the logistics automation in the Sevenum logistics centre. The loan has a duration of 6 years, ending on 31 December 2026; repayment is done quarterly for the amount of EUR 406,250 starting at 31 March 2021. The annual interest amounts to 3-month EURIBOR + 2.95% of the principal amount.

9. Payables to Group companies.

Regarding receivables and payables from / to Group companies, no repayment schedules have been agreed. Debit and credit amounts may be netted.

in EUR 1,000	31.12.2024	31.12.2023
Shop Apotheke Service B.V.	24	0
Shop Apotheke Service GmbH	24	905
Nu3 GmbH	423	0
Europa Apotheek Venlo B.V.	130	0
Balance 31 December	601	905

10. Personnel.

The number of employees employed by Redcare Pharmacy N.V. at 31 December 2024 was 0 (31 December 2023: 0).

11. Commitments and contingencies.

For the purpose of value added tax, Redcare Pharmacy N.V., SA Europe B.V., EuroService Venlo B.V., Shop Apotheke B.V., Shop Apotheke Service B.V., RC Staff B.V., RC Pharma B.V., EHS Europe Health Services B.V., EHSC B.V., Europa Apotheek Venlo B.V. and Europa Apotheek Service Venlo B.V. are associated in a fiscal unity and therefore severally liable for the debts with respect to value-added taxes of the fiscal unity.

Redcare Pharmacy N.V. is liable for its Dutch Group companies, i.e. SA Europe BV, EuroService Venlo BV, Shop Apotheke B.V., RC Staff BV, RC Pharma B.V., Shop Apotheke Services B.V., EHS Europe Health Services B.V., EHSC B.V., Europa Apotheek Venlo B.V. and Europa Apotheek Service Venlo B.V. according to Article 403 of the Dutch Civil Code, and the according declaration has been filed with the trade register.

Credit facility.

The Deutsche Bank EUR 25 million credit facility agreement was in addition secured by a EUR 25 million pledge of assets.

Article 403 of the Dutch Civil Code.

As of its incorporation on 30 September 2015, Redcare Pharmacy N.V. is liable for the Dutch Group companies SA Europe B.V., Shop-Apotheke B.V., Shop-Apotheke Service B.V., RC Staff B.V., RC Pharma B.V., EuroService Venlo B.V., Europa Apotheek Venlo B.V., EHSC B.V., Europa Apotheek Service Venlo B.V. and EHS Europe Health Services B.V. according to Article 403 of the Dutch Civil Code.

As of 1 January 2019, Redcare Pharmacy N.V. is also liable for the Dutch Group companies Europa Apotheek Venlo B.V., EHSC B.V., Europa Apotheek Service Venlo B.V. and EHS Europe Health Services B.V. according to Article 403 of the Dutch Civil Code.

Article 264 of the German Civil Code.

Redcare Pharmacy N.V. is liable for the German Group company nu3 GmbH and Shop Apotheke Service GmbH according to Article 264.3 of the German Civil Code.

12. Related party transactions.

In the Annual Report 2024 no related parties with outstanding balances are presented since outstanding balances to related parties do not exist as at 31 December 2024.

Compensation of key management personnel.

The remuneration of Managing Board and Supervisory Board members is disclosed in the Remuneration report as part of the Annual Report.

Loans to key management personnel.

The Group has not provided any loans to its key management in 2024.

Loans from related parties.

As in 2023, no loans from related parties were obtained in 2024.

13. Auditor’s fees.

See note 36 of the notes to the Consolidated financial statements.

14. Events after the balance sheet date.

No subsequent events occurred.

15. Appropriation of result for the period 1 January 2024 – 31 December 2024.

The Managing Board proposes that the loss for the period 1 January 2024 – 31 December 2024 amounting to EUR -45,464 thousand should be deducted from the other reserves.

16. Signing of the financial statements.

Sevenum, 10 March 2025

Signed Statutory directors:
Olaf Heinrich, Jasper Eenhorst, Dirk Brüse, Lode Fastré, Theresa Holler

Björn Söder (Chairman), Jérôme Cochet, Frank Köhler, Henriette Peucker, Jaska de Bakker

Other information.

Statutory rules concerning appropriation of result.

According to the articles of the Company's statutory regulations the appropriation of the result for the year is at the disposal of the general meeting.

Independent auditor's report.

Reference is made to the auditor's report as included hereinafter.

Independent auditor's report.

To the shareholders and Supervisory Board of Redcare Pharmacy N.V.

Report on the audit of the financial statements 2024 included in the Annual and Sustainability Report

Our opinion

We have audited the 2024 financial statements of Redcare Pharmacy N.V. based in Sevenum, The Netherlands. The financial statements comprise the consolidated and company financial statements.

In our opinion:
1. the accompanying consolidated financial statements give a true and fair view of the financial position of Redcare Pharmacy N.V. as at 31 December 2024 and of its result and its cash flows for 2024 in accordance with IFRS Accounting Standards as adopted by the European Union (EU) and with Part 9 of Book 2 of the Dutch Civil Code;
2. the accompanying company financial statements give a true and fair view of the financial position of Redcare Pharmacy N.V. as at 31 December 2024 and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:
1. the consolidated statement of financial position as at 31 December 2024;
2. the following statements for 2024: the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of shareholders' equity and the consolidated statement of cash flows; and
3. the notes comprising a summary of the material accounting policy information and other explanatory information.

The company financial statements comprise:
1. the company statement of financial position as at 31 December 2024;
2. the company statement of profit and loss for 2024; and
3. the notes comprising a summary of the material accounting policy and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Redcare Pharmacy N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 33.2 million. The materiality is based on 1.4% of revenues. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of EUR 995 thousand, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Redcare Pharmacy N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Redcare Pharmacy N.V.

Based on our risk assessment, we determined the nature, timing and extent of audit procedures to be performed, including determining the components at which to perform audit procedures. The determining factors are the significance and risk profile of the group entities. We have:

- performed audit procedures ourselves at group entities located in the Netherlands;
- used the work of other auditors regarding the entity MediService AG;
- performed review procedures or specific audit procedures at other group entities.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the financial statements.

Audit response to the risks of fraud and non-compliance with laws and regulations

Audit response to the risks of fraud

We refer to the Risk Management Chapter in the Report of the Managing Board and the Report of the Supervisory Board in which the Supervisory Board reflects on this risk assessment.

We identified fraud risk factors with respect to financial reporting fraud, misappropriation of assets and corruption. We evaluated if those factors may indicate a risk of material misstatement in the financial statements due to fraud. We identified the following fraud risks and performed the following procedures:

Fraud risk 1	Our response to the identified and assessed fraud risk
The Managing Board override of controls Management is ordinarily in a unique position to adjust the financial statements by overriding controls that otherwise appear to be operating effectively. In this context, we paid attention to: • the appropriateness of journal entries and other adjustments made in the preparation of the financial statements; • potential biases in estimates, such as the impairment analysis in relation to goodwill; • consistent and appropriate application of revenue recognition accounting; • significant transactions, if any, outside the normal course of business.	Amongst others we performed the following specific procedures: • we evaluated the design and implementation of relevant internal controls in the sales, financial statement and consolidation process, such as segregation of duties and systems of authorisations; • we used data analytics to identify and assess high risk journal entries; • we made enquiries of individuals involved in the financial reporting process about possible inappropriate or unusual activity relating to the processing of journal entries and other adjustments; • we selected journal entries and other adjustments made at the end of the reporting period and post-closing entries; • we examined the underlying audit documentation of the selected journal entries; • we reviewed the accounting estimates for potential biases and evaluated whether the circumstance causing the bias, if any, represent a risk of material misstatement due to fraud.

Fraud risk 2	Our response to the identified and assessed fraud risk
Risk of fraud in revenue recognition The accounting principles in relation to revenue recognition are included in Note 3.3.3 of the consolidated financial statements. The risk of fraud in revenue recognition is a presumed audit risk. As a result of the listed status of Redcare Pharmacy N.V., there might be pressure to meet certain market and shareholder expectations. We have identified a fraud risk in relation to shifting revenue improperly into the financial year 2025.	Amongst others we have performed the following audit procedures: • we gained an understanding of the Group’s revenue recognition policies where relevant to our audit; • we assessed the internal control framework and evaluated the design and implementation of the relevant controls in the financial closing process, revenue reporting process and in the processes for generating and processing manual journal entries related to revenue; • we assessed the IT environment and relevant systems; • we performed audit procedures on the cut-off of the revenue.

In addition, we also performed the following procedures:

- we considered available information and made enquiries of relevant executives, including directors, Legal Counsel, the Audit Committee and Supervisory board;
- we inspected and verified the availability of the entity’s code of conduct for employees and suppliers and whistleblowing policy;
- we assessed other positions held by the Managing Board's and key employees and paid special attention to procedures regarding governance/compliance in the view of possible conflicts of interest;
- we evaluated whether the selection and application of accounting policies by the entity, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting;
- we incorporated elements of unpredictability in our audit, including using different sampling methods and performing audit procedures on non-material accounts.

Non-compliance with Laws and Regulations

We have obtained an understanding of the relevant laws and regulations applicable to the company. We have identified the following laws and regulations that have an indirect effect on the financial statements: anti-bribery and corruption, competition and data privacy laws and regulation.

We made enquiries with the Managing Board and the Audit Committee regarding their awareness of the entity’s compliance with laws and regulations which directly, or indirectly, have a material impact on the financial statements. We also inspected relevant correspondence with regulatory authorities.

We also inspected lawyers’ letters and remained alert to indications of identified and suspected non-compliance throughout the audit, held enquiries with legal counsel, and obtained a written representation from the Managing Board that all known instances of identified and suspected non-compliance with laws and regulations were disclosed to us.

Our observations

The aforementioned audit procedures have been performed in the context of the audit of the financial statements. Consequently, they are not planned and performed as a specific investigation regarding fraud and non-compliance with laws and regulations. Our audit procedures have not led to any findings.

Audit approach going concern

As disclosed in section "Basis of preparation" in Note 3.1 to the consolidated financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of the company’s ability to continue as a going concern and to continue its operations for at least the next 12 months after the preparation of the financial statements.

The Managing Board performed its going concern assessment and has not identified any going concern risks. Our main procedures to assess the Managing Board's assessment were:

- We considered whether the Managing Board's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit.
- We evaluated the consistency of information used in the Managing Board's going concern assessment (including cash flow forecasts) and information obtained through auditing other areas such as impairment assessments.
- Inquired with the entity's Legal Counsel regarding the existence of litigation and claims and the reasonableness of management's assessments of their outcome and the estimate of their financial implications.
- Performed audit procedures regarding subsequent events to identify those that either mitigate or otherwise affect the entity's ability to continue as a going concern.
- We analysed the company's financial position as at year-end.
- We compared the most recent subsequent figures and compared it with the received forecasts.
- Reviewed minutes of the Managing Board and Supervisory Board and relevant committees for reference to financing difficulties.
- Discussed with the component auditor about facts and circumstances which might be relevant for the going concern assessment at group level.

Our observations

Based on our procedures performed, we concur with the Managing Board's position on Redcare Pharmacy N.V.'s ability to continue as a going concern for the next 12 months. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the Supervisory Board. The key audit matter is not a comprehensive reflection of all matters discussed.

The key audit matter was addressed in the context of the audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	How we addressed this matter
Valuation of Goodwill As at 31 December 2024, goodwill amounts to EUR 277.5 million. Under EU-IFRS Accounting Standards, it is required to perform impairment tests annually on goodwill acquired in a business combination. The impairment tests were important for our audit as the related asset amounts are significant, and the assessment process itself is complex and includes the Managing Board's judgement on the underlying estimates and assumptions.	Our audit procedures included, amongst others: • the assessment of the proper allocation of the goodwill to the cash-generating units; • the comparison of the assumptions used in the previous year compared to the outcome in the current year (so called 'backtesting'); • the reasonability of the assumptions used by the Managing Board; • the reliability of the data used and its volatility in the sensitivity analysis; • furthermore, we assessed whether the key elements are disclosed properly in Note 15 to the consolidated financial statements; • with the assistance of our internal valuation specialists, we have obtained reasonable assurance on the assumptions and methodologies used by Redcare Pharmacy N.V. in determining that the goodwill is not impaired at the year end. **Our observation** We believe that the Managing Board's assessment of the valuation of goodwill and the corresponding accounting policies including the disclosures on key information related to goodwill are appropriate.

Report on the other information included in the Annual and Sustainability Report

The Annual and Sustainability Report contains other information, in addition to the financial statements and our auditor's report thereon. The other information consists of:

- Report of the Managing Board and the Corporate Governance section;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code and articles 2:135b and 2:145 paragraph 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the Report of the Managing Board,, the Corporate Governance section and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and articles 2:135b and 2:145 paragraph 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Managing Board is responsible for the preparation of the other information, including the Report of the Managing Board and the Corporate Governance section in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the Remuneration Report in accordance with articles 2:135b and 2:145 paragraph 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the Supervisory Board as auditor of Redcare Pharmacy N.V. on 29 May 2019, as of the audit for the year 2019 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Format (ESEF)

Redcare Pharmacy N.V. has prepared its Annual and Sustainability Report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the Annual and Sustainability Report prepared in XHTML format, including the (partly) marked-up consolidated financial statements as included in the reporting package by Redcare Pharmacy N.V., complies in all material respects with the RTS on ESEF.

The Managing Board is responsible for preparing the Annual and Sustainability Report including the financial statements in accordance with the RTS on ESEF, whereby management combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the Annual and Sustainability Report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting). Our examination included among others:

- obtaining an understanding of the company's financial reporting process, including the preparation of the reporting package;
- identifying and assessing the risks that the Annual and Sustainability Report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
    - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
    - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Managing Board and the Supervisory Board for the financial statements

The Managing Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Managing Board is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, The Managing Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Managing Board should prepare the financial statements using the going concern basis of accounting, unless the Managing Board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Managing Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Managing Board;
- concluding on the appropriateness of the Managing Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervisions and review for the audit performed for the purposes of the group audit. We bear the full responsibility for the auditor’s report.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the Audit Committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matter: the matter that was of most significance in the audit of the financial statements. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, 10 March 2025

Forvis Mazars Accountants N.V.
Original signed by: M. Hoogstad MSc RA

Limited assurance report of the independent auditor on the sustainability statements.

To the shareholders and Supervisory Board of Redcare Pharmacy N.V.

Our conclusion

We have performed a limited assurance engagement on consolidated sustainability statements for 2024 of Redcare Pharmacy N.V. based in Sevenum, The Netherlands (hereinafter: the company) in the section 'sustainability statements' of the accompanying the managing board report including the information incorporated in the sustainability statements by reference (hereinafter: the sustainability statements).

Based on our procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statements are not, in all material respects,
- prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and in accordance with the double materiality assessment process carried out by the company to identify the information reported pursuant to the ESRS; and
- compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Basis for our conclusion

We have performed our limited assurance engagement on the sustainability statements in accordance with Dutch law, including Dutch Standard 3810N, "Assurance-opdrachten inzake duurzaamheidsverslaggeving" (Assurance engagements relating to sustainability reporting) which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information'.

Our responsibilities in this regard are further described in the section 'Our responsibilities for the limited assurance engagement on the sustainability statement' of our report.

We are independent of Redcare Pharmacy N.V. in accordance the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants). The ViO and VGBA are at least as demanding as the International Code of Ethics for professional accountants (including International independence standards) of the International Ethics Standards Board for Accountants (the IESBA Code).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matters

The sustainability statements have been prepared in a context of new sustainability reporting standards, requiring entity-specific interpretations and addressing inherent measurement or evaluation uncertainties. In this context, we want to emphasize the following matters:

Emphasis on the most significant uncertainties affecting the quantitative metrics and monetary amounts

We draw attention to section 'basis for preparation' in the sustainability statements that identifies the quantitative metrics and monetary amounts that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements the company has made in measuring these in compliance with the ESRS.

The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial year.

Our conclusion is not modified in respect of this matter.

Emphasis on the double materiality assessment process

We draw attention to the sections 'materiality assessment and stakeholder engagement' and 'statement on sustainability due diligence' in the sustainability statement. This disclosure explains future improvements in the ongoing due diligence and double materiality assessment process, including robust engagement with affected stakeholders. Due diligence is an on-going practice that responds to and may trigger changes in the company's strategy, business model, activities, business relationships, operating, sourcing and sales contexts. The double materiality assessment process may also be impacted in time by sector-specific standards to be adopted. The sustainability statements may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

Our conclusion is not modified in respect of this matter.

Comparative information not subject to assurance procedures

No reasonable or limited assurance procedures have been performed on the sustainability information regarding the previous year. Consequently, the comparative information in the sustainability statements and thereto related disclosures for the year ended 31 December 2024 have not been subject to reasonable or limited assurance procedures.

Our conclusion is not modified in respect of this matter.

Limitations to the scope of our assurance engagement

In reporting forward-looking information in accordance with the ESRS, the managing board of the company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the achievability of this forward-looking information.

Our conclusion is not modified in respect of this matter.

Responsibilities of the Managing Board and the Supervisory Board for the sustainability statement

The Managing Board is responsible for the preparation of the sustainability statements in accordance with the ESRS, including the double materiality assessment process carried out by the company as the basis for the sustainability statements and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statement, the Managing Board is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

The Managing Board is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the company's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, the Managing Board is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statements that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by the company.

Our responsibilities for the limited assurance engagement on the sustainability statement

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance that the sustainability statements are free from material misstatements. The procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We apply the applicable quality management requirements pursuant to the Nadere voorschriften kwaliteitsmanagement (NV KM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1 and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included among others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the company), its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the company as the basis for the sustainability statements and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS.
- Obtaining through inquiries a general understanding of the internal control environment, the company's processes for gathering and reporting entity-related and value chain information, the information systems and the company's risk assessment process relevant to the preparation of the sustainability statements and for identifying the company's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance information about the implementation, or testing the operating effectiveness, of controls.
- Assessing the double materiality assessment process carried out by the company and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('selected disclosures'). We designed and performed further assurance procedures aimed at assessing that the sustainability statements are free from material misstatements responsive to this risk analysis.
- Considering whether the description of the double materiality assessment process in the sustainability statements made by the managing board appears consistent with the process carried out by the company;
- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends;
- Assessing whether the company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends, however, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Managing Board's estimates;
- Analysing, on a limited sample basis, relevant internal and external documentation available to the company (including publicly available information or information from actors throughout its value chain) for selected disclosures;
- Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement;
- Considering whether:
  - o the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives
    - reconcile with the underlying records of the company and are consistent or coherent with the sustainability statement;
    - appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met;

    and
  - o the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework as defined in Appendix 1 Glossary of Terms of the CEAOB Guidelines on limited assurance on sustainability reporting adopted on 30 September 2024 , and in compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented;
    - Considering the overall presentation, structure and the fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation); and
    - Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the sustainability statements as a whole, is free from material misstatements and prepared in accordance with the ESRS.

Rotterdam, 10 March 2025

Forvis Mazars Accountants N.V.
Original signed by: M. Hoogstad MSc RA

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Appendices.

Definitions.

Operations in scope of sustainability reporting.

All entities are included in scope of sustainability reporting. As some physical locations can include multiple different legal entities, these entities are incorporated under the physical operations' names in the table below. The table shows the locations of the operations in scope and their key activities. The reference to Redcare-core entity explains the applicability of particularly the social policies.

Operations name	Location	Ownership (%)	Redcare core-entity	Key activities
Redcare Sevenum	Sevenum, the Netherlands	100	Yes	Warehousing, logistics, office activities
Nu3	Berlin, Germany	100	No	Logistics, office activities
Redcare Berlin	Berlin, Germany	100	Yes	Office activities
Redcare Cologne	Cologne, Germany	100	Yes	Office activities
Redcare Milano	Milano, Italy	100	Yes	Warehousing, logistics, office activities
Fastnet Tongeren	Tongeren, Belgium	100	Yes	Office activities
Hygée Santé	Ennevelin, France	100	Yes	Inbound Logistics & Intra Logistics
Smartpatient Warsaw	Warsaw, Poland	100	No	Office activities
Smartpatient Munich	Munich, Germany	100	No	Office activities
MedApp Eindhoven	Eindhoven, the Netherlands	100	No	Warehousing, logistics, office activities
GoPuls Berlin	Berlin, Germany	100	No	Outbound logistics, office activities
APS Viersen	Viersen, Germany	100	No	Logistics, office activities
MediService	Zuchwil, Switzerland	51	No	Warehousing, logistics, office activities
Euroservice Pilsen, S.r.o.	Prague, the Czech Republic	100	n/a	Entity will start operational activities in 2025

The key activities mentioned in the table above relate to the followings (more detailed) definitions:

- Logistics – A complete combination of activities as described in Inbound, Intra and Outbound Logistics.
- Warehousing – Storage activities of products and materials intended to be resold or transported to other locations.
- Office activities – Business activities in offices without operations related to warehousing or logistics.
- Inbound Logistics – Activities related to purchased material and / or product logistics for own operations.
- Intra Logistics – Activities related to logistics of materials and products between different Company-controlled entities or locations, excluding any logistics activities to entities outside of the direct control of the Company.
- Outbound Logistics – Activities related to product and material management related to the delivery of parcels to customers, including (at least partially) the following activities: packaging, shipping of parcels, returns handling.

Environment.

- **Renewable energy:** The sum of energy consumed stemming from renewable sources, namely from biomass, biofuels, biogas, renewable hydrogen, renewable electricity, heat, steam and cooling or self-generated renewable energy. Hydropower, landfill gas and sewage treatment plant gas are also considered renewable, but are not consumed by Redcare.

- **Non-renewable energy production:** Energy which cannot be identified as being derived from renewable sources. Redcare does not produce non-renewable energy.

- **Fossil energy:** The sum of energy consumed from fossil sources such as coal, coal products, crude oil and petroleum products, natural gas or other fossil sources, or electricity produced from these energy sources.

- **Nuclear energy:** Energy that is obtained from nuclear reactions (e.g. nuclear power plant generated electricity). Redcare does not use nuclear energy.

- **Purchased bundled and unbundled electricity emissions:** The emission proof of bundled together with electricity contracts (e.g. backed by supplier-specific contract or certificate) and unbundled (backed by Guarantee of Origin or other unbundled certificate) and reported as total market-based emissions.

- **Conversion factor (CF):** Our conversion factors are used to translate data into carbon emissions (as emission factors) or other measurement units. They are updated annually in line with the most recently published conversion factors, where applicable.

- **Emission factor (EF):** A coefficient used specifically to convert activity data (e.g. litres of fuel used) into greenhouse gas emission (GHG) value (e.g. $kgCO_2e$).

- **Gross Scope 1 emissions:** Direct GHG emissions from sources that are owned or controlled by the undertaking. Our gross Scope 1 emissions consist of fossil fuel lease cars emissions, facility fuel use and fugitive gas emissions (related to refrigerant leakages). As no Scope 1 emissions stem from activities that fall under regulated emission trading schemes, according to Directive 2003/87/EC of the European Parliament and of the Council, they are not reported by Redcare.

- **Indirect energy (Scope 2):** Include the emissions stemming from energy that was generated outside of our directly controlled operations and was purchased and used by Redcare locations in the form of electricity and heat.

- **Gross location-based Scope 2 emissions:** Total indirect emissions (tCO_2e) related to the purchased energy that was used by Redcare, which were estimated by using location-based conversion factors.

- **Gross market-based Scope 2 emissions:** Total indirect emissions (tCO_2e) related to the purchased energy that was used by Redcare, which was estimated by using the market-based (supplier-specific) conversion factors, reflecting the chosen energy sources and supplier specifics.

- **Scope 3 (indirect) emissions:** The estimated indirect emissions generated in the upstream and downstream value chain of Redcare. These emissions are reported as separate Scope 3 categories (as identified by GHG Protocol & GHG Protocol Scope 3 technical guidance supplement). Only Scope 3 categories determined material are included in the reporting scope.

- **Total GHG emissions (location-based):** Total gross Scope 1, gross Scope 2 location-based and gross Scope 3 emissions.

- **Total GHG emissions (market-based):** Total gross Scope 1, gross Scope 2 market-based and gross Scope 3 emissions.

- **Total GHG emissions intensity ratio per order:** Total GHG emissions (Scope 1, 2 and 3) divided by total number of orders (excluding marketplace) completed by Redcare in the same time frame.

- **GHG emission intensity ratio:** Total GHG emissions (Scope 1, 2 and 3) divided by total revenues.

- **Substances of concern (KPI):** The total substances of concern or substances of concern that are procured (as part of products), used, generated, or that left Redcare facilities as emissions or as services (reported in kilograms).

- **Substances of concern:** Materials that fall under one of the following specifications are considered as such (based on EFRAG, 2023):
  1. Meets the criteria laid down in Article 57 and is identified in accordance with Article 59(1) of Regulation (EC) No 1907/2006; or
  2. Is classified in Part 3 of Annex VI to Regulation (EC) in one of the following hazard classes or hazard categories: No 1272/2008 – carcinogenicity categories 1 and 2, germ cell mutagenicity categories 1 and 2, reproductive toxicity categories 1 and 2, respiratory sensitisation category 1, skin sensitisation category 1, chronic hazard to the aquatic environment categories 1 to 4, hazardous to the ozone layer, specific target organ toxicity, repeated exposure categories 1 and 2 and specific target organ toxicity – single exposure categories 1 and 2; or
  3. Any other substances that are set out in applicable EU legislation or
  4. Negatively affects the re-use and recycling of materials in the product in which it is present, as defined in relevant Union product-specific ecodesign requirements.

- **Resource inflows, materials used:** Materials described in this definition include the following materials used, reported in tonnes: (1) shipping packaging, packing tape and copy paper used in order to ship parcels to customers from own-stock business, (2) consumable materials used in operational facilities, (3) physical marketing materials procured for marketing activities.

- **Resource outflows:** The materials described as material inflows (stemming from upstream value chain of Redcare) are also to be considered as the material outflows from Redcare entities, as no composition-altering production activities take place in controlled facilities.

- **Reused / recycled materials used:** Material used is classified as stemming from reused or recycled sources only if the invoice or certificate received from the supplier states that the materials are recycled or reused (either fully or in specific percentage of total mass).

- **Parcel packaging material:** Packaging paper / carton and plastic packaging materials utilised in parcel preparation and delivery within own-stock business. Product packaging materials (third party and own brand-specific) are omitted from reporting on this KPI in 2024 due to value chain reporting phase-in.

- **Recyclable content share in parcel packaging:** The share (in %) of recyclable material in the parcel packaging utilised in Redcare operations.

- **Recyclable parcel packaging:** For the parcel packaging materials to be defined as recyclable, they must be identified as such by suppliers. This can be done either by invoices, certifications or other documentation (e.g. spreadsheets including details on recyclability shares). For those parcel packaging materials where no proof of recyclability is available, all packaging material is reported as non-recyclable in parcel packaging analyses. If, during packaging the process, a minor part of the total packaging becomes not recyclable (less than 4% total due to, e.g. unrecyclable label attached to recyclable carton box), the recyclable share of the total packaging is still assumed as recyclable.

- **Hazardous waste:** Total hazardous waste is defined as medical waste or other hazardous materials in relation to damaged, unsold and out-of-date inventory that is disposed of in locations handling such products. Hazardous waste is generally a material that was previously intended to be sold to customers or businesses, which no longer can be sold due to a variety of quality issues. No radioactive waste is generated within Redcare controlled facilities.

- **Non-hazardous waste:** Non-hazardous waste is defined as waste that is produced in the normal operation of facilities and locations that does not fall under Annex III of the Waste framework directive.

- **Non-recycled waste:** Waste that is disposed of by facilities and treated (or expected to be treated) by waste management companies in a way that cannot be classified as recycling, recovery, reuse or other recycling-adjacent treatment methodology.

- **Total waste per order:** The intensity value (kg/order) is calculated by using the total amount of waste generated within own operations and the total number of orders fulfilled in the same time frame.

Methods to calculate Scope 3 data.

Scope 3 reporting	Calculation methodology	Explanation
Scope 3.1: Purchased goods and services	Average product spend based data services consumed supplier specific	All upstream cradle-to-gate emissions of purchased goods and services. This category includes three main sub-categories: (1) Product (intended for re-sale to customers) related emissions. Emissions are reported by utilising the results of Product Carbon Footprint analyses. For Redcare-core entities this extrapolation is done based on the financial value of products purchased. For MediService, MedApp and Nu3 entities, the extrapolation is done based on quantities of products purchased, in combination with the average emission factors of the products that are related to the specific entity purchases. (2) Purchased services: IT software, telephone & internet, call-centre, print-marketing service, website visit, digital newsletter, marketing software, postal service emissions and (3) Production goods and materials (packaging material, print-marketing material, IT hardware) related emissions. Category (2) and (3) emissions are reported by utilising a mix of actual service data purchased expressed in amounts, weights or monetary values (spend data), data services consumed (megabytes) as well as direct carbon emissions (stemming from value chain / partner data) wherever possible.
Scope 3.3: Fuel and energy-related activities	Fuel based	Emission reporting is based on actual fuel and energy consumption determined, as reported in Scope 1 & 2 categories, multiplied by relevant upstream and transportation and distribution emission factors (cradle-to-gate) for each location where energy was used.
Scope 3.4: Upstream transportation and distribution	Tonne-kilometer data Distance data	Emissions are calculated using the tonne-kilometer based method, based on land-based distances from suppliers to our warehouses and the mass of the material transported. This is the dominant method of estimating the inbound logistics emissions reported. Airfreight is only relevant for a small part of our procurement activities. The remaining emissions are based on distance values for inbound transportation procured. Input values are multiplied by relevant emission factors related to transportation method identified and data type used.
Scope 3.5: Waste generated in operations	Waste-type specific	Emissions are calculated using actual and estimated waste data and treatment types determined applicable for waste streams within each individual location. Specific waste streams and identified disposal or recycling methods are multiplied by relevant emission factors.
Scope 3.6: Business travel	Spend based	Emission reporting utilises monetary values of spend for business travel related activities. Spend data for accommodation, bus, taxi, flight, passenger car and rail travel methods are multiplied by relevant emission factors that align with the GHG Protocol requirements on emission calculation using monetary spend on activities.
Scope 3.7: Employee commuting	Average data	Employee commuting reporting includes home-office related emissions as well as contingent worker commuting related emissions. Reported using estimates based on results of employee commuting survey, such as distance travelled and travel types utilised by employees, specific for each different Redcare location, as well as share of days spent homeworking and working on location. The results on distances and transport types utilised are multiplied by relevant emission factors for final results.
Scope 3.9: Downstream transportation and distribution	Tonne-kilometre data actual emissions	Emissions related to the logistics of sold products (outbound logistics from warehouse to customers, as well as returns, including print marketing logistics). Emissions are calculated using both direct primary emission data received from logistics companies as well as secondary data sources such as estimations based on industry data. Where available, emissions are based on actual emission values received from logistics suppliers or based on actual tonne-kilometre values of transported materials.
Scope 3.11: Use of sold products	Average product	Use of sold products category emissions are reported by utilising the direct and indirect use-phase results of sold product carbon footprint (PCF) analyses (as described in part 1 in category 3.1). Proxies of emissions on a range of top products (with PCF results covering around 22% of revenues with ca. 1000 products evaluated in 2022) by utilising a lifecycle analysis model developed by 3rd party experts. Emissions for scope 3.1, 3.11 and 3.12 specifically determined within the PCF results were extrapolated to cover the total population of purchased and sold products and their impacts on specified categories specifically in the reporting period. For Redcare-core entities this extrapolation is done based on financial value. For MediService, MedApp and nu3 entities, the extrapolation is done on quantities of products sold in combination with the average emission factors of the products that are sold (e.g. only the results of Nu3 specific product average emissions are used for Nu3 procured product extrapolation). Results used stem only from the relevant parts of the use of sold products emission data points within the lifecycle analysis to prevent double-counting or reporting on larger scope than required by GHG Protocol.
Scope 3.12: End-of-life treatment of sold products	Average product	Integrated approach with scope 3.11., using same data basis and extrapolation approach. Results used stem only from the relevant parts of the end-of-life emission data points within the lifecycle analysis to prevent double-counting or reporting on larger scope than required by GHG Protocol.

Emissions relating to Scope 3.2 Capital goods, Scope 3.8 Upstream leased assets, Scope 3.10 Processing of sold products, Scope 3.13 Downstream leased assets, Scope 3.14 Franchises and Scope 3.15 Investments have been excluded from our Scope 3 value chain footprint, as these either fall outside our operational boundary of control or have been determined to be irrelevant or immaterial.

Emission factor table.

Datapoints	Activity factors used	Calculation factor unit(s)	Reference(s)
Scope 1 emissions	Fossil fuel related GHG emissions from natural gas use	kg CO_2e/kWh	Department for Energy Security and Net Zero, UK Department for Environment, Food & Rural Affairs (DEFRA) 2023, 2024;
Scope 1 emissions	Fossil fuel related GHG emissions from petroleum product (petrol, diesel) use and fuel additives (AdBlue)	kg CO_2e/L; kg CO_2e/km	Department for Energy Security and Net Zero, UK Department for Environment, Food & Rural Affairs (DEFRA) 2021, 2022, 2023, 2024; Research study, "Dittler, Achim & Zimmermann, Frank & Gärtner, Uwe. (2014). Welchen Beitrag leistet die Abgasnachbehandlung zur CO2 Reduktion?";
Scope 1 emissions	Refrigerant leak related GHG emissions	kg CO_2e/kg	Department for Energy Security and Net Zero, UK Department for Environment, Food & Rural Affairs (DEFRA) 2021, 2023, 2024; GHG Protocol (Emission Calculation Tool) 2021;
Scope 2 (location-based) emissions	Procured electricity related GHG emissions	kg CO_2e/kWh	GHG Protocol (Emission Calculation Tool) 2015; International Energy Agency (IEA), Emissions Factors 2022; Association of Issuing Bodies (AIB) 2023;
Scope 2 (location-based) emissions	Procured district heating related GHG emissions	kg CO_2e/kWh	Global Emission Model for Integrated Systems (GEMIS), 2021;
Scope 2 (market-based) emissions	Procured electricity related GHG emissions	kg CO_2e/kWh	NEW Viersen GmbH (NEW) 2022; e-on Polska, 2023; Certificates & contracts of renewable energy procurement stemming from other electricity suppliers across operations (2024);
Scope 2 (market-based) emissions	Procured district heating related GHG emissions	kg CO_2e/kWh	n.a. (location-based approach only)
Scope 3 emissions	Scope 3.1: Purchased goods and services	kg CO_2e/EUR; kg CO_2e/USD; kg CO_2e/GBP; kg CO_2e/t; kg CO_2e/kWh; direct CO_2 entry	Association of Issuing Bodies (AIB) 2023; Department for Energy Security and Net Zero, UK Department for Environment, Food & Rural Affairs (DEFRA) 2018; 2020; 2021, 2022, 2024; United States Environmental Protection Agency (EPA) 2020; EXIOBASE 2019; 2021; GHG Protocol (Emission Calculation Tool) 2017; International Energy Agency (IEA), Emissions Factors 2021; 2022; Vaayu Tech (PCF analysis conducted for Redcare), 2023; Supplier specific direct CO_2 emission values; The French Agency for Ecological Transition (ADEME) 2013;
Scope 3 emissions	Scope 3.3: Fuel and energy-related activities	kg CO_2e/kWh; kg CO_2e/L; kg CO_2e/km	Department for Energy Security and Net Zero, UK Department for Environment, Food & Rural Affairs (DEFRA) 2021, 2022, 2023, 2024; GLEC 2019; International Energy Agency (IEA), Emissions Factors 2021, 2022; World Bank 2014; Research study, "Dittler, Achim & Zimmermann, Frank & Gärtner, Uwe. (2014). Welchen Beitrag leistet die Abgasnachbehandlung zur CO2 Reduktion?";

Scope 3 emissions	Scope 3.4: Upstream transportation and distribution	kg CO_2e/tkm; kg CO_2e/km	Department for Energy Security and Net Zero, UK Department for Environment, Food & Rural Affairs (DEFRA) 2023, 2024; GLEC 2019, 2021;
Scope 3 emissions	Scope 3.5: Waste generated in operations	kg CO_2e/m^3;kg CO_2e/million liters; kg CO_2e/t;	The French Agency for Ecological Transition (ADEME) 2021; Department for Energy Security and Net Zero, UK Department for Environment, Food & Rural Affairs (DEFRA) 2021, 2022, 2023, 2024; United States Environmental Protection Agency (EPA) 2022;
Scope 3 emissions	Scope 3.6: Business travel	kg CO_2e/EUR; kg CO_2e/USD	European Union Open Source Research (EU OSR) 2021; EXIOBASE 2019; GHG Protocol (Emission Calculation Tool) 2014; 2021;
Scope 3 emissions	Scope 3.7: Employee commuting	kg CO_2e/passenger km; kg CO_2e/kWh; kg CO_2e/km	The French Agency for Ecological Transition (ADEME) 2022; Department for Energy Security and Net Zero, UK Department for Environment, Food & Rural Affairs (DEFRA) 2021, 2024; Umweltbundesamt (UBA), "Umweltfreundlich mobil!; Ein ökologischer Verkehrsartenvergleich für den Personen- und Güterverkehr in Deutschland", 2017
Scope 3 emissions	Scope 3.9: Downstream transportation and distribution	direct CO_2 entry, kg CO_2e/km	Department for Energy Security and Net Zero, UK Department for Environment, Food & Rural Affairs (DEFRA) 2024; Internal analysis based on supplier per order data Logistics supplier specific direct CO_2 emission values;
Scope 3 emissions	Scope 3.11: Use of sold products	direct CO_2 entry	Vaayu Tech (PCF analysis conducted for Redcare), 2023;
Scope 3 emissions	Scope 3.12: End-of-life treatment of sold products	direct CO_2 entry	Vaayu Tech (PCF analysis conducted for Redcare), 2023;

Social.

- **Male:** employees who registered their gender as male during the onboarding process.
- **Female:** employees who registered their gender as female during the onboarding process.
- **Other:** employees who registered their gender as other during the onboarding process.
- **Not reported:** employees who registered their gender as 'not wish to declare' or whose gender is not registered.
- **Permanent employees:** the headcount of our employees with a permanent contract as at 31 December.
- **Temporary employees:** the headcount of our employees with a temporary contract as at 31 December.
- **Non-guaranteed hours employees:** the headcount of our employees without a guarantee of a minimum or fixed number of working hours as at 31 December, including work students.
- **Region:** countries where Redcare has its own workforce. Redcare reports on countries separately when they meet the criteria of having 50 or more employees on the payroll, and representing at least 10% of the total workforce. Redcare voluntarily includes the category "other countries" where it operates. Although single countries summed up in this category do not meet the significant employment threshold, the category provides the complete overview of shares.
- **Shop-floor employees:** employees who work in activities in the warehouse directly related to order fulfilment (for example packaging, shipping, returns).
- **Non-shop floor employees:** include, for example, those working in managerial, customer service and IT roles, and similar positions.
- **Total employee turnover:** the headcount of employees who have left the organisation voluntarily or due to dismissal (including not extended temporary contracts), retirement or death in service during the reporting period. The rate is calculated as a percentage of the average headcount (including temporary employees).
- **Top management:** Redcare defines top management in two sub-groups. First, the (executive) managing board. Second, the group of employees that hold the position of Directors and Executive Directors, called sub-top.
- **Gender diversity top management level:** the headcount of members of the Managing Board as at 31 December registered as 'male', 'female' or 'other'. The rate is calculated as a percentage of the total headcount of board members.
- **Gender diversity sub-top management level:** the headcount of sub-top management members as at 31 December registered as 'male', 'female' or 'other'. The rate is calculated as a percentage of the total headcount in sub-top management.
- **Age diversity:** the headcount of employees as at 31 December registered as '<30 years old', '≥30 years old and <50 years old' and '≥50 years old'. The rate is calculated as a percentage of the total headcount of employees.
- **Pay gap male–female:** the difference in fixed pay per job level between female and male employees expressed as a percentage of the average fixed pay level of male employees.
- **Remuneration ratio:** the remuneration ratio is based on remuneration aligned with our primary and secondary labour conditions excluding all non-guaranteed and/ or not structured items (e.g. one-time bonus, and overtime). The ratio includes an annualized view of all employees employed during the year, and does not adjusts to a full-time equivalent for employees working on a part-time and non-guaranteed basis.
- **Adequate wages benchmarks per country:** criteria and methods for determining adequate wages in the regions where Redcare operates as defined by the country's statutory requirements.
- **Adequate wages, the Netherlands:** Article 14 of the "*Wet minimumloon minimumvakantiebijslag* (WML)" revises and determines the minimum wage based on economic indicators and social policies.
- **Adequate wages, Germany:** The Minimum Wage Commission, under sub-section 2 of the "*Gesetz zur Regelung eines allgemeinen Mindestlohns*", considers workers' needs, economic conditions and employment effects.
- **Adequate wages, France:** The "*Salaire minimum interprofessionnel de croissance* (SMIC)", defined in Chapter 1 of the Labour Code, considers inflation, economic growth and adequate wage levels.

- **Adequate wages, Italy:** wages are protected through collective agreements. Article 36 of the Constitution mandates wages to be proportionate and adequate as established by National Collective Labour Agreements.

- **Adequate wages, Belgium:** Sectoral collective agreements (*Conventions Collectives de Travail*, CCT) negotiated by social partners set wages and working conditions for employees. Fastnet Tongeren is part of "paritair comité 200".

- **Adequate wages, Switzerland:** Wages are determined through collective bargaining agreements specific to sectors and regions, ensuring fair and adequate compensation.

- **Substantiated Breaches:** Breaches reported to external authorities which had been substantiated by a court or an authority.

Governance.

- **Political contributions made:** The total monetary value of financial contributions, both direct and indirect and by type of recipient or beneficiary. Currently, Redcare does not make any in-kind contributions. The total amounts are reported separately for contributions made to beneficiaries which are active on the European Union level versus beneficiaries which are active on member states level.

Annual Report.

- **Active customers:** unique customers who have placed at least one order in the 12 preceding months, predominantly via our online shops, for both our own-stock and platform business. Business-to-business (B2B) orders are excluded to not distort visibility on relevant trends. Platform-only customers are not yet included.

- **Administrative expenses:** cost of corporate overhead of which examples are IT services, Finance, HR, Facility, Legal and Executive Management.

- **Adjusted EBITDA:** Earnings before interest, tax, depreciation and amortisation excluding adjustments. We use this metric as we find it an important indicator of our underlying operational financial performance.

- **Adjustments:** Items we adjust to get from EBITDA to adjusted EBITDA. There are three categories: (a) Expenses of the employee stock option plans, (b) Non-recurring or extraordinary expenses related to projects, (c) Any other major non-recurring (one-off) item, of which we would release what it concerns when we record it, as specifically mentioned.

- **Adjusted EBITDA margin:** Adjusted EBITDA as a percentage of sales.

- **Average basket size / average shopping basket:** The average gross value of orders received from end-customers and patients (B2C), predominantly via our online shops for our own-stock business, divided by the total related number of orders placed in a given time period. Current prescription medication sales (Rx) in Switzerland and the Netherlands are not included because we believe current non-comparable customer types would distort visibility on relevant trends in this metric. Business-to-business (B2B) orders are excluded for the same reason. The average shopping basket includes value-added tax (VAT).

- **DACH segment:** Segment reporting provides financial information about the individual units of the company. Redcare uses a regional approach. The DACH segment comprises its business activities in Germany, Austria and Switzerland.

- **EBIT:** Earnings before interest and tax.

- **e-Rx/e-script:** Computer-based electronic generation, transmission and fulfilment of a medical prescription.

- **Group:** Redcare Pharmacy N.V., Sevenum, the Netherlands, together with its consolidated subsidiaries.

- **International segment:** Segment reporting provides financial information about the individual units of the company. Redcare uses a regional approach. The International segment comprises its business activities in France, Italy, Belgium and the Netherlands.

- **Mobile visits:** Site visits to our online shops originating from computers, tablets and smartphones as well as other computer-based means.

- **Net working capital:** The difference between the Company's current assets (including trade and other receivables and inventories) and its current liabilities (including trade and other payables, short-term loans and borrowing and short-term other liabilities).

- **NPS:** Net promoter score of our B2C own-stock and platform business for a given period of time. NPS does not yet include MedApp, GoPuls and MediService. We track NPS as an indicator of customer satisfaction.

- **Number of orders:** Number of end-customer and patient (B2C) orders, predominantly placed via our online shops for both our own-stock and platform business, containing at least one product, placed during the measurement period.

- **OTC products or medications:** Products or medicines sold to a customer without a prescription from a healthcare professional, as compared to prescription-only medicines, which may be sold only to customers possessing a valid prescription.

- **Pharmacy-related products:** Products that are almost exclusively distributed through pharmacies.

- **Private labels or own brands:** By private labels (or own brands) we mean the brands of products owned by Redcare Pharmacy or its subsidiaries.

- **Return rate:** Percentage of billed B2C orders for our own-stock business that included a return or reclamation of total billed orders in a given time period. Prescription medication sales (Rx) in Switzerland and the Netherlands are not included because we believe the current non-comparable customer types would distort visibility on relevant trends in this metric. Business-to-business (B2B) orders are excluded for the same reason.

- **Rx products or medications:** Prescription-only medicines, which are only allowed to be sold to customers possessing a valid prescription.

- **Rx sales:** Sales related to prescriptions of our own-stock business in the DACH segment.

- **Sales:** Gross revenues minus value added taxes and discounts.

- **Selling and distribution expenses:** Expenses related to marketing, shipping, packaging, payments and operational labour to support our sales.

- **Share of mobile visits:** Mobile visits as a percentage of site visits.

- **Share of repeat orders:** Percentage of total orders, predominantly related to our online shops for both our own-stock and platform business that is billed during the measurement period that is not the initial order bill to the customer. Business-to-business (B2B) orders are excluded to not distort visibility on relevant trends; with this definition we aim to provide the most relevant insight as to the development of this metric. The share of repeat orders related to platform-only customers is not yet included.

- **Website visits (web traffic):** Unique interactions of a visitor on our website (online shops); a visit is considered terminated when the visitor leaves the browser, or, for instance, has not interacted with the page for more than 30 minutes.

Abbreviations.

ABDA	Federal Union of German Associations of Pharmacists
APAC	Asian Pacific
B2B	Business-to-business
B2C	Business-to-consumer
BPC	Beauty and personal care products
CAGR	Compound annual growth rate
CapEx	Capital expenditure
CF	Conversion factor
CoC	Code of conduct
CSRD	Corporate Social Reporting Directive
DACH	Germany, Austria and Switzerland
DMA	Double materiality assessment
EAEP	European Association of E-Pharmacies
EF	Emission factor
EFRAG	European Financial Reporting Advisory Group
eGK	Electronic health card (Germany)
EHDS	European Health Data Space
EHR	Electronic health record
EMS	Environmental management system
EMEA	Europe, Middle East, Africa
eNPS	Employee net promoter score
ePA	Electronic patient record (Germany)
ERP	Enterprise resource planning
e-Rx	Electronic prescription (Germany)
ESG	Environmental, sustainability, governance
ESRS	European Sustainability Reporting Standards
FMD	Falsified Medicine Directive
FTE	Full-time equivalent
GDP	Good distribution practice
GHG	Greenhouse gas
GO	Guarantee of origin
GRI	Global Reporting Initiative
GVA	Gross value added
HQ&S	Health, quality and safety
KPI	Key performance indicator
ICC	International Code Council
IPCC	Intergovernmental Panel on Climate Change
IRO	Impacts, risks and opportunity
LLM	Large language model
NA	North America
NACE	Statistical Classification of Economic Activities in the European Community
NPS	Net promoter score
OECD	The Organisation for Economic Co-operation and Development
OpEx	Operating expenditure
OTC	Over-the-counter medications
PCF	Product Carbon Footprint
RM	Responsible marketing
Rx	Prescription medications
SFDR	Sustainable Finance Disclosures Regulation
SSC	Sustainability Steering Committee
YoY	Year-over-year

Assessment on applicability of the EU legislation listed in appendix B of the ESRS.

As indicated in the ESRS (paragraph 35) if we are omitting information prescribed by a data point deriving from another piece of EU legislation we would need to explicitly state that the information is “not material”.

Legislation	Scope	Applicability to Redcare
SFDR	Applicable to financial advisors that provide investment or insurance advice concerning insurance-based investment products (IBIPs) and participants in the financial markets who produce and sell financial goods as well as provide portfolio management services.	Not material.
Pillar 3 / CRR	Applicable to bank and investment firm groups.	Not material.
Benchmark regulation	Applies to index providers, index users, and parties that contribute data to an index.	Not material.
EU Climate Law	ESRS E1-1, paragraph 14 Transition plan to reach climate neutrality by 2050	Yes, reference to data points in E1/ where it can be found in the sustainability statement.
	ESRS E1-7, paragraph 56 GHG removals and carbon credits	Yes, reference to data points in E1/ where it can be found in the sustainability statement.

Key dates for 2025.

6 May 2025	Publication Quarterly Statement (Q1 2025)
15 May 2025	Annual General Meeting
29 July 2025	Publication Half-yearly Financial Report
28 October 2025	Publication Quarterly Statement (Q3 2025)

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Awarded the title of pharmacist in Germany by Landesamt für Soziales, Jugend und Versorgung in the federal state of Rhineland-Palatinate
Responsible health authority:
Staatstoezicht op de Volksgezondheid, Inspectie voor de Gezondheidszorg, Regio Zuidoost

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European Online Dispute Resolution platform (ODR platform):
Based on the EU's Regulation 524/2013, the EU Commission has set up an interactive website through which consumers and traders can resolve disputes online out of court. You can find the ODR platform here: http://ec.europa.eu/consumers/odr/

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