

R



Time to change an
800 year old guilded
system.

Company profile

Key investment highlights

1. Large total addressable market with low online penetration



2. Pole position: Size, brand, operations, tech and know-how



3. Change happens now:
Zur Rose Group perfectly positioned to exploit eRx opportunity



Large total addressable market with low online penetration

Zur Rose Group: «Game Changer» in the CHF 146 bn medication market

Market size and e-commerce share

50%

40%

30%

20%

10%

0%

CHF



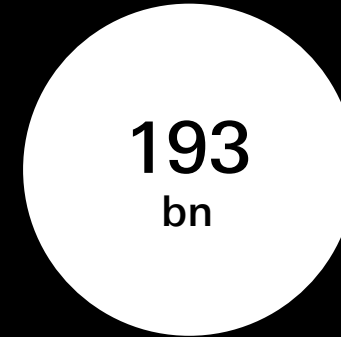
Medications



Apparel



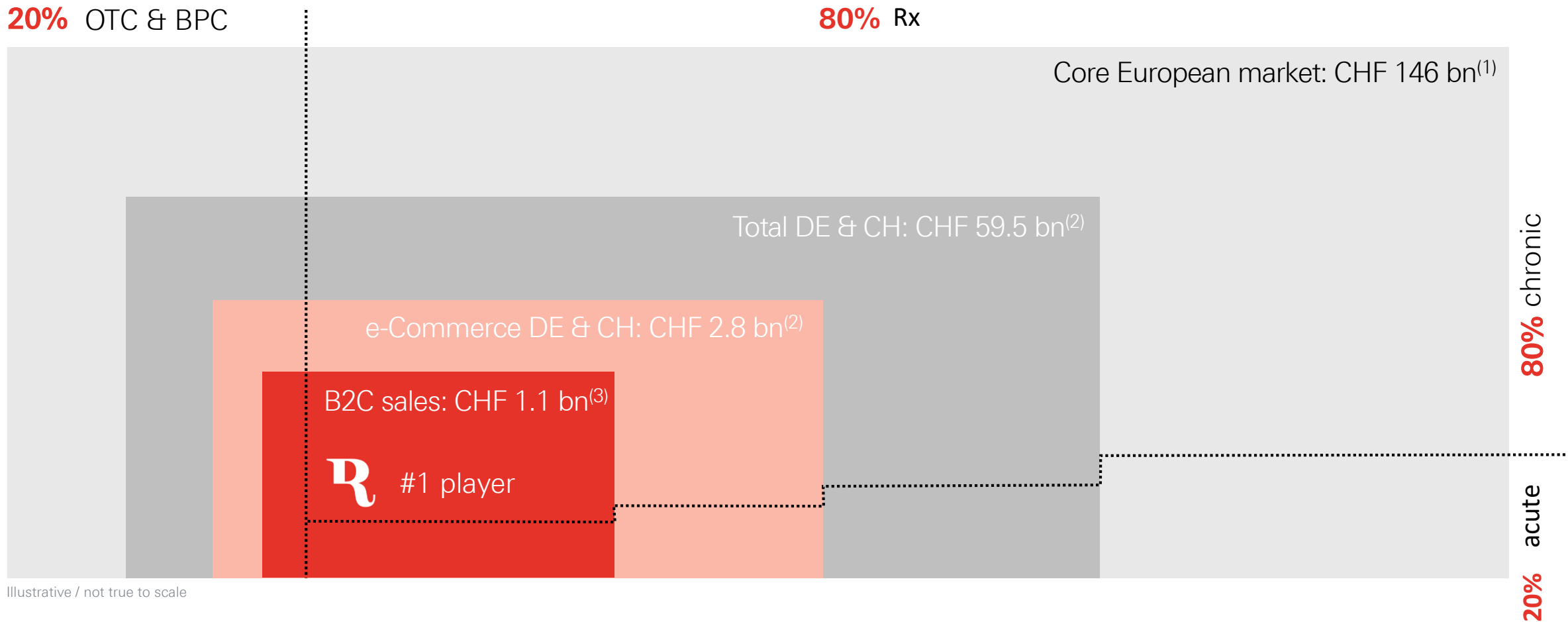
Media products



Sources: Euromonitor, Market sizes for 2016, includes CH, DE, ES, FR, IT, UK Notes: 1 medications include Rx and OTC & BPC, 2015, excl. VAT, 2015 CHF/EUR = 0.92346 2 Online penetration for Rx in Germany | 3 Media products include music, films and books

Large total addressable market

Market mainly consists of chronic demand



Illustrative / not true to scale

Source: IQVIA 2019 (DE), Sempora 2019, IQVIA 2018 (CH), Helsana Arzneimittelreport, 2016, pharmaSuisse, 2016, Euromonitor, 2016, Zur Rose/DocMorris estimates | 1 2015, core European market consists of CH, DE, ES, FR, IT, UK, excl. VAT, 2015 CHF/EUR = 0.9235 | 2 2019 EUR/CH 1.1122 | 3 Sales 2019 of Segment Germany and B2C Switzerland EUR/CHF 1.1122

Overview of competitive positioning

Zur Rose Group is the undisputed #1 e-commerce pharmacy in Europe

9.8m

Active customers⁽¹⁾

43%

Market share in Germany⁽²⁾

26

countries reached via cross border activities⁽³⁾

200+

FTE in Tech

EUR 1'410 m⁽⁴⁾

DocMorris

zur Rose
Meine Versandapotheke

medpex
Versandapotheke

PromoFarma

eurapon
online apotheke

apo-rot

apotal.de
IHR VERSANDAPOTHEKE

DoctiPharma



Notes: 1 Customers placing an order within the past twelve months as of 30 September 2020 | 2 Sources: Sempora, Insight Health, 2020 | 3 Via marketplace platform PromoFarma | 4 Sales 2019 including medpex EUR/CHF 1.1122

#1 e-commerce pharmacy in Europe and a leading medication supplier to doctors and medical centres in Switzerland

Zur Rose Group at a Glance



Profit Base	Growth Engine	
Switzerland	Germany	Rest of Europe
In Mio. CHF		
553 FY 2019 Sales	976 FY 2019 Sales ⁽¹⁾	40 FY 2019 Sales
13 FY 2018 EBITDA	+50.9% FY 2019 Sales growth ⁽²⁾	+53.5% Q4 2019 Sales growth

Notes: 1 Including sales of medpex | 2 in local currency

A leading Swiss
pharmaceutical supplier

Comprehensive business model and core profit base



KPI's

169'000

Active customers B2C⁽³⁾

35%

Market share B2C⁽⁴⁾

4'200

Active customers B2B⁽³⁾

25%

Market share B2B⁽⁵⁾

Notes: 1 SD: Self dispensing by physicians allowed | 2 NSD: Non-self dispensing/Self dispensing by physicians not allowed | 3 Last twelve months ending 30 June 2020 | 4 Of the e-commerce pharmacy market 2018; source: IMS Health | 5 Of the physician supply market 2018; source: IMS Health

German market leader

German
e-commerce
pharmacy
leader in scale
and quality with
unique customer
stickiness



KPI's

8.1 million

Active customers⁽¹⁾

43%

Market share⁽²⁾

169 million

Site visits⁽³⁾

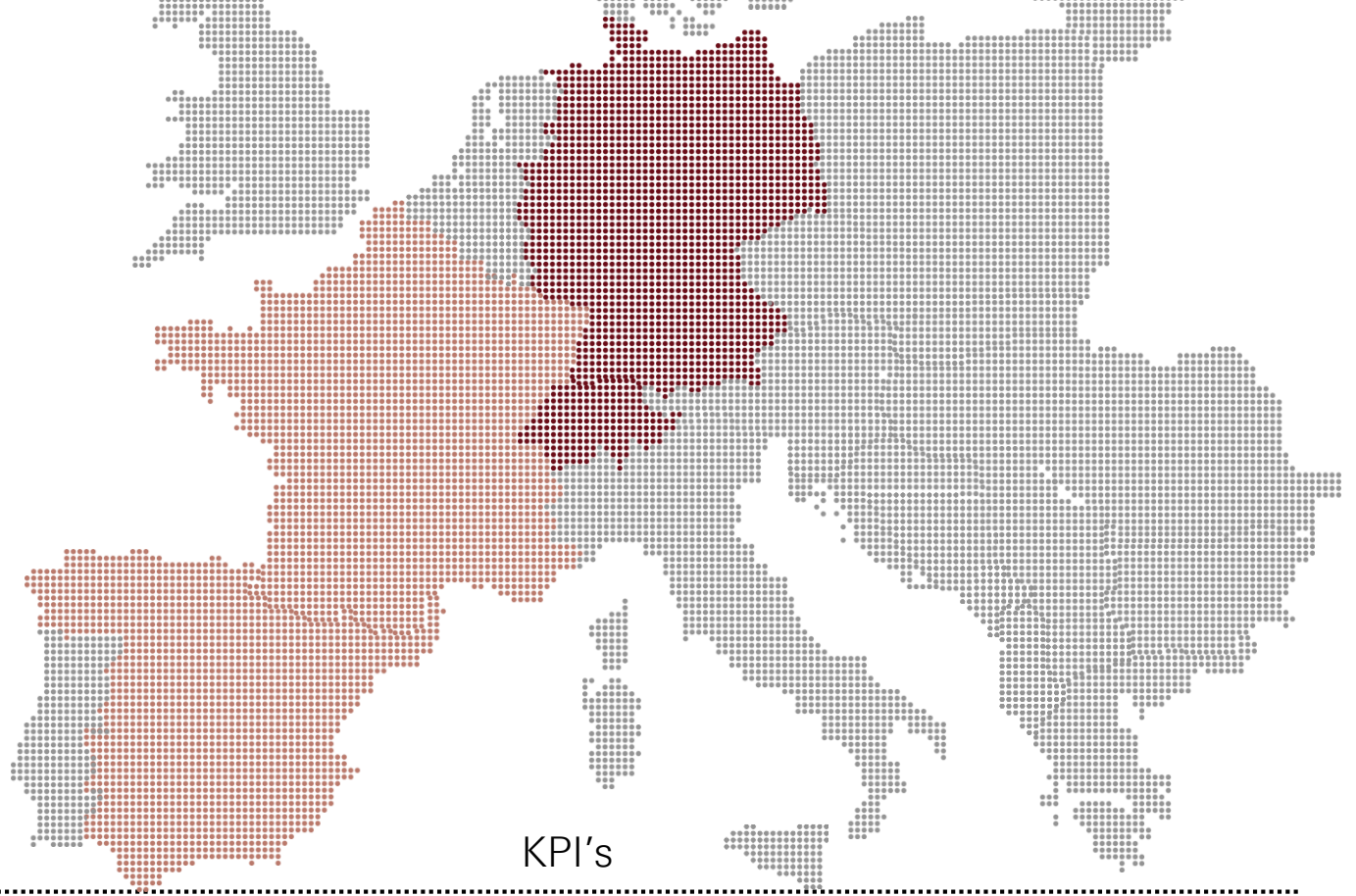
78%

Repeat order rate⁽⁴⁾

Notes: 1 Last twelve months ending 30 June 2020, customers supplied by the Zur Rose Group, either directly or through its partners, including the Apotal e-commerce business | 2 Sources: Sempora, Insight Health, Zur Rose Group market share | 3 combined site visits of DocMorris, medpex, apo-rot, eurapon, Vitalsana and Zur Rose DE | 4 Share of orders from existing customers in relation to total number of orders

Rest of Europe

Marketplace model scaling rapidly



966'000

Active customers⁽¹⁾

169'000

of products⁽²⁾

1'045

of sellers⁽²⁾

10'300

of brands⁽²⁾

Market trends

Digitalisation in healthcare

New technology enables medicine to become mobile and convenient

Growth driver 1:
Digitalisation in healthcare

Pharmaceuticals well suited for e-commerce



- Small size and weight, high value
- Predetermined product selection via prescription
- Return rate: 0,8 %⁽¹⁾

Cost pressure

The need for an
innovative cost reduction
approach is increasing



Growth driver 2:
Cost pressure

Zur Rose Group's digital services allow for superior quality vs. brick-and-mortar



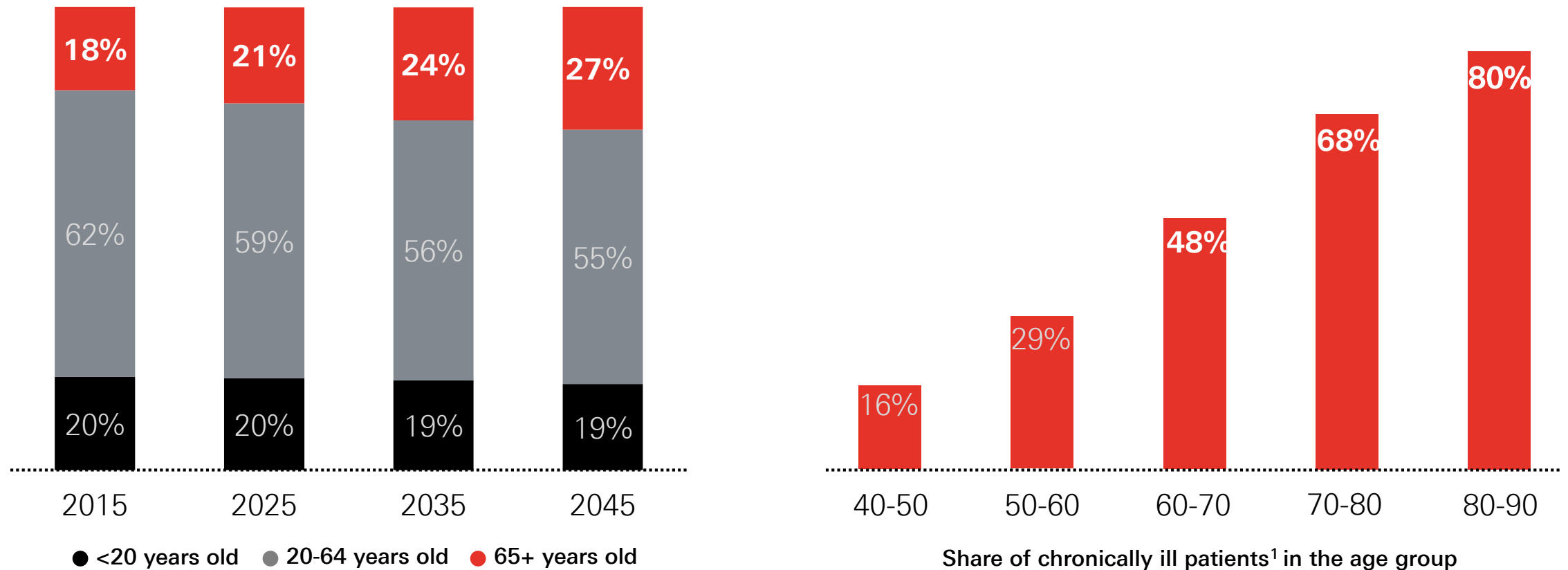
- 14 out of 15 studies show a higher adherence of patients using an e-commerce pharmacy vs. brick-and-mortar⁽¹⁾
- EUR bn 1.8 avoidable costs caused by medication errors⁽²⁾
- McKinsey⁽³⁾: Digitizing healthcare could take EUR 34bn out of the German healthcare system

Demographic change

The share of the 60+
year old population will
increase globally

Growth driver 3:
Demographic change

Older and chronically ill population growing fast



European liberalisation

European Court of Justice paving the way for competition

Growth driver 4:
European liberalisation

**ECJ taking out
bricks in the wall,
which seal
pharmacy off
competition**

2003

OTC mail-order all over Europe
ECJ allows EU-wide OTC
medication delivery via
mail-order



2009

Fragmented market
ECJ continues to allow
prohibition of foreign ownership
for pharmacies



2016

Competition from abroad
ECJ rules that foreign
pharmacies in the EU are not
bound to local fixed price
systems



Growth driver 4:
European liberalisation

Regulatory tailwinds for digitalisation of German healthcare system

1. eRx intro- duction

Law to introduce eRx in Germany
enacted on 16 August 2019

Law to make eRx mandatory starting
2022 enacted on 20 October 2020

2. Ban of Rx mail-order

Rx mail-order ban off the table,
law on bonus ban passed by German
Bundestag

3. Tele- medicine

Telemedicine enacted in Germany
including reimbursement scheme for
doctors and free service for patients

Brand power

Brands determine competition



Growth driver 5:
Brand power

No. 1 in
Germany⁽¹⁾

10%



13%

apotal.de
IHRE VERSANDAPOTHEKE

14%

mycare.de

42%

SHOP APOTHEKE
EUROPE

62%

DocMorris

Source: 1 Aided brand awareness based on GFK 2020

Zur Rose Group

Growth driver 5:
Brand power

**No. 1 in
Switzerland⁽¹⁾**

4%



10%



54%

zur Rose

Source: 1 Aided brand awareness based on GfK, 2018

The scene is set for change

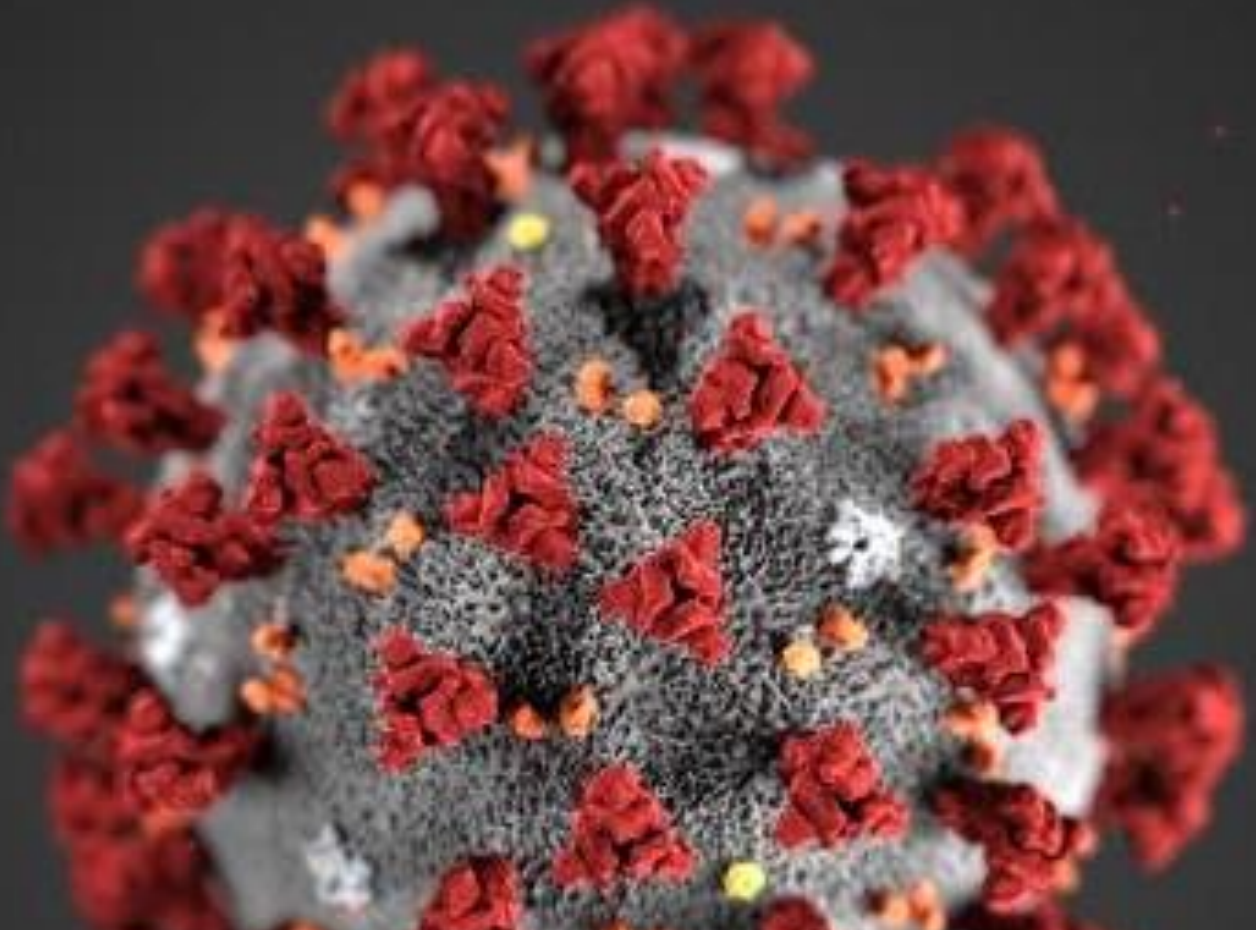


Covid-19 impact

Acceleration of e-commerce & digital healthcare

The
Economist

«The covid-19 epidemic has brought millions of new patients online. They are likely to stay there.»

- 
- Short term sales boost in Q1 2020
 - Digitalisation receives significant public acceptance
 - Covid-19 catalyses shift towards e-commerce pharmacy and eRx

Strategy Update - Evolving by putting patients in the center

Key strategic initiatives

Healthcare Ecosystem

- 1 Easing and innovating health journeys - with TeleClinic acquisition
- 2 Partnerships with best-in-class digital solutions in the pipeline
- 3 Enabled by leading developments in technology

eRx opportunity

- 1 #1 position in OTC with 8 million customers in Germany¹ as pole position for eRx introduction
- 2 First mover strategy, actively preparing for eRx launch
- 3 Launch of eRx marketplace app

Integration & synergies

- 1 Integration fully on track; focus on efficiency and operational excellence
- 2 medpex performance as benchmark for German OTC business
- 3 Branding strategy to be finalized in H2

Healthcare Ecosystem

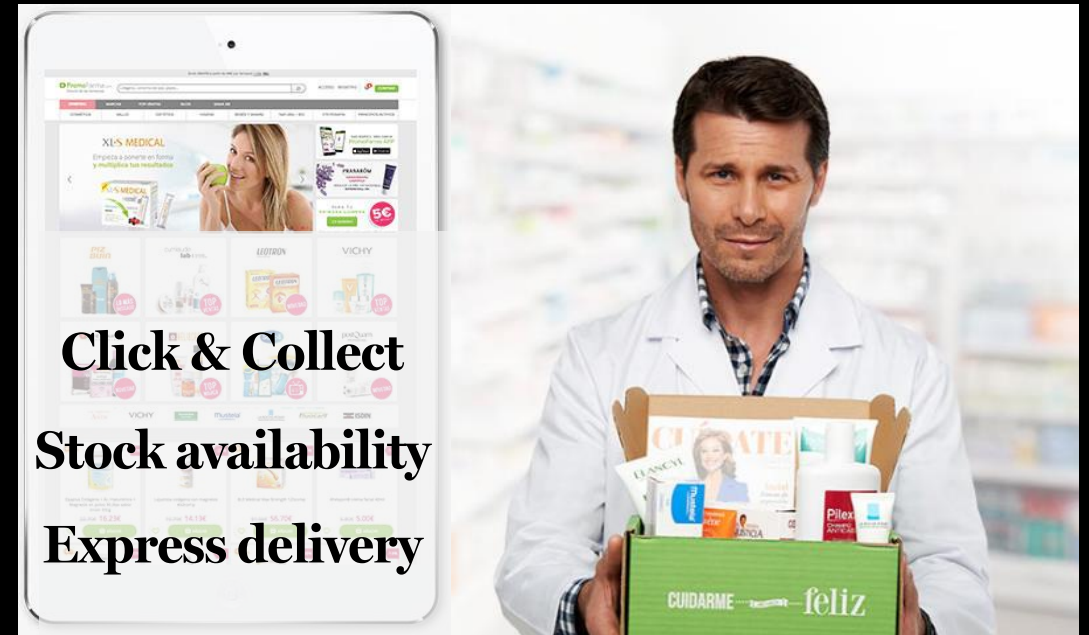
Customer Centricity

Customers are requesting seamless, connected and comprehensive solutions tailored to their needs in healthcare



Customer Centricity

Marketplace offering is combining online and offline to meet the needs of the consumer





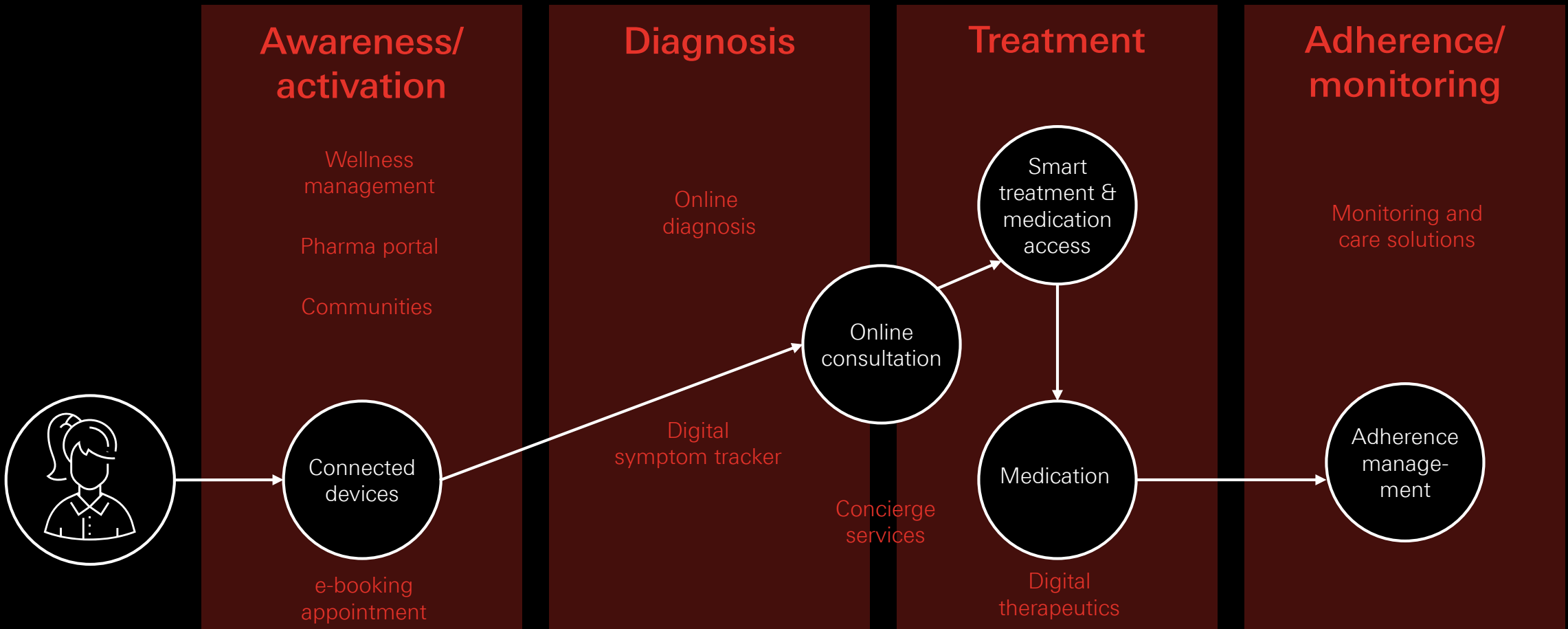
To
create
a
world
where
everyone
can
manage their health
in one click

Health in one click

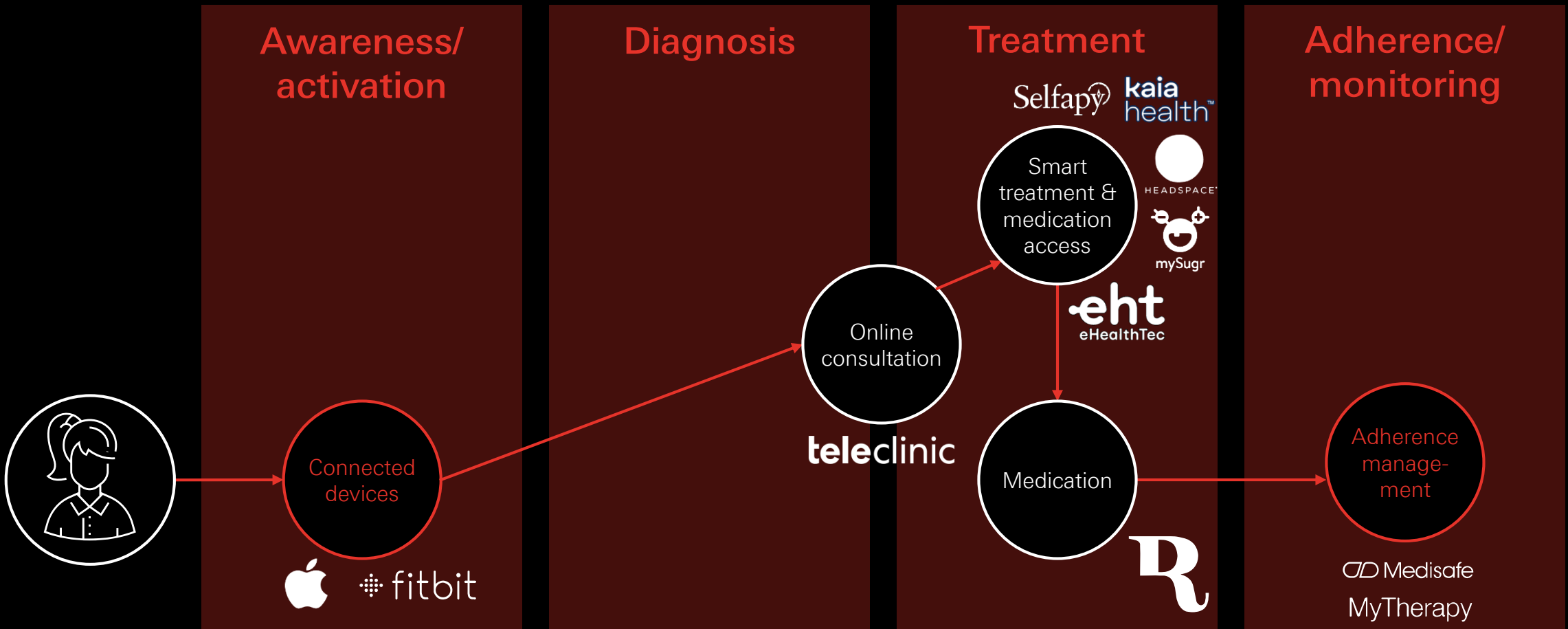
- Personalized treatment journeys
- Convenient access to products and best-in-class digital solutions
- Ensured effective medication and better outcomes



Creating seamless patients journeys from awareness, diagnosis, treatment to adherence



Leveraging best-in-class digital solutions and convenient access to products for better lives



Zur Rose Group as a technology company

Large and quickly growing team in Barcelona, Berlin, Munich and Zurich leading the tech development for the Group

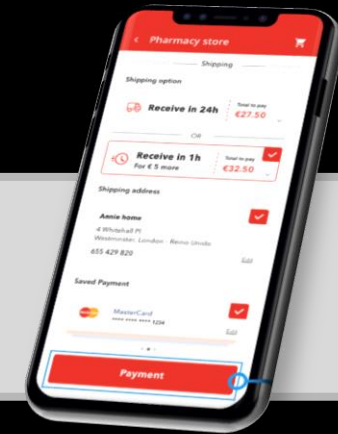
- 4 great Tech Hubs Berlin, Barcelona, Munich, Zurich⁽¹⁾
- Agile culture and continuous deployment
- 200+ employees from 20 nationalities
- Tech background: software engineers, data scientists, UX designers and product managers
- Product focus: marketplaces, eRx, digital health platforms

PaaS model for our platform

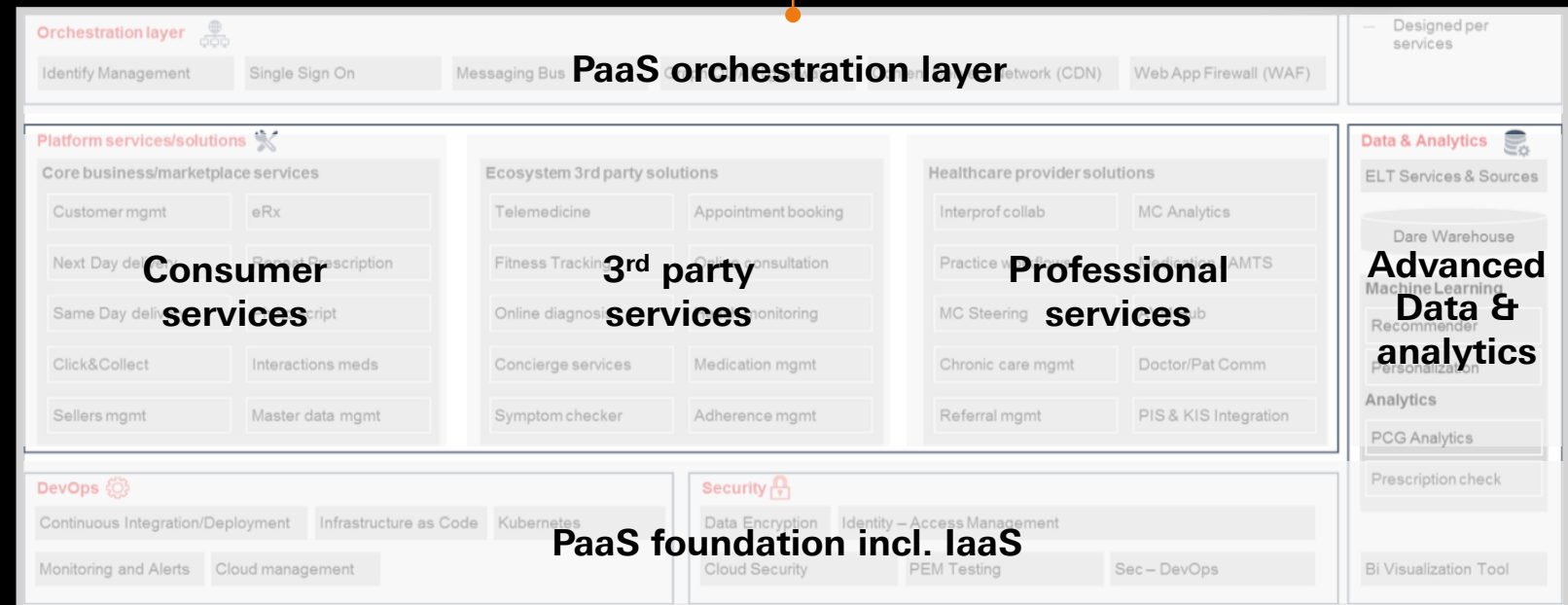
Our platform may be deployed under a PaaS model in countries we do not operate

Third parties may provide the best experience to their patients...

...while taking advantage of flexible services for speedy development and seamless integration for marketplace and digital health services



Customer facing application connected through PaaS APIs*



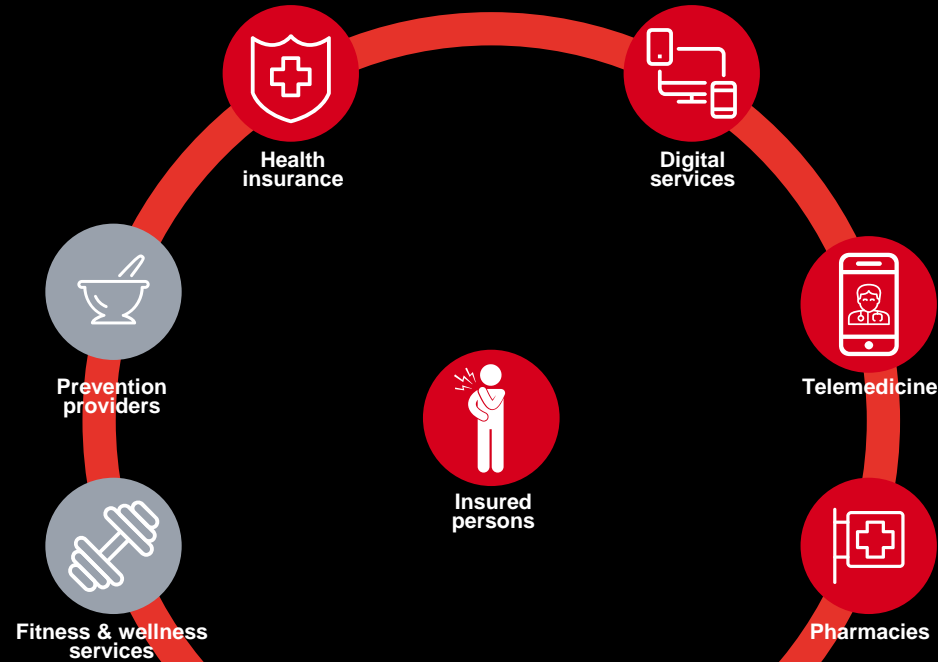
PaaS model for our platform

First PaaS partnership launched: Digital healthcare platform in Switzerland

Allianz Care



VISANA



- Open and neutral platform
- Access to relevant analog and digital service providers in healthcare
- Contribution to cost reduction in healthcare
- Market entry planned for Q2 2021

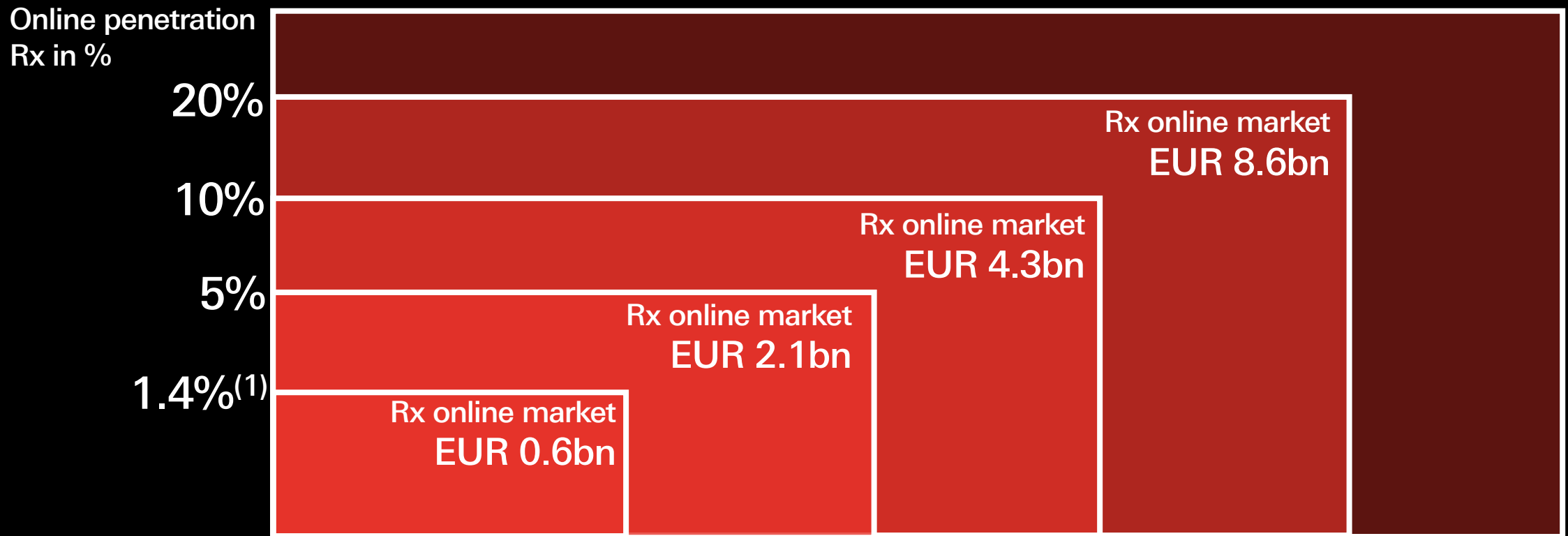
eRx opportunity

eRx opportunity

Regulatory update: eRx mandatory in Germany from 2022 onwards

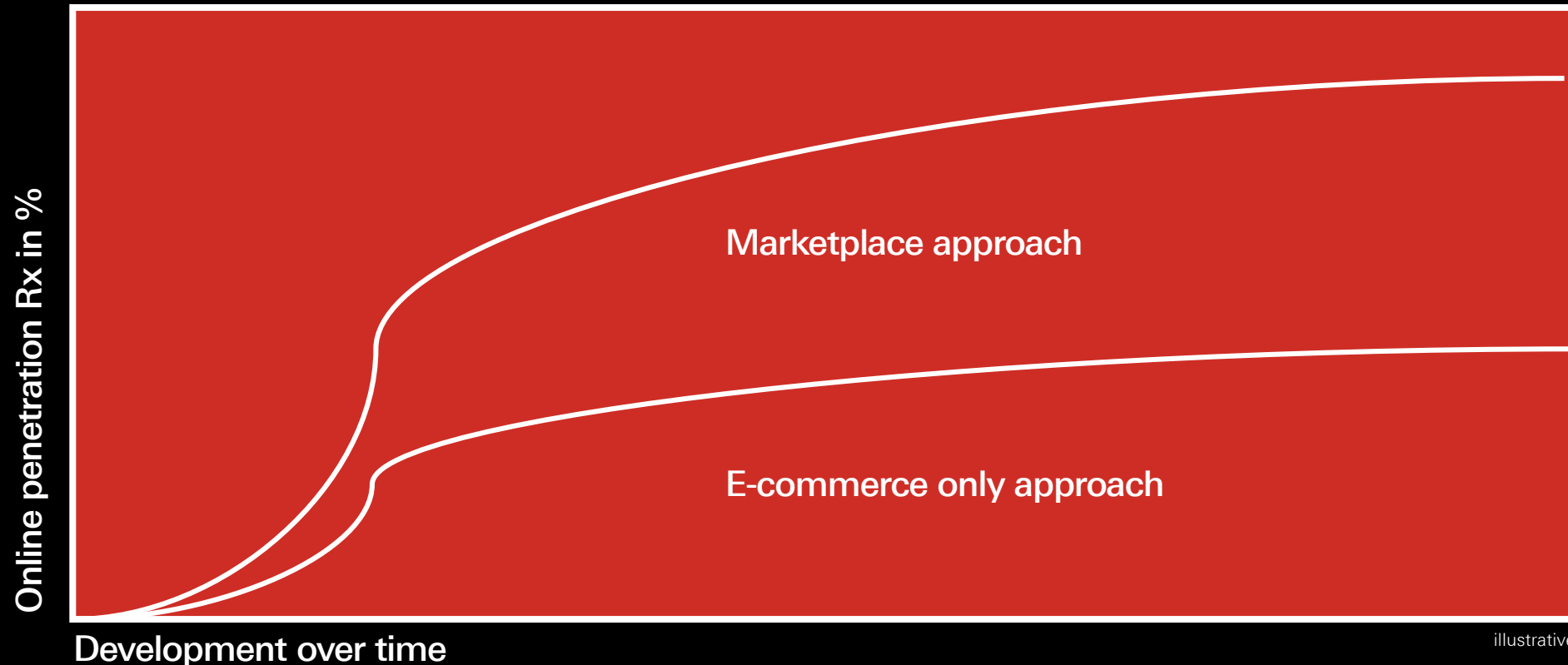
- PDSG law passed German Bundestag, making eRx mandatory from 2022 onwards
- Access to eRx server will be possible for all market participants, including EU mail-order pharmacies
- Gematik solution as backbone with interface to third party applications
- Value-added services will become key differentiator for pharmacies competing over eRx

Increasing online penetration through eRx expected, unlocking substantial upside potential



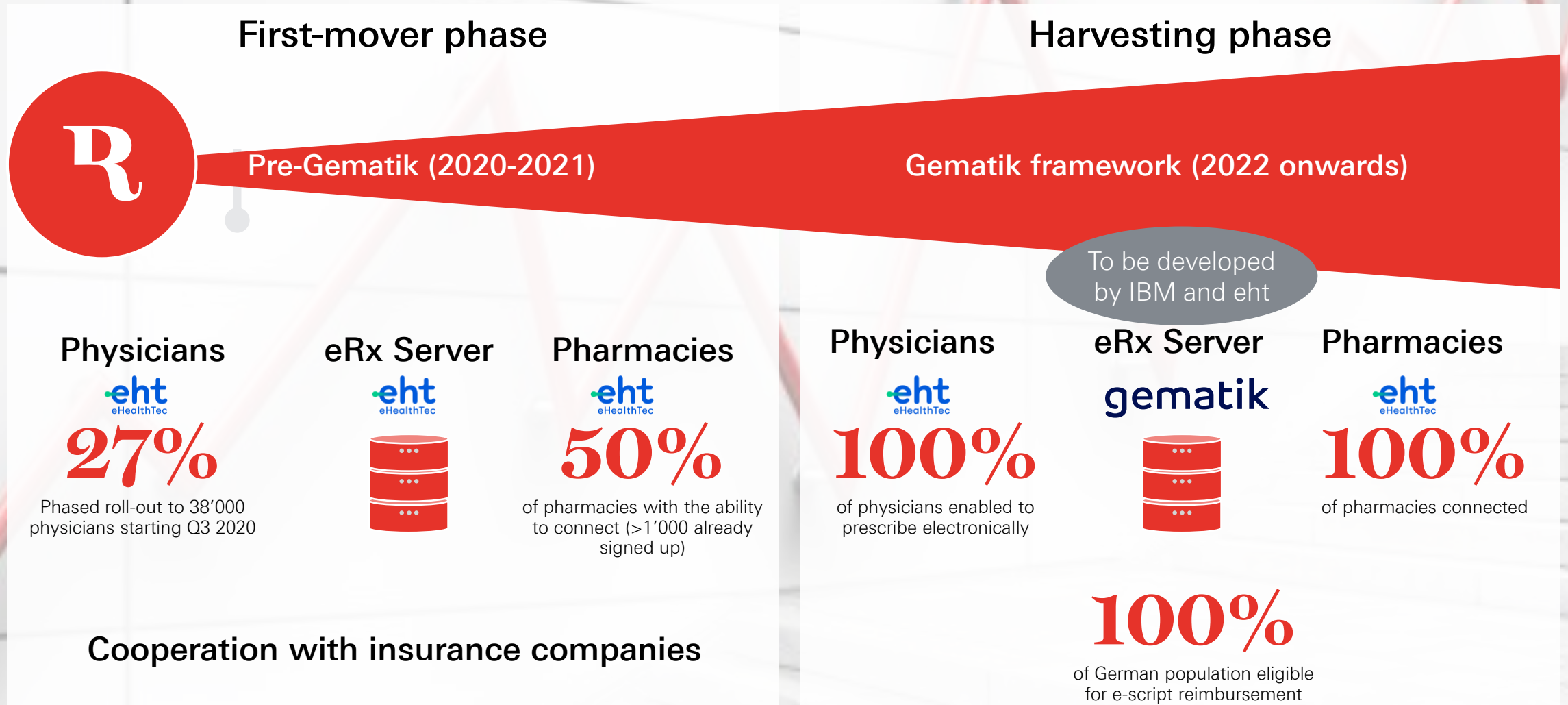
Illustrative, assuming constant total market size of 49.1bn
Source: 1 Sempora 2018 incl. VAT

Adoption curve of marketplace approach expected to be much higher than e-commerce only approach

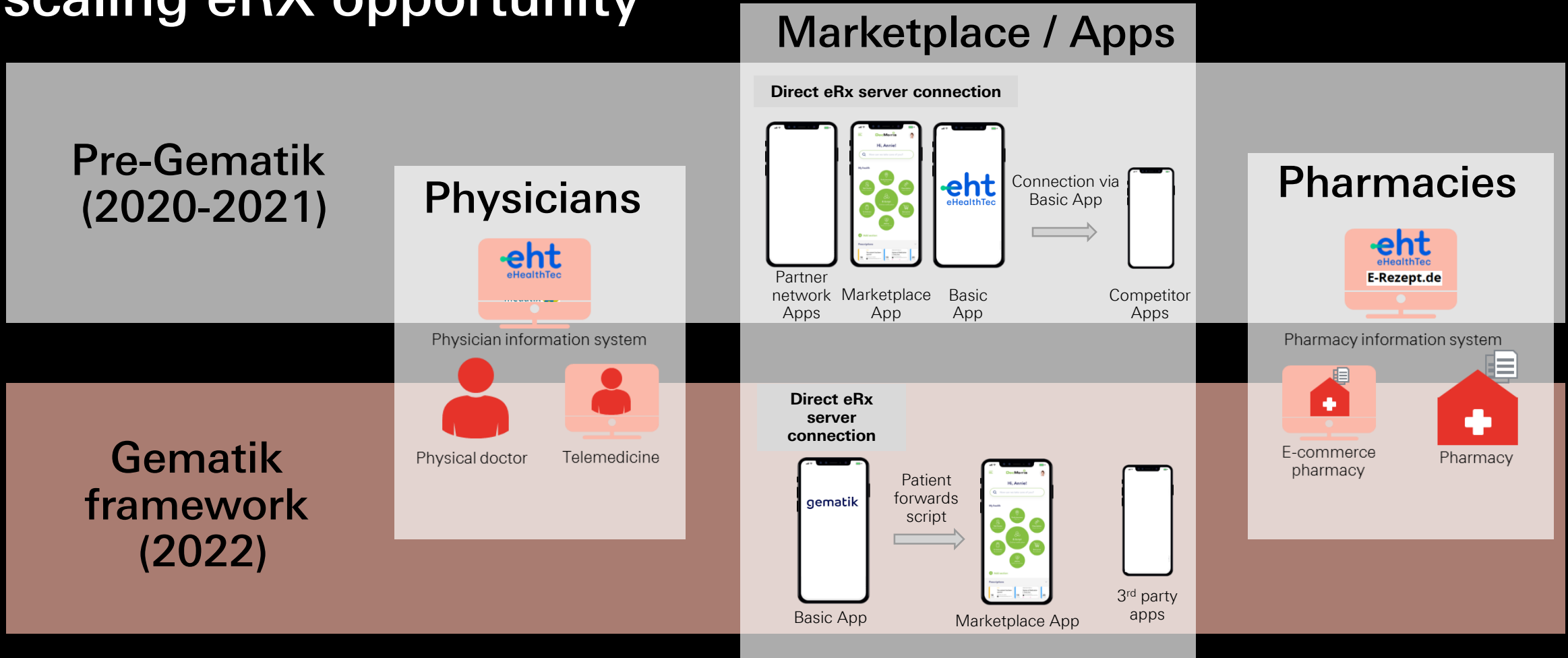


illustrative

Preparation for take-off fully accelerated



Partnerships and eHealth-Tec B2B solutions ready for scaling eRX opportunity



Roadmap to fully harvest eRx opportunity

Pre-Gematik (2020-2021)

1. Launch eRx marketplace app
2. Become first mover in the eRx opportunity 2020/2021:
 - a. Test & learn via privately insured and in §140 SGB V contracts for special care provision
 - b. Scaling via digital prescription service of TeleClinic
 - c. Full roll-out once reimbursement scheme is extended to “pre-Gematik” phase as specified by GSAV

Gematik framework (2022)

1. Build on great starting position
2. OTC / Rx Switch on German >8 million customer base¹

eRx opportunity

Launch of DocMorris app in Q4 2020

- Launch of first version of DocMorris branded marketplace app on the basis of existing marketplace technology of the group in Q4 2020
- Initial functions include OTC and BPC shopping, seller integration, same-day and other delivery options
- Expanding customer journey from diagnosis to delivery via integration of TeleClinic telemedicine functionality
- eRx functionality ready to go live – synchronization with partnership network ongoing



Integration & synergies

Integration & synergies

Zur Rose Group integration strategy & roadmap – a combination of four pillars

Brands

Target picture

One brand

Achieved in 2020

Finalise branding strategy

Organisation / Culture

Target picture

One Organisation
Shared DNA and vision

Achieved in 2020

Streamline organisational
structure in Germany
Expansion of management
team

IT Platform

Target picture

One unified platform

Achieved in 2020

Launch of first version of
marketplace app in Germany

Logistics

Target picture

Efficient and customer centric
logistic strategy

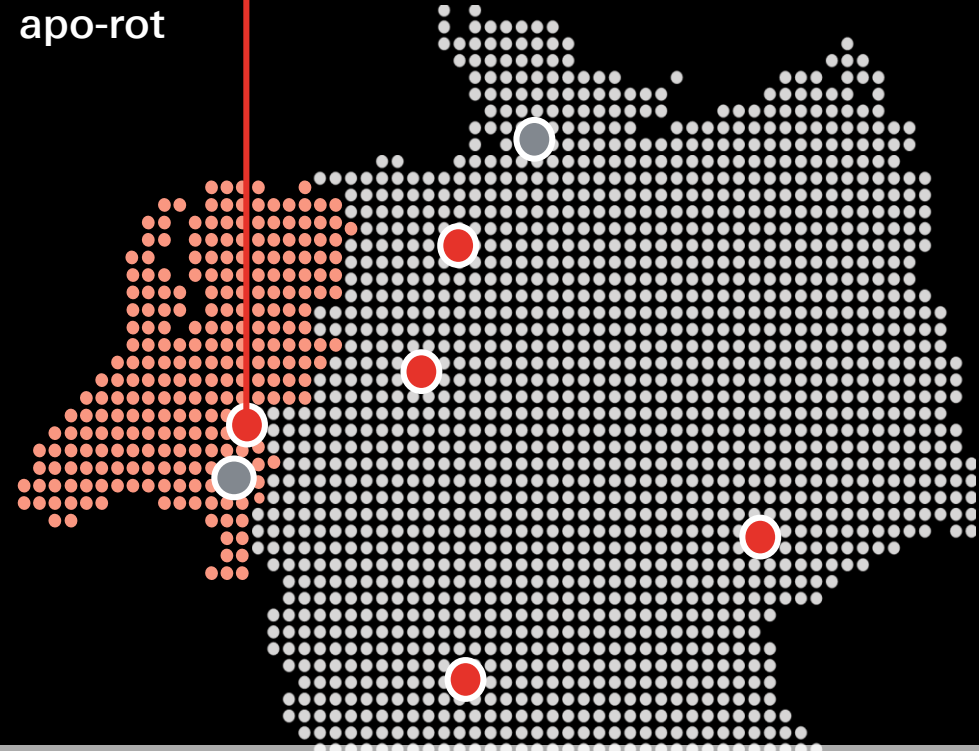
Achieved in 2020

Expansion of existing
Heerlen site

Integration and synergies

Integration steps in 2020 – bundeling of service functions, remaining sites as operational hubs

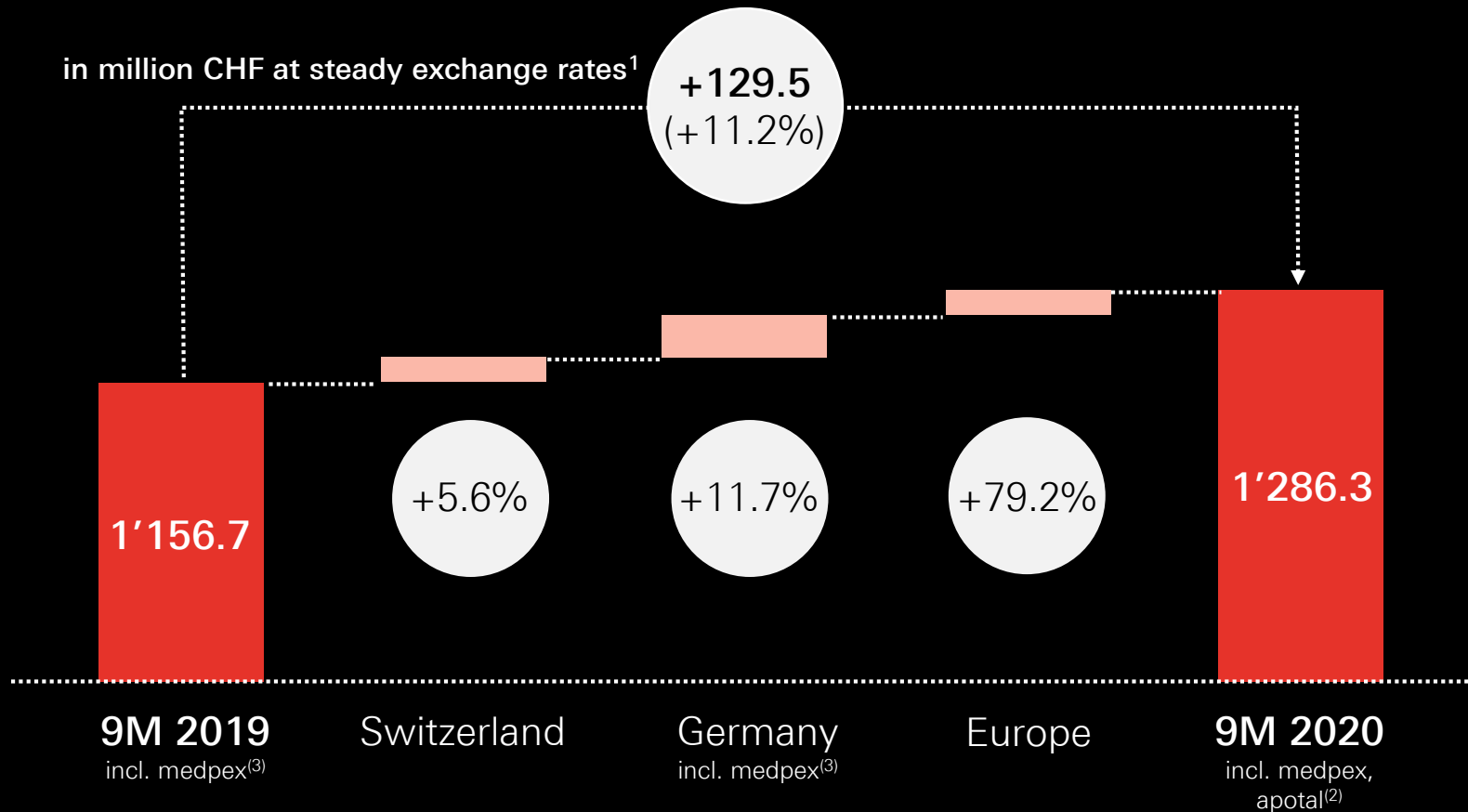
DocMorris
apo-rot



- Vitalsana fully merged with DocMorris and the Vitalsana site closed down
- Marketing and customer service departments of Eurapon pooled at the Heerlen site
- Marketing tasks performed by Zur Rose DE transferred to Heerlen and Mannheim

Financials

Group Sales growth of around 10% in line with guidance



CH

- Sustainable growth
- Stockpiling in Q1 and COVID-19 restrictions for doctor visits resulting in softer Q2

DE

- Focus on eRx
- Stockpiling in Q1
- Strong performance in core OTC brands
- Apotal acquisition further extending leadership position (2019 sales of EURm 157)

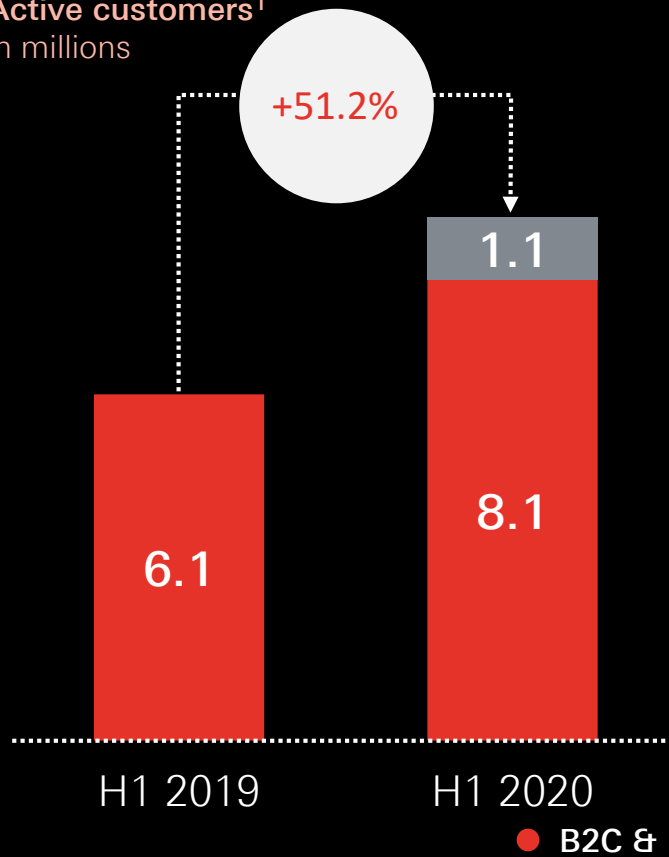
EU

- Strong performance in first nine months

Group B2C & marketplace KPIs

Expanding market leadership with more than 9 million active customers

Active customers¹
in millions



Repeat order rate²

81%
H1 2019

77%
H1 2020

Site visits³

176m
H1 2019

243m
H1 2020

Basket size⁴
in EUR



H1 2019

H1 2020

Order frequency⁵
in #



H1 2019

H1 2020

● B2C & Marketplace ● Addition via acquisitions

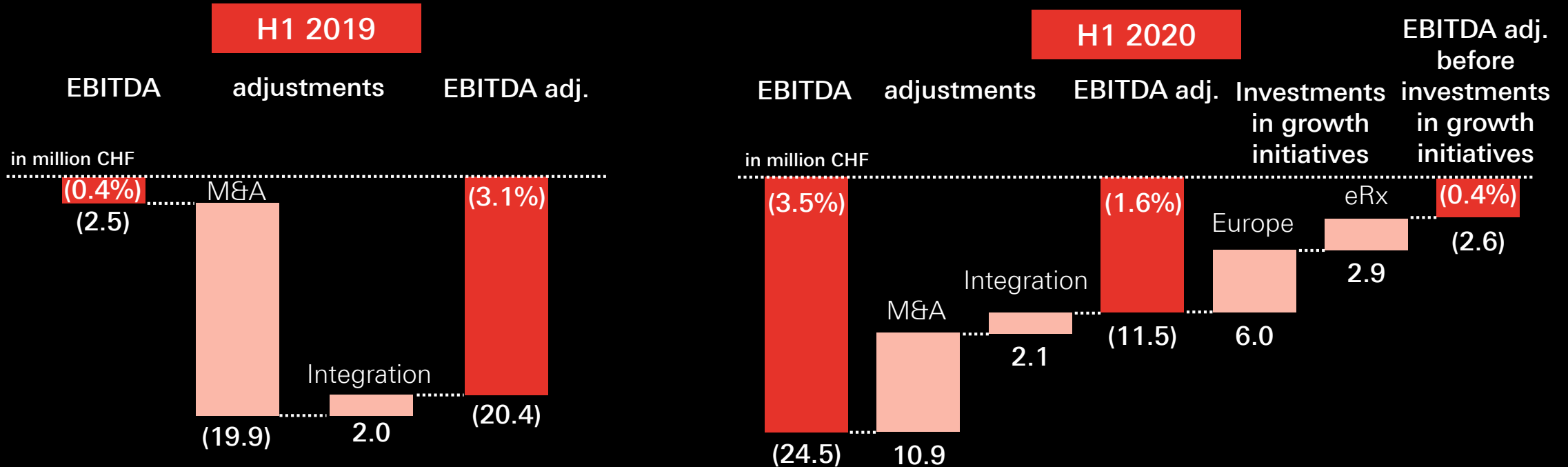
Notes: Figures reflecting performance of entire B2C & marketplace business regardless of consolidation progress of the acquired businesses with Apotal only included in active customer numbers; all numbers reflecting the performance in the last twelve months period ending 30 June 2019 and 30 June 2020 respectively | 1 Customers placing an order within the past twelve months | 2 Share of orders from existing customers in relation to total number of orders | 3 Number of website visits | 4 Basket size equals average value of the purchase per order | 5 Number of orders per active customer in 12 months period

Operational performance improved driven by gross margin

in million CHF	H1 2019	Margin in %	H1 2020	Margin in %
Sales incl. medpex in local currency	771.3		841.9	
Sales reported	668.4		698.0	
Gross profit	104.8	15.7	121.4	17.4
Personnel expenses adj.	(58.4)	(8.7)	(60.9)	(8.7)
Marketing expenses	(24.4)	(3.7)	(27.6)	(4.0)
Other operating income & expenses adj.	(42.4)	(6.3)	(44.4)	(6.4)
EBITDA adj.	(20.4)	(3.1)	(11.5)	(1.6)
Adjustments	17.9	2.7	(13.0)	(1.9)
EBITDA	(2.5)	(0.4)	(24.5)	(3.5)
EBIT	(17.1)	(2.6)	(42.0)	(6.0)
Net income	(17.1)	(2.6)	(52.3)	(7.5)

- Growth track record continued in line with guidance
- Strong development of gross margin
- Adjusted EBITDA improving by CHFm 8.9
- Finance expenses increased due to bond and convertible interests and exchange rate

EBITDA adjusted before growth initiatives in line with FY guidance



- Positive effect from earn-out reevaluation
- Integration related expenses of CHFm 2.0

- Share based retention package for founders as largest position within adjustments
- EBITDA adj. improved by 1.5 ppt

Outlook

Outlook

Group Outlook 2020

The latest acquisitions strengthen the market position of the Zur Rose Group. Taking into account the revenues of medpex, Apotal and TeleClinic, management expects growth of over 10 percent for the full year 2020.

Before expenses for additional growth initiatives, especially in the area of electronic prescriptions and for European opportunities, the company aims to break even at adj. EBITDA level in 2020.

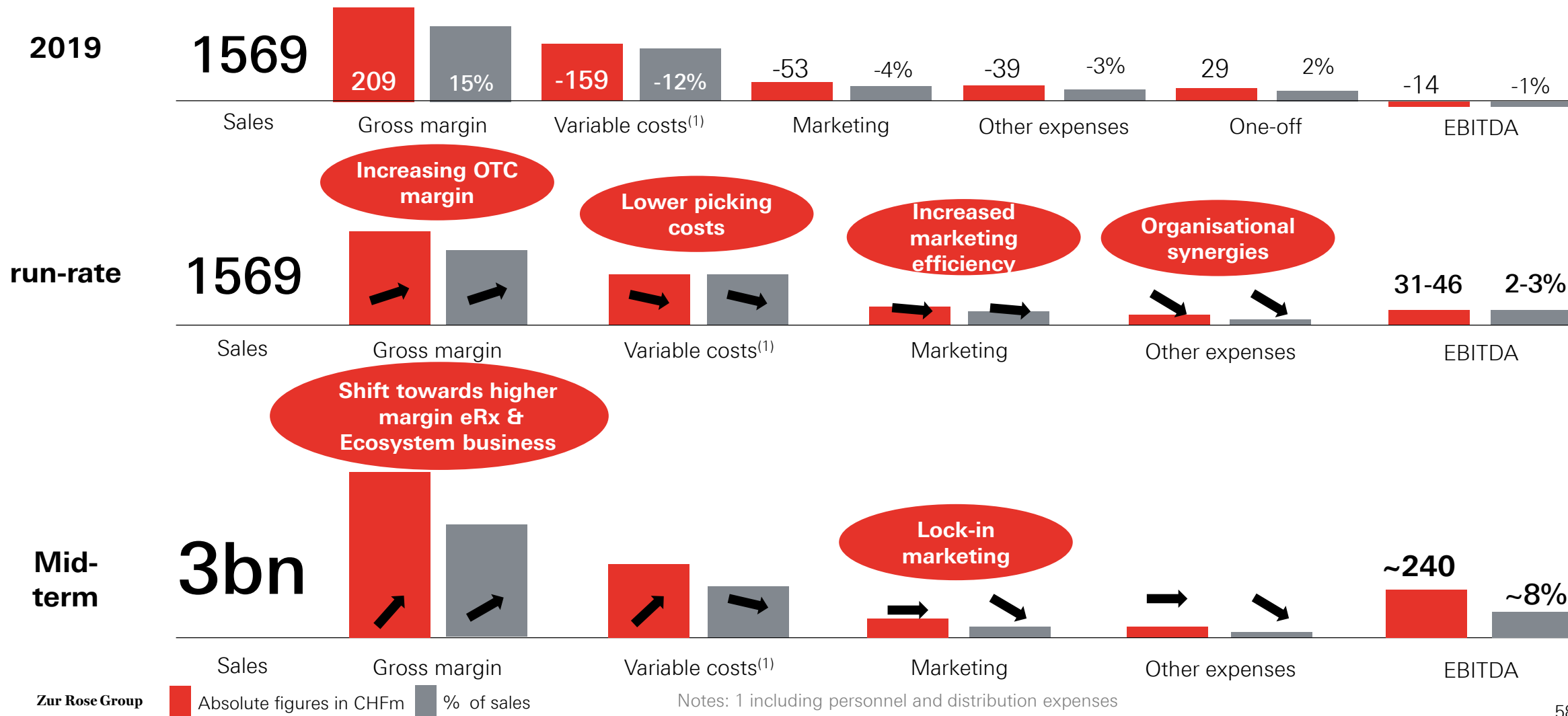
Mid-term targets

The Group expects growth in the Rx business to accelerate significantly from next year and confirms its medium-term sales expectation of over CHF 3 billion. The medium-term EBITDA target margin, adjusted for growth initiatives, is around 8 percent.

The mandatory introduction of electronic prescriptions from 2022 and the implementation of the healthcare ecosystem offer further relevant sales and earnings potential.

Outlook

Mid-term financial targets – path to profitability



Contact information

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Marcel Ziwica

Group CFO

Zur Rose Group financials

Income Statement

	2019		2018 ⁽¹⁾		2017	
	CHF m	%	CHF m	%	CHF m	%
Sales	1355.5	100.0	1207.1	100.0	982.9	100.0
Cost of goods	(1146.9)		(1015.9) ⁽²⁾		(836.3)	
Other income	42.0		3.1 ⁽²⁾		9.7	
Personnel expenses	(117.5)	(8.7)	(93.7)	(7.8)	(78.3)	(8.0)
Marketing expenses	(53.2)	(3.9)	(41.3)	(3.4)	(33.7)	(3.4)
Distribution expenses	(41.9)	(3.1)	(33.1)	(2.7)	(26.6)	(2.7)
Administrative expenses	(34.9)	(2.6)	(24.9)	(2.1)	(27.4)	(2.8)
Rent expenses	(4.0)		(6.0)		(4.2)	
Fair Value adjustment	(2.9)		(1.5)			
Other operating expenses	(10.1)		(7.9)		(7.3)	
EBITDA	(13.8)	(1.0)	(14.0)	(1.2)	(21.2)	(2.2)
D&A	(31.9)		(18.9)		(17.1)	
EBIT	(45.7)	(3.4)	(32.9)	(2.7)	(38.3)	(3.9)
Financial result	(4.4)		(5.7)		1.8	
EBT	(50.1)	(3.7)	(38.5)	(3.2)	(36.5)	(3.7)
Income tax expenses	(2.3)		(0.6)		0.2	
Net income	(52.4)	(3.9)	(39.1)	(3.2)	(36.3)	(3.7)

Zur Rose Group financials

Balance Sheet

	31 Dec 2019		31 Dec 2018		31 Dec 2017 restated ⁽¹⁾	
	CHF m	%	CHF m	%	CHF m	%
Cash and cash equivalents	204.7		230.7		107.8	
Current financial assets	0.2		0.2		0.2	
Trade receivables	126.7		92.3		84.0	
Other receivables & prepaid expenses	25.8		24.2		22.3	
Inventories	70.6		69.4		59.3	
Current assets	428.1	43.2	416.7	57.4	273.5	59.2
Property, plant & equipment	77.1		34.3		29.7	
Intangible assets	465.3		264.6		147.6	
Other assets ⁽²⁾	21.3		10.9		11.0	
Non-current assets	563.7	56.8	309.8	42.6	188.3	40.8
Total assets	991.7	100.0	726.5	100.0	461.8	100.0
Current financial liabilities	87.4		3.5		10.4	
Trade payables	92.1		83.1		75.3	
Other payables & accrued expenses ⁽³⁾	33.1		32.3		33.4	
Short-term liabilities	212.6	21.4	119.0	16.4	119.1	25.8
Non-current financial liabilities	38.1		30.6		32.0	
Bonds	312.1		114.1		0	
Pension liabilities	15.2		13.7		13.0	
Deferred taxes & long-term provisions	8.2		5.5		3.5	
Long-term liabilities	373.6	37.7	163.9	22.6	48.5	10.5
Equity	405.5	40.9	443.6	61.1	294.2	63.7
Total equity and liabilities	991.7	100.0	726.5	100.0	461.8	100.0

Note: 1 See note 6 change in consolidation scope of the financial statements 2018 | 2 Includes investments in associates and JVs, non-current financial assets and deferred tax assets | 3 Includes other payables, tax payables, accrued expenses and short-term provisions

Zur Rose Group financials

Cash Flow Statement

	2019	2018 ⁽¹⁾	2017
CHF m			
Net income	(52.4)	(39.1)	(36.3)
D&A	31.9	18.9	17.1
Non cash items financial result	(2.2)	3.2	(4.6)
Non cash income and expenses	(35.3)	3.4	3.6
Income taxes paid	2.3	0.6	(0.1)
Change in trade receivables, other receivables and prepaid expenses	(37.3)	(12.2)	(13.1)
Change in inventories	(3.4)	(10.3)	1.0
Change in trade payables	13.5	4.1	6.4
Change in provisions	0.4	(1.8)	3.8
Cash flow from operating activities	(82.6)	(33.2)	(22.2)
Acquisition & Sale of subsidiaries, net	(103.1)	(108.6)	(40.9)
Purchase of property, plant and equipment	(10.4)	(10.3)	(5.1)
Acquisition of intangible assets	(31.1)	(21.2)	(16.6)
Investments/ (disposal) of financial assets	1.4	(0.2)	0.3
Cash flow from investing activities	(143.2)	(140.3)	(62.2)
Proceeds from capital increases	0.5	191.1	222.4
Transaction costs of capital increase	(0.3)		
Increase in financial liabilities	205.0	114.1	0.0
Repayment of financial liabilities	(5.0)	(1.8)	(56.1)
Purchase of treasury shares	(0.0)	(6.4)	(0.4)
Cash flow from financing activities	200.2	297.1	165.9
Total cash flow	(25.6)	123.6	81.5
Fx differences	(0.5)	(0.6)	1.1

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