Annual Report
2022/2023

PHOENIX
Pharmahandel GmbH & Co KG
a PHOENIX company

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GROUP MANAGEMENT REPORT

2022/2023

FUNDAMENTAL INFORMATION ABOUT THE GROUP

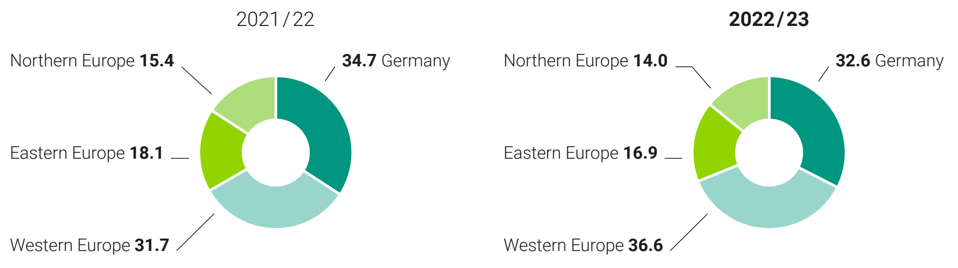
- European leader in pharmaceutical wholesale, pharmacy retail and services for the pharmaceutical industry
- Integrated range of services an important competitive advantage
- Focus on market leadership, customer satisfaction and efficiency
- Rigorous strengthening of digital competence

PHOENIX

Leading European healthcare provider

PHOENIX, with its headquarters in Mannheim, Germany, and more than 48,000 employees, is the European leader in pharmaceutical wholesale, pharmacy retail and services for the pharmaceutical industry. PHOENIX is one of the largest family businesses in both Germany and Europe. Its core business is pharmaceutical wholesale and pharmacy retail. Subsidiaries also operate in related business areas whose activities include services for the pharmaceutical industry, pharmacy goods management systems for pharmacies and logistics solutions.

REVENUE PER REGION



As a family business, PHOENIX makes decisions independently and pursues a long-term strategy. The company's mission, "We deliver health", can only be achieved with motivated and loyal employees. Therefore, PHOENIX's employees and their motivation are always a priority.

PHOENIX was active in 29 European healthcare markets in fiscal year 2022/23 and therefore has a very diversified geographic portfolio. At the end of the reporting year, the company operated 224 sites in the business areas of pharmaceutical wholesale and pre-wholesale and supplied pharmacies, doctors and medical facilities with medicines and healthcare products.

In pharmaceutical wholesale, PHOENIX is number one in 15 countries. The company currently has more than 3,200 of its own pharmacies – over 1,500 of which operate under the BENU brand – in 17 European countries and is thus Europe's leading pharmacy operator. In pharmacy retail, it mainly operates in the following countries: Belgium, Ireland, Italy, Lithuania, Montenegro, Netherlands, Norway, Romania, Switzerland, Serbia, Slovakia, Czech Republic, Hungary, and the UK. At present, PHOENIX already has a strong proximity to its customers thanks to around 185 million customer contacts in its own pharmacies. In addition to wholesale and retail, it offers its competencies to the pharmaceutical industry as a service provider.

Differentiation from the competition

PHOENIX sets itself apart in the marketplace using the following competitive advantages:

- Unique geographical coverage thanks to our presence in 29 European healthcare markets.
- Our integrated range of services in wholesale and retail in 17 European countries.
- Our pharmacy brands spread across all of Europe: BENU in 9 countries, Apotek 1 in Norway, Rowlands Pharmacy in the UK, Help Net in Romania and Lloyds in Belgium, Ireland, and Italy.
- A pharmacy network with around 17,000 pharmacies in 18 countries in PHOENIX's cooperation and partnership programmes.
- Services offered to the pharmaceutical industry along the entire supply chain.

PHOENIX WITH A PRESENCE IN 29 EUROPEAN COUNTRIES

Wholesale

Wholesale and retail

PHOENIX market leader

As of 31/01/2023

STRATEGY AND GROUP MANAGEMENT

Strategic agenda for long-term success

PHOENIX's overarching goal is to create sustainable value through a corporate culture geared to customers, high cost efficiency and profit-oriented growth. We therefore give top priority to market leadership, customer satisfaction and efficiency.

Our activities as a company are guided by the strategic agenda WINGS, which we launched in fiscal year 2020/21. It will help us to continue to grow profitably in the future and further expand our leading position in the market. WINGS sets three main strategic priorities:

1. We want to improve our operational excellence. The reliable and high-quality supply of medicines and health products to our customers is the basis for our success. Among other things, this is why we continued an initiative targeted at optimising warehousing structures and stock levels.

2. We want to put our customers even more at the centre of our activities. For example, this means that we promote the entrepreneurial spirit in our organisation so that we are able to offer new services and products to our customers from the pharmaceutical industry.

3. We also want to take advantage of the opportunities provided to us by digitalisation. We want to discover trends at an early stage and actively drive forward innovations in the healthcare sector.

We continued to drive forward our strategic agenda on all three pillars in the past fiscal year. The PHOENIX Production System (PPS), which bundles all of our experience in the key operating areas of infrastructure planning, process optimisation in the distribution centres, inventory management and transportation, is optimised on an ongoing basis. The focus in the reporting year was on warehouse management and productivity. **More information can be found under "Processes and organisation" on p. 6.**

We also expanded our range of own brands and developed high-quality products in different segments, including in the food supplement, medical products and diagnostics segments. We further expanded our partnerships with international pharmaceutical companies in the fiscal year, taking over, for example, the exclusive distribution of products in Central and Eastern Europe.

Digitalisation is increasingly becoming a key success factor going forward. We embrace this with our DIGITAL WINGS initiative, through which we are actively shaping the digital transformation of our company. Our online offerings for customers are also continuously enhanced. **More information can be found under "Processes and organisation" on p. 6.**

Our strategy is to grow both organically and through targeted acquisitions. We also strive to continuously expand our position in the areas pharmacy retail and pharmaceutical wholesale as well as our services and products for the pharmaceutical industry. The acquisition of parts of McKesson Europe in the fiscal year marked a key milestone – the largest acquisition in the company's history. **More information can be found under "Business development at a glance" on p. 7.**

Another focus is on investments in infrastructure and automation in order to further increase our efficiency and productivity. **More information can be found under "Processes and organisation" on p. 6.**

In pharmaceutical wholesale, many pharmacies are part of the PHOENIX group's pharmacy network. With around 17,000 independent pharmacies in PHOENIX's cooperation and partner programmes in 18 countries, it is the largest of its kind in Europe. We offer franchise systems for independent pharmacies in some countries. We want to further expand and purposefully strengthen the pharmacy retail business.

With PXG Pharma GmbH, we have a vehicle for the ongoing development of our trade activities with our own brands such as LIVSANE. As a subsidiary of the PHOENIX group, PXG Pharma is responsible for central product development and sales as well as quality and regulatory affairs and strives to continuously expand its range of products. We are expanding the business with LIVSANE and other brands on an ongoing basis, partly by means of third-party business, and partly by adding medicines to its portfolio as well as by introducing the brand in more countries. We successfully launched an OTC medicine (paracetamol) from our own brand on the market in Hungary for the first time in fiscal year 2022/23. More than 500 products are currently sold in pharmacies in 19 European countries.

Furthermore, we offer the pharmaceutical industry comprehensive services along the entire pharmaceutical supply chain. The portfolio comprises logistics solutions in Healthcare Logistics, with hubs across Europe, as well as awareness and digital B2C campaigns via the pharmacy channel. We have also built up an extensive range of representation services, which includes sales and marketing, medical affairs, and market access activities across Central and Eastern Europe.

By providing these service solutions, we help our strategic partners to reduce complexity. We also entered into new partnerships and expanded existing ones in the past fiscal year. Our joint commercial programme is also growing, with ramped-up cooperation with pharmaceutical companies, for example, in procurement and our channels in terms of access to our own pharmacies and pharmacies in the PHOENIX cooperation and partner programmes.

Using key financial indicators in management

Corporate management is primarily based on the key financial indicators of the income statement and the statement of financial position. The key figures in the income statement are revenue and profit before tax; in the statement of financial position, it is the equity ratio.

PROCESSES AND ORGANISATION

Targeted optimisation of all processes and structures

By continuously reviewing our processes and structures, we are able to ensure PHOENIX's efficiency and flexibility to act and respond at short notice to changes in the market.

We safeguard our market leadership by optimising and harmonising processes and structures in Germany and Europe-wide on an ongoing basis. We pursue a policy of active cost management in order to limit sharply rising costs, for example, energy and transportation costs. In addition to long-term supply agreements, key instruments that contribute to reducing consumption include measures such as route optimisation. In reporting year 2022/23, we also launched an ambitious programme to analyse and improve operating processes and staffing in our more than 3,200 pharmacies. We combined cross-border best practices with country-specific approaches in order to find the best solution. The programme thus contributes to sustainably increasing productivity in pharmacies.

We are also continuing to work on initiatives to optimise the operational processes of our logistics network. At the beginning of fiscal year 2021/22, our established initiatives, such as Warehouse Excellence, were incorporated into the wide-ranging PHOENIX Production System (PPS), which bundles our cross-border experience in the areas of operations and logistics. The PPS is a living concept that grows through ideas and the sharing of best practices. This has already produced significant results for us, such as reducing the amount of capital tied up in inventories. We are developing tools and methods, for example, to streamline inventories while also avoiding any negative impact on the service level we offer to our customers. Following the successful completion of projects carried out in two large pilot countries, these tools are now also being customised and gradually rolled out in smaller subsidiaries as well. These measures are making the supply chain more efficient and reducing the net working capital it ties up, which is being used to finance maintenance and growth. The acquisition of parts of McKesson Europe will add leverage to the PPS, enabling us to generate further synergies and increase efficiency.

Actively shaping digital business transformation

Strengthening digital competence is a key component of our company-wide strategic agenda WINGS. We have a number of ongoing initiatives as part of DIGITAL WINGS. The aim is to actively shape the digital transformation of PHOENIX. An element of this is improving the company-wide availability of data and data analysis competence. To this end, we set up a central data and analysis platform and conducted some initial use cases. The aim is to use data to optimise current work processes and to enable innovative business models by better analysing customers' needs.

With the digitalisation of healthcare, we have a responsibility as a European healthcare service provider to ensure the integrity of our technical infrastructure and sensitive data. In the past year we therefore further optimised our technical security measures and invested in the training of our employees. In addition, with the "Data Academy", we have also rolled out a comprehensive international programme, which supports the use of data in a way that brings benefit in a needs-based manner and across all organisations. Alongside expanding opportunities for digital collaboration, with "COLAB" at the Mannheim location, we have also invested in physical infrastructure and created a modern working environment that aims to support activity-based working. To this end, we have also put in place the requirements for this in terms of IT. We have targeted access to IT talent through our new IT Hub in Sofia, Bulgaria, which we opened in fiscal year 2022/23. In addition, we are also benefitting from the expertise of staff who joined PHOENIX as part of the acquisition of parts of McKesson Europe. The central IT organisation of McKesson Europe was part of the takeover.

Furthermore, we also want to strengthen the digital channels to end customers and patients and create a cross-channel shopping experience that seamlessly links the online and offline areas. In order to do this, we are expanding our e-commerce activities in a targeted manner. In doing so, we will benefit from cross-border exchange and, for example, will also implement the solution which was used very successfully in the Czech Republic in other countries. In Bulgaria, for example, we have opened a new BENU online shop. In Germany, PHOENIX, together with its partners, introduced "gesund.de" – a central health platform and app, which is targeted at end users and patients as well as pharmacies and all other service providers in the healthcare sector. It can be used to order over 100,000 prescription-only and over-the-counter medicines, usually with same-day delivery. Currently, one in three pharmacies in Germany are already registered on "gesund.de", and since 2022, medical supply stores have also been represented on the platform.

We are offering a further important innovation with the smart, cloud-based medication system "Smila", which was launched on the market by our subsidiary JDM. The smart medication-dispensing robot enables people requiring care to lead a more independent life and reduces costs for health insurance funds. The robot was developed by JDM as part of a German-Finnish collaboration and has the potential to improve the healthcare of patients in different countries and offer them a more independent, healthier life. Following an initial pilot phase, "Smila" has since been officially launched onto the market in Finland. The innovative medication system is currently being rolled out in Denmark. Market entry in other countries is currently being prepared. We plan to add further telemedicine services to "Smila" in the future.

In addition, PHOENIX is investing in the harmonisation of its merchandise management systems and the optimisation and modernisation of its IT architecture, for example, by way of the pilot project to introduce SAP S/4HANA in Austria. The application landscape for merchandise management in Denmark is also currently being harmonised and modernised using SAP S/4HANA.

ECONOMIC REPORT

- Economic development hampered by the war in Ukraine
- The largest acquisition in the company's history concluded
- 18.2% increase in revenue
- Profit before tax at the prior-year level
- Continuous dialogue with our employees

ECONOMIC ENVIRONMENT

The war in Ukraine hampers economic development

In 2022, the European economy was shaped by the continued recovery from the COVID-19 pandemic and the war between Russia and Ukraine. On the whole, the gross domestic product of the eurozone rose by 3.5% year-on-year (prior year: 5.2%). Economic development in Germany in 2022 was also shaped by the consequences of the war in Ukraine, such as extreme rises in energy prices. Nevertheless, real GDP was up 2.0% year-on-year (prior year: 2.7%).

Development in the European pharmaceutical markets was varied. The German pharmaceutical wholesale market increased 7.0% in 2022 compared to the prior year. This was primarily attributable to a noticeable increase in revenue from prescription-only drugs. The German market continued to be shaped by fierce competition.

BUSINESS DEVELOPMENT AT A GLANCE

The largest acquisition in the company's history successfully concluded

Our objective is to expand our position in the areas of pharmaceutical wholesale and pharmacy retail and continuously extend our range of services and products for the pharmaceutical industry. We were once again able to achieve this in the past fiscal year, also thanks to our strategic agenda WINGS. We achieved major milestones in all areas and once again significantly reinforced PHOENIX's market position, primarily due to the completed acquisition of parts of McKesson Europe.

We successfully completed the acquisition of several subsidiaries of McKesson Europe as of 31 October 2022. The transaction included the business activities of McKesson in Belgium, France, Ireland, Italy, Portugal, and Slovenia agreed in the purchase agreement from July 2021, along with a shared service centre in Lithuania, deutsche recucare GmbH, McKesson's European headquarters in Stuttgart and the minority interest in our subsidiary Brocacef Groep in the Netherlands. In our home market Germany, we plan to maintain the Stuttgart location as a further IT hub and integrate other central functions from an organisational perspective into the Mannheim headquarters. The acquisition will allow us to tap new healthcare markets in Belgium, Ireland, Portugal, and Slovenia, while significantly ramping up our activities in France and Italy. In this way, we are further strengthening our position as a leading Europe-wide pharmaceutical wholesaler, pharmacy operator and service provider for the pharmaceutical industry. Our broader geographical and operational footprint brings us even closer to our customers and partners. Thanks to the bundled expertise of both companies, all customer groups are able to benefit from additional products and services in line with their local needs. On account of the new size of the company, we will also be able to benefit from economies of scale in procurement. We also gained additional expertise through the acquisition and strengthened our IT.

In pharmacy retail, we worked in particular on the strategic expansion of our portfolio and pushed ahead with the further integration of pharmacies acquired in previous years. The number of our own pharmacies has risen sharply during the last years, particularly in Romania, the Netherlands, the Czech Republic and Serbia. In addition, in the reporting year, a further 410 pharmacies were also acquired as part of the acquisition of parts of McKesson Europe. At the end of the fiscal year, we thus had a total of 3,261 pharmacies.

Strengthening digital channels

We have also expanded our activities in the area of digitalisation through DIGITAL WINGS. We have strengthened our sales channels by further interlinking offline and digital offerings in pharmacies. The subsidiaries of PHOENIX further enhanced their digital and e-commerce activities in the context of their respective local market. The company already has its own e-commerce solutions in most countries where it has its own pharmacies. Norway and our Central and Eastern European markets are particularly noteworthy in this regard on account of their strong e-commerce business activities. **More information can be found under "Processes and organisation" on p. 6.**

Investment in the future

PHOENIX is addressing future requirements by making substantial investments in intangible assets and property, plant and equipment. In past years, we have invested to a particularly large degree in expanding and modernising the pharmacy network and distribution centres, in automation technology and in extending logistics services for the pharmaceutical industry. Investments primarily relate to replacement and restructuring investments. In fiscal year 2022/23, investments amounted to EUR 229.1m (prior year: EUR 180.2m).

In the reporting year, we commenced and continued numerous construction projects. These include, for example, construction and fitting work for our new, sophisticated logistics location in Wakefield, UK. The construction work is progressing according to plan. With additional capacity and thanks to our new technology at the location, we will drive forward the wholesale and retail business in the UK and achieve economies of scale for new distribution models. Further construction projects include the establishment of a new replacement distribution centre in Amsterdam, the Netherlands, in order to create additional capacity. Good progress was made on this project in fiscal year 2022/23. We are also developing a new healthcare logistics warehouse in Ede, the Netherlands. This is intended to significantly improve productivity, processes and quality. Moreover, the foundations have been laid for the new logistics location for wholesale and healthcare logistics of Tamro Lithuania, in Kaunas, Lithuania. This will replace the distribution centre at the current location in Kaunas, which is already working at maximum capacity.

Management Board's overall assessment of the situation

PHOENIX was able to successfully further strengthen its market position in fiscal year 2022/23 as a leading healthcare provider in Europe and expand its wholesale and retail activities. Despite the fact that the underlying conditions remained challenging, PHOENIX was once again able to increase its total operating performance and revenue and grow at a faster pace than the market in general, thereby achieving our forecast for the past fiscal year.

FINANCIAL PERFORMANCE

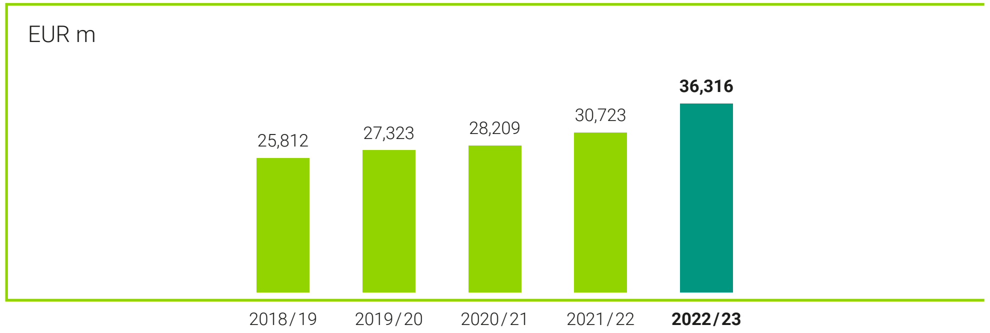
Key figures of the PHOENIX Pharmahandel GmbH & Co KG	2021/22 in EUR m	2022/23 in EUR m	Change in EUR m	Change in %
Total operating performance	39,612.8	45,901.2	6,288.4	15.9
Revenue	30,723.4	36,316.4	5,593.0	18.2
EBITDA before significant one-off effects	706.8	725.3	18.5	2.6
EBITDA	670.1	1,025.3	355.2	53.0
EBIT	357.6	394.3	36.7	10.3
Financial result	– 53.1	– 87.6	– 34.5	65.0
Profit before tax before significant one-off effects	341.2	314.0	– 27.2	– 8.0
Profit before tax	304.5	306.7	2.2	0.7
Profit after tax	218.3	275.4	57.1	26.2
Equity	3,383.1	3,508.0	124.9	3.7
Equity ratio (%)	31.5	25.8	– 5.7	– 18.1
Net debt	1,613.7	2,715.0	1,101.3	68.2

Increase in total operating performance and revenue

PHOENIX again recorded growth in fiscal year 2022/23. Total operating performance rose by 15.9% to EUR 45,901.2m in a year-on-year comparison. This comprises revenue and distribution services for a service fee. Adjusted for foreign exchange rate effects, the growth amounts to 16.2%.

Revenue increased by 18.2% to EUR 36,316.4m in fiscal year 2022/23 (prior year: EUR 30,723.4m). Growth was recorded in all regions. Adjusted for foreign exchange rate effects, the increase in revenue came to 18.4%, of which 9.7% stemmed from changes in the basis of consolidation. This development – adjusted for the share of revenue of the acquired McKesson companies – is consistent with the statement made in the forecast report of the group management report 2021/22, according to which we expected an increase in revenue (excluding the effect from the McKesson acquisition) slightly above the level of growth of the European pharmaceutical market.

REVENUE DEVELOPMENT



Revenue by region (before consolidation) breaks down as follows:

	2021/22 in EUR m	2022/23 in EUR m	Change in EUR m	Change in %
Germany	10,697.8	11,861.7	1,163.9	10.9
Western Europe	9,763.6	13,317.2	3,553.6	36.4
Eastern Europe	5,585.5	6,153.0	567.5	10.2
Northern Europe	4,753.8	5,083.8	330.0	6.9

Adjusted EBITDA higher than in the prior year

Gross profit increased by EUR 513.3m in the reporting year to EUR 3,743.4m. The gross profit margin, calculated as gross profit in relation to revenue, fell from 10.51% in the prior year to 10.31%. This can mainly be attributed to an increased cost-of-sales ratio.

In the reporting year, other operating income included a gain from the first-time consolidation of parts of McKesson Europe in the amount of EUR 300.0m.

Personnel expenses rose from EUR 1,658.2m to EUR 1,936.7m. Adjusted for currency effects, personnel expenses increased by 16.7% on the prior year. This was primarily attributable to acquisitions, collectively bargained wage increases and an increase in headcount due to the business expansion.

Other expenses increased by EUR 182.4m to EUR 1,127.4m. This is largely due to higher transport costs, energy costs, IT costs and other taxes. In relation to revenue, other expenses came to 3.1% (prior year: 3.1%).

Overall, this caused earnings before interest, taxes, depreciation and amortisation (EBITDA) to rise from EUR 670.1m to EUR 1,025.3m. In fiscal year 2021/22, expenses of EUR 36.7m relating to the inventory valuation were incurred in connection with COVID-19. Adjusted for the gain from the first-time consolidation and the expenses relating to the inventory valuation in the prior year, EBITDA increased by 2.6% or EUR 18.5m compared to the comparable prior-year period and now stands at EUR 725.3m.

Profit before tax at the prior-year level

Amortisation of intangible assets and depreciation of property, plant and equipment amounted to EUR 325.8m (prior year: EUR 290.7m). Amortisation, depreciation and impairment included depreciation of right-of-use assets under IFRS 16 of EUR 151.0m (prior year: EUR 135.9m). Acquisitions and investments also contributed to this increase.

In fiscal year 2022/23, impairment losses were recognised on intangible assets and property, plant and equipment in the amount of EUR 307.3m (prior year: EUR 23.9m). This mainly related to impairment of pharmacy licenses of EUR 166.1m (prior year: EUR 12.6m); impairment of goodwill for the cash-generating units Denmark, Germany and the UK of EUR 67.5m (prior year: EUR 0.0m); and impairment of right-of-use assets of EUR 58.9m (prior year: EUR 8.1m). The impairment losses had to be recognised, primarily due to increased interest rates and partly due to declining earnings expectations. Impairment losses on pharmacy licenses were reversed, mainly on pharmacy licenses, in the amount of EUR 2.2m in fiscal year 2022/23 (prior year: EUR 2.1m).

The effects described resulted in earnings before interest and taxes (EBIT) of EUR 394.3m overall (prior year: EUR 357.6m).

The financial result fell by EUR 34.4m to EUR – 87.6m. This includes interest expenses on lease liabilities of EUR 24.5m (prior year: EUR 22.8m). The change largely results from an increase in net interest expenses in connection with the increase in net debt due to the acquisition.

Profit before tax amounted to EUR 306.7m (prior year: EUR 304.5m). After adjusting for significant, non-recurring effects, profit before tax decreased by 8.0%. It fell by EUR 27.2m to EUR 314.0m. In contrast to our forecast in the 2021/22 management report for a profit before tax (excluding the effect of the McKesson acquisition) at the fiscal year 2021/22 level, the fiscal year 2022/23 profit before tax, adjusted for factors related to the acquisition of parts of McKesson Europe, was significantly lower year-on-year. The deviation is due in particular to impairment losses. Excluding impairment losses, profit before tax (excluding the effect from the McKesson acquisition) would have been higher than in the prior year.

Income taxes of EUR 31.3m (prior year: EUR 86.2m) were recorded, which corresponds to a tax rate of 10.2% (prior year: 28.3%). The significant decline in the tax rate is mainly due to the non-taxable gain recognised in the reporting year from the first-time consolidation in connection with the acquisition of parts of McKesson Europe. Income taxes contain expenses from current taxes in the fiscal year of EUR 77.7m (prior year: EUR 65.7m) as well as deferred tax income of EUR 46.4m (prior year: deferred tax expenses of EUR 20.5m).

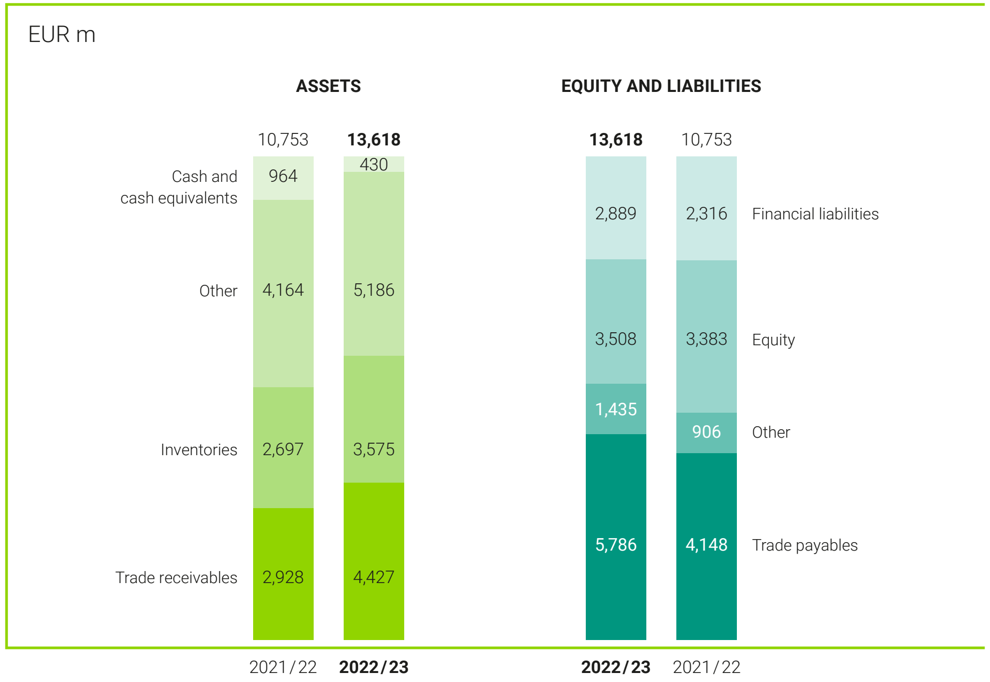
Profit after tax came to EUR 275.4m (prior year: EUR 218.3m).

ASSETS AND LIABILITIES

The group's total assets increased by 26.6% compared to 31 January 2022 to EUR 13,618.4m. The increase in total assets and the change in the items of the statement of financial position compared to the prior year is largely due to the acquisition of parts of McKesson Europe. The currency translation difference on total assets, which is presented in the statement of changes in equity, amounted to EUR – 106.9m (prior year: EUR – 99.9m).

Intangible assets increased due to acquisitions by EUR 204.3m to EUR 2,080.8m. As of 31 January 2023, intangible assets essentially comprised goodwill (EUR 1,394.6m; prior year: EUR 1,440.4m) and pharmacy licenses (EUR 313.5m; prior year: EUR 280.8m).

STRUCTURE OF THE STATEMENT OF FINANCIAL POSITION



Property, plant and equipment increased from EUR 1,775.5m in the prior year to EUR 2,268.9m. In addition to current investments, the increase largely reflects the McKesson acquisition. As of 31 January 2023, property, plant and equipment include right-of-use assets amounting to EUR 868.1m (prior year: EUR 745.7m).

As a result of acquisitions, inventories increased by EUR 878.0m on the prior year to EUR 3,574.8m. The average number of days sales of inventory (excluding effects from the McKesson acquisition) was reduced from 32.1 to 30.1 days.

Trade receivables increased from EUR 2,928.2m in the prior year to EUR 4,427.0m as of the reporting date, largely due to effects from acquisitions. The average number of days sales outstanding (excluding effects from the McKesson acquisition) was reduced from 39.6 in the prior year to 38.9.

Receivables amounting to EUR 125.6m had been sold as of 31 January 2023 (prior year: EUR 125.6m) under off-balance-sheet ABS and factoring programmes. Under ABS and factoring programmes that are recognised only to the extent of the continuing involvement, receivables of EUR 171.3m had been sold as of 31 January 2023 (prior year: EUR 174.6m). The group's continuing involvement came to EUR 8.9m (prior year: EUR 7.7m).

Other current financial assets fell by EUR 1.9m to EUR 95.6m.

FINANCIAL POSITION

The objective of financial management is to ensure a sound capital structure to finance operating business.

In fiscal year 2022/23, PHOENIX issued promissory notes with a nominal volume of EUR 300.0m and terms of up to seven years.

Further increase in equity

Equity increased from EUR 3,383.1m as of 31 January 2022 to EUR 3,508.0m as of 31 January 2023. The equity ratio declined from 31.5% in the prior year to 25.8% due to the increase in total assets due to the acquisition of parts of McKesson Europe. Adjusted for the effects from the McKesson acquisition, and in contrast to the statement we made in the management report for the prior fiscal year, which forecast a slight increase, the equity ratio declined. The deviation is due in particular to the lower earnings due to unexpected impairment losses (excluding effects from the McKesson acquisition).

	2021/22 in EUR m	2022/23 in EUR m	Change in EUR m	Change in %
Cash flow from operating activities	397.5	462.2	64.7	16.3
Cash flow from investing activities	– 179.4	– 657.5	– 478.1	266.5
Free cash flow	218.0	– 195.3	– 413.3	– 189.6

Cash flow from operating activities came to EUR 462.2m (prior year: EUR 397.5m). The increase is largely due to higher earnings after taxes.

Cash flow from investing activities came to EUR – 657.5m compared to EUR – 179.4m in the prior year. Business acquisitions in fiscal year 2022/23 led to a cash outflow of EUR 437.0m (prior year: EUR 19.6m) and largely included the payment of the provisional purchase price for the acquired McKesson companies (less cash acquired) of EUR – 377.0m. The associated indirect acquisition of 45.0% of the shares in Brocacef Groep NV at EUR – 196.4m is included in cash flows from financing activities as an acquisition of further shares in an entity that has already been consolidated. Cash received from divestitures amounted to EUR 0.3m (prior year: EUR 0.5m).

Free cash flow decreased from EUR 218.0m in the prior year to EUR – 195.3m due to high levels of cash outflow from investing activities. For the change in free cash flow and cash and cash equivalents, please refer to the statement of cash flows.

Provisions for pensions increased – largely due to acquisition effects – from EUR 294.2m in the prior year to EUR 301.1m in the reporting year. Actuarial gains of EUR 28.5m had an offsetting effect.

Non-current financial liabilities came to EUR 1,693.3m (prior year: EUR 1,575.4m). These include lease liabilities pursuant to IFRS 16 of EUR 792.3m (prior year: EUR 658.6m). In addition, this item contains bonds amounting to EUR 397.5m (prior year: EUR 396.6m) and promissory notes amounting to EUR 469.6m (prior year: EUR 274.1m).

Current financial liabilities came to EUR 1,195.6m (prior year: EUR 740.2m) as of the reporting date. These include lease liabilities pursuant to IFRS 16 of EUR 161.2m (prior year: EUR 132.3m). This item also includes liabilities to banks of EUR 185.5m (prior year: EUR 113.4m), liabilities from ABS and factoring agreements of EUR 281.5m (prior year: EUR 345.0m) and other loans of EUR 254.8m (prior year: EUR 125.6m).

Net debt increased primarily due to acquisitions by EUR 1,101.3m compared to 31 January 2022 to EUR 2,715.0m, according to the calculation below.

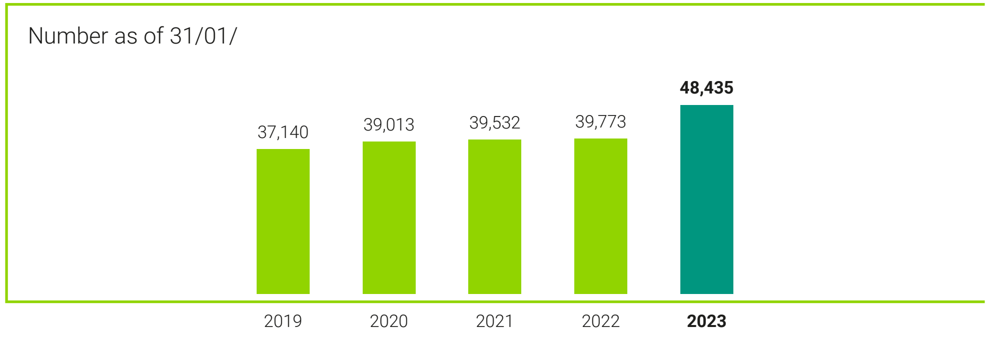
		31 January 2022 in EUR k	31 January 2023 in EUR k	Change in EUR k	Change in %
+	Financial liabilities (non-current)	1,575,412	1,693,269	117,857	7.5
./.	Derivative financial instruments (non-current)	– 43	0	43	– 100.0
+	Financial liabilities (current)	740,171	1,195,619	455,448	61.5
./.	Derivative financial instruments (current)	– 1,303	– 5,727	– 4,424	339.5
./.	Cash and cash equivalents	– 964,327	– 430,015	534,312	– 55.4
+	Receivables sold in the course of ABS and factoring transactions	292,470	288,071	– 4,399	– 1.5
./.	Factoring receivables	– 24,697	– 25,341	– 644	2.6
./.	Receivables from ABS programmes	– 3,974	– 860	3,114	– 78.4
Net debt		**1,613,709**	**2,715,016**	**1,101,307**	**68.2**

Trade payables increased due to acquisitions by EUR 1,638.0m on the prior year to EUR 5,786.0m.

EMPLOYEES

At the end of fiscal year 2022/23, PHOENIX had 48,435 employees across Europe. Headcount was thus up 21.8% compared to the prior year. The sharp increase in headcount largely reflects the acquisition of parts of McKesson Europe as of 31 October 2022. The number of full-time equivalents increased by 5.94% to 35,178.

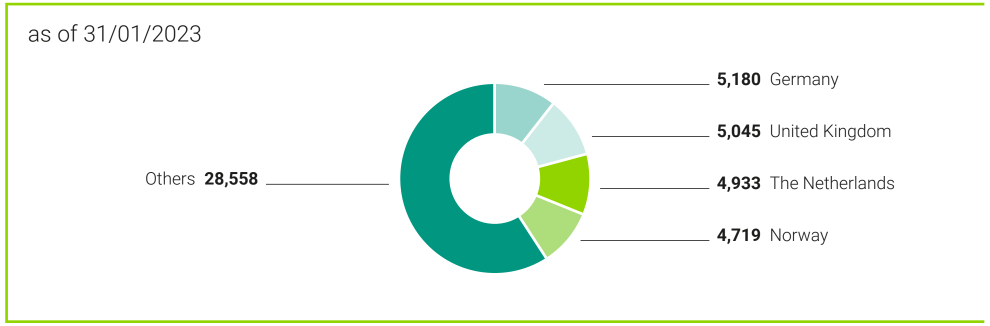
DEVELOPMENT OF EMPLOYEES



Continuous dialogue with our employees

Our employees' commitment and motivation are key factors for our organisation's performance. That is why we have been conducting group-wide employee surveys since 2015 in order to be able to respond in a targeted manner to feedback from our employees. In 2021 and 2022, a new concept for surveying employees was rolled out in eleven countries. The average participation rate of 76% shows that there is high level of acceptance and this is seen as a priority in these countries. Employees provided positive feedback in particular in the areas of job, teamwork, work organisation, and direct leadership. Since 2022, we have also been focusing more on flexible pulse surveys that can be tailored even more readily to the situation in our different countries while also taking account of group-wide indicators.

EMPLOYEES BY COUNTRY



A well-functioning digital infrastructure forms the basis for our cooperation across different divisions and countries. Therefore, as part of DIGITAL WINGS, the IT & Digital competence centre has initiated a series of programmes, including the "Digital Workplace Programme". The project involves the creation of standardised digital workplaces within the PHOENIX group in order to meet the new requirements of the modern world of work. With the "Data Academy", we also rolled out a further extensive, international programme in the past year. This supports employees in analysing and handling data in order to be able to use this based on the required needs and across the organisation.

We launched the project "Workspace 2022" in order to strengthen cooperation and on-site dialogue and combined this with the ability to work remotely. Following a site survey of employees in December 2021, the project team developed measures to respond to new requirements. These relate to closer collaboration between departments, the efficient use of our office space and the consideration of the individual needs of the departments depending on the different work procedures. The growing campus in Mannheim was also taken into account in this regard. The opening of "COLAB" in November 2022 created a modern working environment that offers space for creative, collaborative and interdisciplinary cooperation. We focus on activity-based working and working on shared desks.

Solid basic and advanced training

Our objective is to cover the growing demand for professionals and executives from our own ranks. We therefore attach high importance to the training and development of our employees. We want to enable our employees to continuously develop their professional skills and further their personal development. To this end, we have set up an efficient training system across all countries. In fiscal year 2022/23, for example, employees and executives in Germany took part in a total of 77 internal training activities.

With “PHOENIX LERNWELT” in Germany, we have a valuable tool in the area of training. It brings together our entire range of trainings online in accordance with the principle of managing your own learning. In the past year, the focus remained on expanding LERNWELT. For example, in 2022, we introduced the new “discovery day” category, which includes the discovery days offered within the company. This is designed to help employees gain a better understanding of the work carried out by different departments, to support cross-functional cooperation and strengthen connections between departments. In addition, for our trainees, we have also developed the “AzubiSTARK!” initiative, which offers virtual training sessions on a diverse range of topics with internal trainers.

Moreover, in the prior fiscal year 2021/22, we introduced a Europe-wide e-learning management system. This comprises mandatory training sessions for all employees in all countries and languages in an efficient and transparent manner and facilitates collaborative learning on individual specialist topics across national borders. For example, we introduced two e-learning courses as part of the “Data Academy”, an introductory course on data analysis, and an in-depth course that trains employees to be citizen data scientists. There are also local e-learning management systems in the individual countries in order to respond to individual, country-specific requirements. In-person training is also still being provided, and all PHOENIX employees attend induction programmes and training in line with their functions. Our excellence programmes also strengthen international collaboration and the exchange of best practices within PHOENIX.

We have made targeted investments in the next generation of executives and have set ourselves the goal of filling executive positions internally wherever possible. To this end, we set up the LIFT Talent Initiative as part of the strategic agenda WINGS in the prior fiscal year 2021/22. This is aimed at developing and promoting high potentials at our company. With a strong co-creation approach, innovative formats and interdisciplinary work on current as well as relevant operating issues, the programme strengthens participants’ leadership skills. It also prepares them to take on prominent management functions within PHOENIX. One highlight in the past year was the participation of the “LIFTees” in the PHOENIX International Management Meeting (PIMM). This is our platform for intensive dialogue between the Management Board of PHOENIX, the management of the subsidiaries, and upper management with international responsibility.

PHOENIX offers young people a diverse range of opportunities to join the firm, such as internships, apprenticeships and combined courses of study. In fiscal year 2022/23, in Germany, we employed 76 trainees and 17 students in a work-study programme. The traineeships available at our company include programmes for wholesale and foreign trade management clerk, office management clerk, electronics technician for devices and systems, warehouse logistics specialist, and IT specialist (specialising in application development and system integration), as well as bachelor’s degrees in business administration (digital commerce management, commerce, international business) and business informatics.

RISK AND OPPORTUNITY REPORT

- Efficient risk management system to identify, monitor and manage risks
- Stable situation in terms of opportunities and risks due to only limited economic fluctuations in the pharmaceutical market
- No identifiable risks to the group's ability to continue as a going concern
- Taking advantage of the opportunities that present themselves to build on the group's position as market leader

RISK MANAGEMENT

PHOENIX's risk management system consists of planning, approval and reporting structures and an early warning system. The internal audit department examines this system regularly for adequacy, operability and efficiency. The Management Board regularly receives reports on the audit findings of the internal audit.

RISKS

PHOENIX is subject to market risks. As a rule, the pharmaceutical market is less affected by cyclical swings than other industries, but the loss of purchasing power and cost-saving measures in government spending on healthcare can have a negative impact on the market and our business activities.

The earnings situation in the pharmaceutical wholesale business is also influenced by the terms and conditions granted to customers and by suppliers. These depend, in particular, on the level of competition in individual countries, which is why they are continually monitored on both the sales and purchasing side.

In the operating business, the quality and stability of the operating processes are decisive. An IT systems failure could disrupt key business procedures and processes. Furthermore, external attacks could result in a loss of confidential and sensitive data. In many areas, there are contingency plans for maintaining operations, even in the event of unforeseen interruptions. The standardisation, regular review and maintenance of the IT systems also helps ensure the continuity of the operating procedures.

With advancing digitalisation, new competitors are seeking to establish themselves on the market with online offerings, in competition with traditional pharmacies, and in the wholesale business. We are monitoring these activities and are reviewing in which areas it is expedient and admissible to set up or expand our own online offering.

Global pandemics, such as the COVID-19 pandemic, could have a negative impact on the economy and potentially also impact our business activities.

Ongoing geopolitical crises, such as the conflict in Ukraine, pose a risk to general economic growth. It is difficult to estimate the further consequences of the military conflict and the sanctions that have already been imposed at present. We conduct almost no direct business activities in Ukraine or Russia. However, there could be indirect effects on PHOENIX's assets, liabilities, financial position and financial performance. Transportation and energy costs are a significant cost factor, making up around 15% of our total costs. The significant increase in fuel and energy prices in fiscal year 2022/23 caused this cost item to rise sharply. There continues to be the risk of high fuel and energy costs. PHOENIX will use mitigation measures to attempt to reduce the resulting negative effects on its assets, liabilities, financial position and financial performance.

Credit risk and accounts receivable management

The credit risk for PHOENIX, measured as total receivables, is comparatively low. Regardless of this, payment terms in the public healthcare system tend to vary from one country to another, with longer payment terms customary in Southern and Eastern Europe. In our experience, the risk is also distributed over a large number of customer relationships. In the course of liberalisation of the pharmacy markets in Europe, however, pharmacy chains and new sales channels are increasingly emerging, creating a large number of major customers with a higher level of receivables outstanding.

A group-wide guideline for accounts receivable management aims to systematically monitor receivables risks.

Acquisition projects

PHOENIX's strategy is to acquire pharmacies and wholesale companies in order to expand its own market position. As a result, the group is exposed to legal, fiscal, financial and operational risks from acquisitions. The central Mergers & Acquisitions department therefore analyses and reviews acquisition projects before they are approved by the Management Board. It may, however, happen that developments anticipated at the date of acquisition do not eventuate. This can, in turn, lead to recognising an impairment loss on goodwill in the course of impairment testing.

Legal risks

PHOENIX is active in 29 countries in Europe. In light of its strong market position, there is a risk that competition authorities will occasionally rule in a way that is unfavourable for us. Trade with pharmaceutical products requires compliance with certain legal requirements in the different countries. Infringements of these requirements may result in corresponding penalties by the authorities.

Financial risks

In a financing context, PHOENIX is exposed to various risks.

As part of our syndicated loan agreement, certain financial covenants were agreed, the breach of which presents a risk to financing. The development of liabilities and covenants is monitored regularly as a result. In fiscal year 2022/23, we complied with the agreed covenants comfortably.

Derivatives are used to hedge against interest rate and currency risks. Their use is monitored intensively on a timely basis. Derivative financial instruments are only used for hedging purposes, and counterparty risks are minimised by the careful selection of trading partners.

The agreements underlying our corporate bonds contain restrictions and obligations for PHOENIX, as issuer, that are customary in the market. Failure to comply with these restrictions and obligations could result in the amount of the bond plus the interest accrued falling due.

As regards the currency translation risk, the exchange rates of the pound sterling, the Norwegian krone and the Hungarian forint are of relevance for PHOENIX. Currency transaction risks are relevant in some eastern European countries where deliveries by the pharmaceutical manufacturers are sometimes invoiced in euros and sometimes in US dollars. For the group, however, these are not material. Fluctuations on the financial markets may also lead to shortfalls in the pension funds and the inherent risk of an unplanned increase in personnel expenses.

Tax risks

The PHOENIX companies based in Germany are subject to tax field audits. Foreign subsidiaries are subject to the audit requirements of their local tax authorities. Tax backpayments cannot be ruled out as a result of tax audits performed at German and foreign companies.

OPPORTUNITIES

PHOENIX is active in 29 countries in Europe. The broad geographic diversification reduces the impact of changes in healthcare policy in individual markets on the group's business development. In addition, thanks to its broad geographical coverage, PHOENIX can also offer the pharmaceutical industry services across Europe.

Strong market position in wholesale

PHOENIX holds a leading market position in pharmaceutical wholesale in almost all countries in which it operates. It is the market leader in a large number of countries and has a particularly strong position in Northern and Eastern Europe and in Germany. No competitor has a comparable geographic coverage or market position in these regions.

Many of our pharmacy customers take part in the company's cooperation programmes. In some countries, PHOENIX also offers franchise systems for independent pharmacies.

Expansion of presence in Europe

Against the backdrop of strong competition, increasing pressure on margins in the European healthcare sector and rising demand for in-patient and digital health services, PHOENIX intends to reinforce and build up its position in Europe. The acquisition of McKesson Europe was an important step in achieving this. This will increase the range of products and services offered by PHOENIX in France and Italy and open up its presence in Belgium, Ireland, Portugal and Slovenia. This also opens up new opportunities for playing an active role in the digital transformation of the European healthcare sector.

Financial prerequisites for future growth established

The integration of the wholesale and retail pharmaceutical business also offers opportunities.

In its logistics business unit, PHOENIX continuously implements process improvements across Europe. **More information can be found under "Processes and organisation" on p. 6.** Process optimisation measures that are successful in one country serve as a starting point for improvement measures in other countries and can help to reduce costs there.

The sound financing structure, with an equity ratio of around 30%, and long-term financing have established the financial prerequisites for the future growth of PHOENIX. This applies to both organic growth and appropriate acquisitions.

MANAGEMENT BOARD'S OVERALL ASSESSMENT OF THE RISKS AND OPPORTUNITIES

On the whole, PHOENIX operates in a stable market and is well equipped to conduct activities in the areas of wholesale, retail, and pre-wholesale. This allows it to take advantage of any opportunities that present themselves in order to build on its strong market position in the future. The risks and opportunities in the pharmaceutical retail business are not subject to any major changes over time. There are currently no discernible risks that could jeopardise the company's ability to continue as a going concern.

FORECAST

- Future economic development continues to be fraught with uncertainty
- Growth of PHOENIX's revenue in fiscal year 2023/24 expected to slightly outpace the growth of Europe's pharmaceutical markets

FUTURE ECONOMIC ENVIRONMENT

For 2023, the IMF expects the global economy to grow by 2.9%. However, there continue to be risks that could lead to a deterioration in the situation such as a further intensification of the COVID-19 situation in China, an escalation of the Russian war of aggression in Ukraine and a debt crisis due to the strict monetary policy imposed by central banks. For the eurozone, experts from the IMF are forecasting a 0.7% increase in GDP and growth of 0.1% for Germany. Although we conduct almost no business activities in Ukraine or Russia, there continues to be an indirect negative impact on the PHOENIX group's assets, liabilities, financial position and financial performance due to the high fuel and energy prices.

We expect the pharmaceutical markets in Europe to record market growth of around 5.0% overall in 2023. In Germany, our largest market, we anticipate market growth of approximately 4.5%.

FUTURE DEVELOPMENT OF THE PHOENIX GROUP

For fiscal year 2023/24, PHOENIX expects to further expand its market position in Europe through organic growth and acquisitions and thereby increase revenue slightly above the level of growth of the European pharmaceutical markets. We expect revenue growth in nearly all markets in which we are present.

For fiscal year 2023/24, we forecast profit before tax to be significantly below the level seen in 2022/23. In fiscal year 2023/24, we expect higher levels of amortisation and depreciation due to acquisitions and higher financing costs due to higher interest rates and a higher net debt. In addition, the comparative year 2022/23 was impacted by non-recurring effects such as a gain on a first-time consolidation and impairment losses.

We also expect a slight increase in the equity ratio.

MANAGEMENT BOARD'S ASSESSMENT OF THE GROUP'S FUTURE POSITION

The Management Board is confident that, with its presence in 29 European countries and its sound financing structure, PHOENIX is well equipped to also achieve positive business development over the medium and long term. In addition to the organic and acquisition-related growth, increasing cost efficiency should also be an important contributing factor.

Mannheim, 18 April 2023

The Management Board of the unlimited partner
PHOENIX Verwaltungs GmbH

Sven Seidel (Chair)	Stephen Anderson	Marcus Freitag	Stefan Herfeld
Leon Jankelevitsh	Dr Carsten Sauerland	Dr Roland Schütz	

EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS

2022/2023

CONSOLIDATED INCOME STATEMENT

for fiscal year 2022/23

EUR k	Note	2021/22	2022/23
Revenue	1	**30,723,448**	**36,316,362**
Cost of purchased goods and services		– 27,493,329	– 32,572,975
Gross profit		**3,230,119**	**3,743,387**
Other operating income	2	41,787	341,441
Personnel expenses	3	– 1,658,153	– 1,936,747
Other operating expenses	4	– 944,971	– 1,127,360
Results from associates and joint ventures	5, 12	– 1,012	– 3,982
Result from other investments	5	2,371	8,538
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**670,141**	**1,025,277**
Amortisation of intangible assets and depreciation of property, plant and equipment	6	– 290,716	– 325,785
Impairment of intangible assets and property, plant and equipment	6	– 21,777	– 305,164
Earnings before interest and taxes (EBIT)		**357,648**	**394,328**
Interest income		18,946	12,209
Interest expenses		– 76,736	– 96,228
Other financial result		4,641	– 3,578
Financial result	7	**– 53,149**	**– 87,597**
Profit before tax		**304,499**	**306,731**
Income taxes	8	– 86,230	– 31,329
Profit after tax		**218,269**	**275,402**
thereof attributable to non-controlling interests		34,612	29,163
thereof attributable to the shareholders of the parent company		183,657	246,239

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for fiscal year 2022/23

EUR k	2021/22	2022/23
Profit after tax	**218,269**	**275,402**
Items not reclassified to the income statement		
Remeasurement of defined benefit plans	– 18,162	26,239
Items that may subsequently be reclassified to the income statement		
Currency translation differences	32,575	– 7,618
Other comprehensive income, net of taxes	**14,413**	**18,621**
Total comprehensive income	**232,682**	**294,023**
thereof attributable to non-controlling interests	34,624	28,721
thereof attributable to owners of the parent company	198,058	265,302

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as of 31 January 2023

ASSETS

EUR k	Note	31 Jan 2022	31 Jan 2023
Non-current assets			
Intangible assets	9	1,876,485	2,080,825
Property, plant and equipment	10	1,775,539	2,268,932
Investment property	10, 11	5,083	3,989
Investments in associates and joint ventures	12	17,724	9,215
Trade receivables	13	72	4,824
Other financial assets	13	96,481	108,196
Deferred tax assets	8	102,488	148,522
Income tax receivables		124	84
		3,873,996	**4,624,587**
Current assets			
Inventories	14	2,696,791	3,574,811
Trade receivables	15	2,928,157	4,422,173
Income tax receivables		22,772	30,209
Other financial assets	15	97,458	95,563
Other assets	16	165,956	295,073
Cash and cash equivalents	17	964,327	430,015
		6,875,461	**8,847,844**
Non-current assets held for sale	24	3,905	145,982
Total assets		**10,753,362**	**13,618,413**

EQUITY AND LIABILITIES

EUR k	Note	31 Jan 2022	31 Jan 2023
Equity			
Unlimited and limited partners' capital	18	851,000	851,000
Reserves	18	2,530,644	2,836,342
Accumulated other comprehensive income	18	−314,006	−294,943
Equity attributable to the shareholders of the parent company		**3,067,638**	**3,392,399**
Non-controlling interests	12, 18	315,445	115,560
		3,383,083	**3,507,959**
Non-current liabilities			
Financial liabilities	21	1,575,412	1,693,269
Trade payables	22	144	633
Provisions for pensions and similar obligations	19	294,191	301,139
Other non-current provisions	20	2,432	17,710
Deferred tax liabilities	8	153,042	235,700
Income tax liabilities		0	5
Other non-current liabilities		1,115	887
		2,026,336	**2,249,343**
Current liabilities			
Financial liabilities	21	740,171	1,195,619
Trade payables	22	4,147,909	5,785,402
Other provisions	20	36,968	95,537
Income tax liabilities		53,426	72,280
Other liabilities	23	365,176	555,043
		5,343,650	**7,703,881**
Liabilities directly associated with assets held for sale	24	293	157,230
Total equity and liabilities		**10,753,362**	**13,618,413**

CONSOLIDATED STATEMENT OF CASH FLOWS for fiscal year 2022/23

EUR k	31 Jan 2022	31 Jan 2023
Profit after tax	**218,269**	**275,402**
Income taxes	86,230	31,329
Profit before income taxes	**304,499**	**306,731**
Adjustments for:		
Interest expenses and interest income	57,790	84,019
Amortisation/depreciation/impairment/write-ups of intangible assets, property, plant and equipment and investment property	312,493	630,949
Result from associates and other investments	–1,359	–4,556
Net result from the disposal of assets related to investing activities	–728	–8
Other non-cash expense and income	207,022 [1]	–40,568
	879,717	**976,567**
Interest paid	–85,690	–71,060
Interest received	9,850	9,945
Income taxes paid	–55,766	–89,549
Dividends received	2,548	12,180
Cash flow before change in assets and liabilities	**750,659**	**838,083**
Changes in assets and liabilities, net of effects of changes in the scope of consolidation and other non-cash transactions:		
Change in non-current provisions	–42,479	–50,498
Cash flow before change in operating assets and liabilities	**708,180**	**787,585**
Change in inventories	62,767	–120,050
Change in trade receivables	–210,753	–510,463
Change in trade payables	53,245 [1]	465,839
	–94,741	**–164,674**
Change in other assets and liabilities not related to investing or financing activities	–215,961 [1]	–160,702
Change in operating assets and liabilities	**–310,702**	**–325,376**
Cash flow from operating activities	**397,478**	**462,209**
Acquisition of consolidated companies and business units, net of cash acquired	–19,556	–437,012
Capital expenditures for intangible assets, property, plant and equipment, and investment property	–180,216	–229,053
Issue of loans to shareholders in the parent company	0	–3,000
Investment in other financial assets and non-current assets	–8,198	–6,360
Cash outflows for investments	**–207,970**	**–675,425**

EUR k	31 Jan 2022	31 Jan 2023
Cash received from the sale of consolidated companies and business units, net of cash disposed	480	311
Cash received from disposal of intangible assets, property, plant and equipment, and investment property	23,227	13,729
Proceeds from other financial assets and non-current assets	4,831	3,839
Cash inflows from realised investments and divestments	**28,538**	**17,879**
Cash flow from investing activities	**–179,432**	**–657,546**
Cash available for financing activities	**218,046**	**–195,337**
Capital contribution from/repayment to non-controlling interests	0	–1,277
Acquisition of additional shares in already consolidated subsidiaries	–331	–198,749
Proceeds from disposal of interests in subsidiaries without loss of control	14	95
Dividends paid to non-controlling interests	–19,361	–17,925
Proceeds from bond issuance and bank loans	143,652	463,317
Repayment of bonds and bank loans	–382,684	–413,752
Change in bank loans which have a maturity period of 3 months or less	76,071	71,556
Repayment of loans from shareholders in the parent company	–7,216	–3,845
Proceeds from the issue of loans from related parties	100,197	20,000
Repayment of loans from related parties	–212	–45,000
Change in ABS/Factoring	149,786	–21,879 [2]
Change in finance lease	–134,846	–155,752
Change in other financial liabilities	981	–2,786
Cash flow from financing activities	**–73,949**	**–305,997**
Changes in cash and cash equivalents	**144,097**	**–501,334**
Effect of exchange rate changes on cash and cash equivalents	2,477	636
Cash and cash equivalents at the beginning of the period	818,030	964,327
Cash and cash equivalents at the end of the period	964,604	463,629
Less cash and cash equivalents included in assets held for sale	–277	–33,614
Cash and cash equivalents presented in the balance sheet at the end of the period	**964,327**	**430,015**

[1] Previous year adjusted.
[2] In fiscal year 2022/23, an ABS programme was terminated and rolled out with a new partner. In connection with this, cash receipts of EUR 133,078k and cash payments of EUR 137,054k are recorded.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for fiscal year 2022/23

EUR k	Unlimited and limited partners' capital	Reserves	Currency translation differences	Remeasurement of defined benefit plans	Equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
1 February 2021	**851,000**	**2,347,497**	**–132,471**	**–195,936**	**2,870,090**	**298,826**	**3,168,916**
Profit after tax		183,657			183,657	34,612	218,269
Accumulated other comprehensive income			32,569	–18,168	14,401	12	14,413
Total comprehensive income, net of tax		**183,657**	**32,569**	**–18,168**	**198,058**	**34,624**	**232,682**
Changes in the interest of consolidated companies		–818			–818	–914	–1,732
Dividends					0	–17,602	–17,602
Other transactions with owners		–537			–537	0	–537
Other changes in equity		845			845	511	1,356
31 January 2022	**851,000**	**2,530,644**	**–99,902**	**–214,104**	**3,067,638**	**315,445**	**3,383,083**
1 February 2022	**851,000**	**2,530,644**	**–99,902**	**–214,104**	**3,067,638**	**315,445**	**3,383,083**
Profit after tax		246,239			246,239	29,163	275,402
Accumulated other comprehensive income			–6,981	26,044	19,063	–442	18,621
Total comprehensive income, net of tax		**246,239**	**–6,981**	**26,044**	**265,302**	**28,721**	**294,023**
Changes in the basis of consolidation		9			9	48,057	48,066
Changes in the interest of consolidated companies		60,075			60,075	–258,835	–198,760
Dividends					0	–17,867	–17,867
Other transactions with owners		4			4	52	56
Other changes in equity		–629			–629	–13	–642
31 January 2023	**851,000**	**2,836,342**	**–106,883**	**–188,060**	**3,392,399**	**115,560**	**3,507,959**

FINANCIAL CALENDAR 2023

Please consult our calendar for the most important announcement dates:

27 June	Quarterly statement February to April 2023
25 September	Half-year report February to July 2023
20 December	Quarterly statement February to October 2023

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