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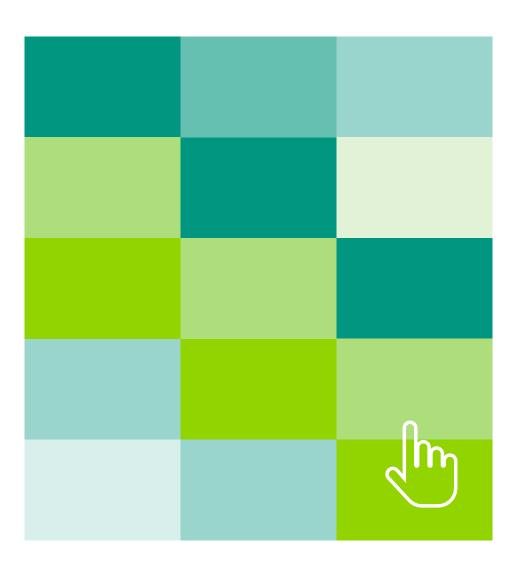
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The PHOENIX group, headquartered in Mannheim, is the European leader in pharmaceutical wholesale, pharmacy retail, and services for the pharmaceutical industry. With a presence in 29 healthcare markets, the group of companies offers unique geographical coverage throughout Europe, making a vital contribution to comprehensive healthcare with about 49,000 employees.

The PHOENIX group is active in the pharmaceutical wholesale and pre-wholesale business areas with 210 sites in 29 countries supplying pharmacies, doctors, and medical institutions with medicines and health products. Numerous other products and services for pharmacy customers complete the portfolio – from assistance in advising patients to modern goods management systems to pharmacy cooperation programmes. Nearly 18,000 pharmacies in 17 countries are members of one of the PHOENIX group's cooperation and partnership programmes. The group of companies provides the pharmaceutical industry with Healthcare Logistics and other services along the entire supply chain. The PHOENIX group also operates almost 3,300 of its own pharmacies in 17 European countries, in which around 187 million patients per year receive expert advice from pharmacists in addition to their medicines.

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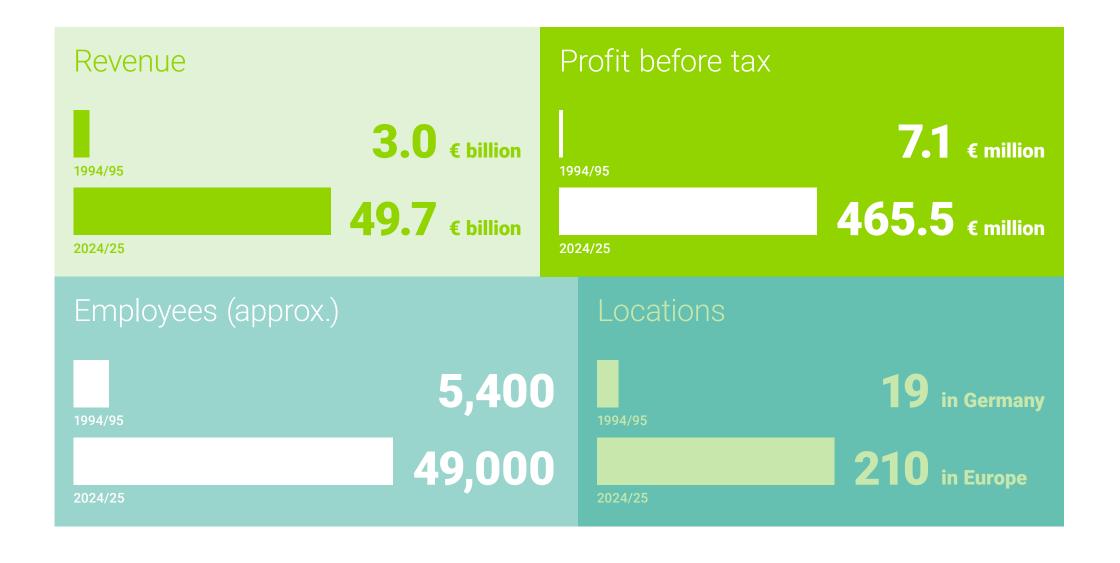
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From a German pharmaceutical wholesaler to a leading healthcare provider in Europe



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Five questions for Sven Seidel

In 2024, PHOENIX celebrated its 30th anniversary. How has the group evolved since its foundation?

The PHOENIX group has grown continuously since 1994, when we started off as a German pharmaceutical wholesaler with approximately 5,000 employees. Today, we are represented in 29 European countries, employ around 49,000 people, and are the European leader in pharmaceutical wholesale, pharmacy retail, and services for the pharmaceutical industry. Our unmatched position in Europe as well as our service portfolio enable us to make a significant contribution to comprehensive healthcare. And that is exactly why we are realising our vision of being the partner of choice for simple and direct access to healthcare products and services across Europe.

What played a key role in the growth of the past three decades?

From the very beginning, our mission "We deliver health" has been at the heart of everything we do. When making strategic decisions, our focus was always on how we can further advance healthcare. As a result, we had a clear goal in mind, which motivated us to develop and grow. Targeted acquisitions have also been a growth driver over the past three decades. The largest acquisition in our company's history in particular – the acquisition of the McKesson Europe companies in 2022 – gave us a major boost. However, the most important key to our success was, and still is, our workforce across Europe.



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What sets team PHOENIX apart?

Commitment and team spirit characterise the actions of our employees in all countries. We work hard every day to ensure the best possible healthcare for our customers. Every single colleague contributes to our growth as a company, to our continuous improvement, and to the satisfaction of our customers. Team PHOENIX is the key factor in ensuring that our company history is a success story.

What role does the mission "We deliver health" play in the day-to-day work of the PHOENIX group?

Our mission "We deliver health" connects our employees and motivates them to give their best every day. This mission concisely summarises the meaningful nature of our business model and helps us to identify with the company. Our success goes beyond key financial figures: the growth of the PHOENIX group also means better healthcare.

"We will continue to leverage opportunities in a targeted manner to strengthen our position as one of the leading healthcare providers in Europe."

How are you ensuring that the PHOENIX group maintains its growth trend?

Our strategic agenda, WINGS, is leading the way. We developed WINGS almost five years ago with the aim of maintaining our leading position in the market and securing further profitable growth. WINGS has three core strategic priorities: increasing operational excellence, strengthening our commercial mind-set, and driving the digital transformation. With these priorities in mind, we are constantly developing our portfolio and thus generating sustainable growth. We will continue to leverage opportunities in a targeted manner to strengthen our position as one of the leading healthcare providers in Europe.

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Executive Board of the PHOENIX group



Sven Seidel
Chief Executive Officer



Dr Carsten SauerlandChief Financial Officer



Dr Roland SchützMember of the Executive Board
IT & Digital



Steve AndersonMember of the Executive Board
Operations & Logistics



Marcus Freitag
Member of the Executive Board
Customers & Channels



Stefan Herfeld Member of the Executive Board Commercial & Marketing



Leon Jankelevitsh

Member of the Executive Board

Healthcare Logistics & Sustainable Supply Chain

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PHOENIX group in figures

| Key figures of the PHOENIX group | | 2023/24 | 2024/25 |
|---------------------------------------|--------|------------------------|------------------------|
| Total operating performance | in € m | 57,171.8 | 61,288.1 |
| Revenue | in € m | 47,064.7 | 49,725.0 |
| Total income | in € m | 4,780.3 | 5,059.4 |
| EBITDA | in € m | 933.1 | 1,125.3 |
| Profit before tax | in € m | 344.3 | 465.5 |
| Equity | in € m | 3,449.3 | 3,800.3 |
| Equity ratio | in % | 24.1 | 25.2 |
| Net debt | in € m | 2,853.6 | 2,947.5 |
| Company rating (Standard & Poor's) | | BB+; stable outlook | BB+; stable outlook |
| Employees (total) | | 48,478 | 48,939 |
| Employees (full-time equivalents) | | 41,276 | 40,885 |

The fiscal year 2024/25 was indeed a special and successful year for us all. Special, because the PHOENIX group celebrated its 30th anniversary – and successful, because we strengthened our position as Europe's leading healthcare provider. We were able to increase revenue and total operating performance. Profit before tax also improved compared with the previous year.

We made progress in implementing our WINGS strategic agenda during fiscal year 2024/25. One key priority was the roll-out of the LEAN initiative (which was launched in the previous year) in additional countries and departments. This initiative is enabling us to gradually create a culture of continuous improvement. We also made significant advancements in the digital transformation of the PHOENIX group. In this regard artificial intelligence (AI) is playing an increasingly important role. As in previous years, we have also made targeted investments towards expanding our network and services and modernising our infrastructure.

Three decades after its foundation, our group of companies is making a significant contribution to healthcare in 29 European countries. The PHOENIX group is well positioned for the future and has created the necessary conditions for further growth.

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Letter from the Chief Executive Officer of the PHOENIX group

Dear Ladies and Gentlemen,

In 2024, we celebrated a special event: our 30th anniversary. While we have continuously evolved as a company over the last three decades, our mission has always remained the same: "We deliver health". From the very beginning, everything at PHOENIX has revolved around comprehensive healthcare – with the goal of always being a reliable partner to our customers in the healthcare sector.

Since the company's inception, our history has been characterised by growth, progress, and change. This legacy started when four regional heavyweights merged to form the largest German pharmaceutical wholesaler. In the company's first fiscal year, revenue totalled around EUR 3.0bn (5.9bn deutschmarks), and this figure has grown steadily ever since. In fiscal year 2024/25, revenue totalled EUR 49.7bn.

In the years after the company's foundation, PHOENIX expanded beyond Germany's borders. Today, we operate in 29 European healthcare markets. In addition to geographic growth, PHOENIX also branched out into other business areas. Pharmaceutical wholesale was supplemented by pharmacy retail and services for the pharmaceutical industry. This enabled us to gradually evolve from a German pharmaceutical wholesaler into a leading healthcare provider in Europe.

We were once again able to strengthen our strong position in the healthcare sector in fiscal year 2024/25, despite the difficult market environment. Geopolitical crises and the ongoing pharmaceutical supply bottlenecks continued to affect our business. Nevertheless, we achieved solid results in all regions and business areas. Our revenue rose by 5.7% to EUR 49.7bn. Adjusted for significant one-off effects, earnings before interest, taxes, depreciation, and amortisation rose by 17.5% to EUR 1.1bn. At EUR 465.5m, profit before taxes were 35.2% higher than in the previous year.

These results show me that we are still on the right track with our WINGS strategic agenda. Through WINGS, we aim to maintain our profitable growth and expand our leading position in the market. We can achieve this by increasing our operational excellence, strengthening our commercial mind-set, and actively driving the digital transformation.

Across the group, we made significant progress and implemented important projects in fiscal year 2024/25. Here are a few examples:

In terms of operations, we have continued to roll out the LEAN initiative. By means of this initiative, we are promoting a culture of continuous improvement with the aim of becoming a waste-free company. In fiscal year 2023/24, we successfully introduced LEAN in Operations & Logistics in six pilot countries. In the reporting year, we rolled out the LEAN initiative in additional countries and for the first time in pharmacies and administrative departments. The roll-out is supported by the establishment of a LEAN Academy, which provides our employees with training in the LEAN methodology and promotes the transfer of knowledge within the organisation.

To recognise the achievements of our employees, we also introduced the LEAN Award in 2024. Honouring our colleagues for their outstanding achievements at the PHOENIX International Management Meeting in September was truly a memorable occasion.

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- Our digital transformation continued in fiscal year 2024/25. One of our key projects was the successful implementation of the Data Hub, which allows us to consolidate all transaction data from all PHOENIX countries in one centralised system. This is crucial for further improving data availability and our data analysis expertise. We also launched the group-wide PHOENIX GenAl programme to leverage the potential of Al in a targeted manner. An initial pilot project is testing Al-controlled, dynamic pricing in our pharmacies in Switzerland. This project involves automatically adjusting prices using digital price tags to reduce the workload of pharmacy teams. In addition, we have continued to develop our digital health platform gesund.de. Since the summer of 2024, gesund.de has been the first healthcare platform in Germany to offer a digital patient prescription transfer process called CardLink to registered pharmacies.
- In fiscal year 2024/25, we launched our new employer brand. The motto "Be the heartbeat of healthcare" vividly describes how we see ourselves: every day, our employees ensure that people are continuously and reliably supplied with important health products. The new employer brand communicates our company's meaningful mission to the outside world and showcases our positioning as an attractive employer.

In addition to the progress and projects mentioned above, there are a number of other examples that show that our company has come out of the anniversary year even stronger than before. I am confident that we will further expand our market position and continue to play a leading role in healthcare in Europe in the decades to come.

I would like to thank our customers and business partners for their trust, as well as our shareholders and the Supervisory Board for their constructive cooperation.

And last but not least, I would like to address our employees. Engaging with you to gain insight into your ideas and opinions and recognising your contribution to our success are very important to me. Every single employee has contributed to making the PHOENIX group a leading healthcare provider in Europe. I would like to thank everyone whose commitment and passion contribute to the company's success every day. Let's continue this journey together and write the next chapter of our success story!

Mannheim, May 2025 Sincerely,



Sven Seidel
Chief Executive Officer PHOENIX Pharma SE

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Report of the Supervisory Board

Dear Ladies and Gentlemen.

Thirty years ago, PHOENIX emerged as a result of the merger of four German pharmaceutical wholesalers. As Chairman of the Managing Board at the time, I wrote the following in the foreword to our first annual report in 1994/95: "A lot has been initiated, set in motion, and quite a bit has already been achieved." These words still apply to PHOENIX today – but with one adjustment: at that time, we had achieved quite a bit, but 30 years later, a lot has been achieved. And this is clearly seen when we take a look at the numerous milestones over the past three decades. Pharmaceutical wholesale was supplemented by pharmacy retail in the late 1990s, followed by a wide range of services for the pharmaceutical industry. The company also expanded geographically into numerous new healthcare markets. Thanks to these portfolio enhancements, what was once a German pharmaceutical wholesaler has gradually evolved into a European healthcare service provider. It was primarily our employees who made this success story possible, thanks to their entrepreneurial skills and commitment. Today, the PHOENIX group is one of Europe's leading healthcare providers and has maintained this position during fiscal year 2024/25 – despite a challenging market environment.

Geopolitical crises, rising costs, supply chain bottlenecks, and regulatory changes in individual markets were some of the uncertainties the group faced during the reporting year. The PHOENIX group took prudent action in response to these influences, implemented appropriate measures, and distinguished itself through its operational strength. This is reflected in the positive developments in total operating performance and revenue, as well as profit before interest, taxes, depreciation, and amortisation. The PHOENIX group continued its growth course in 2024/25 and once again demonstrated the resilience of its business model.

The PHOENIX group benefits from its stable shareholder structure, which enables a high degree of planning security. The Merckle family, the sole owner, considers the PHOENIX group an important mainstay of its group of companies and intends to work with the Executive Board to develop the company further and seize growth opportunities in Europe, wherever they may arise. We are thus pursuing a long-term vision together.



Dr Bernd ScheifeleChairman of the Supervisory Board

Significant business developments

In fiscal year 2024/25, the PHOENIX group continued its proven strategy of growth by organic means as well as through targeted acquisitions. In addition, investments in infrastructure and digitalisation have strengthened the basis for further sustainable growth. In the past year, particular focus was placed on the following business activities:

- The PHOENIX group invested in the modernisation of its infrastructure throughout Europe. In the past year, new distribution centres were opened in Croatia and Portugal and the foundation was laid for a new distribution centre in Hungary. The company also invested in optimising and modernising its IT architecture.
- Cost leadership and operational excellence are very important for the success of the company. This is why the PHOENIX group makes use of the methodologies of the LEAN initiative to ensure continuous improvement. The roll-out, which started in 2023, continued in fiscal year 2024/25. Other PHOENIX subsidiaries have introduced the principles of the LEAN initiative in Operations & Logistics. Lean has also been successfully piloted in pharmacy retail and in the first administrative departments.

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- Digitalisation plays an important role in the strategy of the PHOENIX group. During the reporting year, artificial intelligence (AI) was one of the focal topics. There are many areas in which AI can be used to optimise existing processes and open up new business opportunities. In fiscal year 2024/25, several AI pilot projects were launched in the various countries.
- Throughout its history, the PHOENIX group has consistently focused on growth through acquisitions. One of the most recent milestones was the takeover of the McCabes Pharmacy chain in Ireland. During the reporting year, the McCabes Pharmacy chain was integrated into the PHOENIX group. In addition, the existing Irish LloydsPharmacy chain has been integrated into the McCabes brand. The acquisition of the McCabes Pharmacy chain has enabled the PHOENIX group to further expand its position in the pharmacy retail business.

On the basis of the activities and strategic measures presented, the Supervisory Board believes that the PHOENIX group is well positioned for the future.

Trust-based cooperation between the Executive Board and Supervisory Board

During the reporting year, the Supervisory Board of PHOENIX Pharma SE diligently fulfilled the auditing and supervisory duties incumbent upon it in accordance with the Articles of Association and Rules of Procedure. It regularly advised the Executive Board in its management of the company and closely supported and supervised its activities. The two bodies always worked together openly and constructively. In addition, the Chief Executive Officer and the Chairman of the Supervisory Board maintained a continuous dialogue on all significant business proceedings.

The Executive Board informed the Supervisory Board promptly, continually, and in detail – both orally and in writing – about the development of all relevant key figures relating to the company's economic position. During the reporting period, it kept the Supervisory Board continually informed on all relevant issues relating to corporate planning, including revenue, finance, investment, and personnel planning. The Executive Board coordinated with the Supervisory Board on significant business processes relating to profitability, risk management, and the strategic orientation of the company.

The Supervisory Board was involved directly and at an early stage in all decisions that were of strategic importance to the company. The Supervisory Board adopted its resolutions after close examination of the submitted documentation and the oral report. Over the course of fiscal year 2024/25, the Chairman of the Supervisory Board and the Chief Executive Officer, Sven Seidel, visited the following subsidiaries of the PHOENIX group (in alphabetical order): Austria, France, Italy, Switzerland, and the United Kingdom. On these occasions, they discussed business activities in the areas of wholesale, retail, and services for the pharmaceutical industry.

Key areas of advisory and monitoring activity in 2024/25

In fiscal year 2024/25, the Supervisory Board discussed the Executive Board's reports about the business development of the PHOENIX group, important individual transactions, and transactions requiring approval during three meetings and two telephone conferences. Following a thorough examination and detailed discussion, the Supervisory Board granted its approval at the relevant meetings, where necessary. In addition to the current development of revenue and result as well as the financial and asset situation, the Supervisory Board's discussions focused especially on the challenges in the respective individual markets as well as on strategic topics.

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The Supervisory Board's meetings during fiscal year 2024/25 centred on the following topics:

- In its meeting in May 2024 in Mannheim, Germany, the Supervisory Board dealt primarily with the company's annual financial statements and the consolidated financial statements of the PHOENIX group. Following a detailed audit, the annual financial statements and the consolidated financial statements were approved.
- In July 2024, the Supervisory Board discussed the current business development during a telephone conference.
- In October 2024, the Supervisory Board convened for a two-day meeting in Dublin, where it discussed the company's strategic orientation in detail. The main topics were the strategic areas of growth and digitalisation. Current business development was also on the agenda.
- The telephone conference in December 2024 once again focused on the current business development.
- In February 2025, the Supervisory Board met in Mannheim to adopt the corporate plan as well as the budgets for the subsidiaries and the corporate departments for fiscal year 2025/26.

Audit and approval of the annual financial statements 2024/25

The auditing firm EY GmbH & Co. KG (previously Ernst & Young GmbH), Stuttgart, Germany, was appointed by the Supervisory Board to carry out the audit of the annual financial statements for fiscal year 2024/25. Together with the auditor, the Supervisory Board defined the key areas to be reviewed. The Executive Board presented the provisional, unaudited key figures for fiscal year and the status of preparations for the final report to the Supervisory Board in advance. The auditing firm audited the annual financial statements of the company as well as the consolidated financial statements and consolidated management report. These were certified without qualification.

All documentation relating to the financial statements was submitted to the Supervisory Board on time and reviewed in detail in the presence of the auditor. There were no objections. The Supervisory Board approved the annual financial statements and the consolidated financial statements. The Supervisory Board consented to the Executive Board's proposal regarding the appropriation of retained earnings.

Composition of the Supervisory Board

Dr Steffen Greubel was appointed as a new member of the Supervisory Board, with effect from 18 July 2024.

Composition of the Executive Board

In fiscal year 2024/25, there were no personnel changes to the Executive Board. It thus continues to consist of seven members.

The Executive Board and Supervisory Board are resolutely committed to the common goal of strengthening the PHOENIX group's leading position in Europe and expanding it in the long term. On behalf of the Supervisory Board, I would like to thank the members of the Executive Board and all our employees for their commitment. They have contributed to all that the PHOENIX group has achieved in fiscal year 2024/25 and throughout its 30-year corporate history.

On behalf of the Supervisory Board Mannheim, May 2025

Bend Scheifele

Chairman of the Supervisory Board

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Dr Bernd Scheifele

Chairman of the Supervisory Board; Chairman of the Supervisory Board of Heidelberg Materials AG, Heidelberg, Germany; Chairman of the Supervisory Board of Publishing Group Georg von Holtzbrinck GmbH, Stuttgart, Germany (until 24 April 2024); Member of the Supervisory Board of Springer Nature AG & Co. KGaA (until 23 April 2024)

Dr Ralf Belusa

Independent Management Consultant, Hamburg, Germany

Dr Steffen Greubel

Chairman of the Management Board of METRO AG, Dusseldorf, Germany

Dr Peter Maag

Director BluLake Ventures, USA

Ludwig Merckle

Company shareholder; Managing Director Merckle Service GmbH, Ulm, Germany

Dr Lorenz Näger

Member of the Supervisory Board of PHOENIX Pharma SE;
Member of the Supervisory Board of MVV Energie AG, Mannheim, Germany;
Member of the Supervisory Board of Blanc & Fischer SE, Oberderdingen, Germany;
Chairman of the Supervisory Board of University of Mannheim, Mannheim, Germany (Member since October 2022,
Chairman since October 2024)

Nils Seebach

Founder Spryker Systems GmbH, Berlin, Germany; Founder & Managing Director Etribes Group GmbH, Hamburg, Germany

Bernhard Simon

Chairman of the Supervisory Board
Dachser Group SE & Co. KG, Kempten, Germany

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- "BB+" company rating for PHOENIX Pharma SE with "stable" outlook and "BB+" rating for outstanding bonds confirmed by Standard & Poor's
- Successful placement of a bond of EUR 500m

Represented on the capital market with bonds and promissory notes

Although unlisted, the PHOENIX group considers itself to be closely linked to the capital market. Following the placement of a bond in the previous fiscal year, the PHOENIX group was represented on the capital market at the end of the fiscal year 2024/25 with two bonds – one of more than EUR 186m due in August 2025, and a second bond of more than EUR 500m due in July 2029 – as well as three promissory notes. One important objective of using capital market financing is to diversify the sources of financing in order to guarantee the liquidity supply at any time and in the long term. In addition to a credit facility of EUR 1.25bn through an international bank consortium and a broadly diversified portfolio of ABS and factoring programmes, financing via the capital market is an integral part of our refinancing measures and thus contributes to our good, balanced maturity structure. Since issuing our inaugural bond in 2010, we have been guided by the requirements of the capital market with regard to transparency and publicity.

PHOENIX group active on the capital market

In July 2024, four years after its last bond issue, the PHOENIX group successfully placed an unsecured bond on the capital market through its subsidiary PHOENIX PIB Dutch Finance B.V. With a volume of EUR 500m and a term of five years, the bond has a coupon of 4.875% p.a. with an initial return of 5.00% p.a.

In a challenging market environment, the placement met with considerable interest from over 100 investors during the marketing phase and was thus successfully implemented. Within a short period, a multiple oversubscription was achieved, which led to the PHOENIX group setting the final volume at EUR 500m (initial offer volume: EUR 400 – 500m) and to a reduction of the initial marketing return.

The placement of the new bond was accompanied by a public repurchase offer for the bond of EUR 400m due in August 2025. A nominal volume of EUR 214.1m was successfully repurchased on the market at a rate of 98.35%. This measure serves to optimise the financing structure and reduce the gross debt of the PHOENIX group.

Bond prices performed in line with the market and according to their residual terms

During the reporting period, the prices of the outstanding bonds performed in line with the market for comparable bonds in terms of maturity and rating. The bonds issued by PHOENIX PIB Dutch Finance B.V. that are outstanding at the end of fiscal year 2024/25 are unsecured and guaranteed by PHOENIX Pharmahandel GmbH & Co KG, PHOENIX International Holdings GmbH, and, in part, by PHOENIX Pharma SE. As at the reporting date of 31 January 2025, the bonds were listed at 99.137% (bond due in August 2025) and 103.699% (bond due in July 2029).

Transparent capital market communication strengthens trust in our company

Our creditor relations activities aim to strengthen confidence in the PHOENIX group and foster a better understanding of our business. We are achieving this through the provision of transparent, consistent, and timely information about developments in our company and in our market environment as well as through the clear definition and communication of our strategy and goals. Our capital market communication has a long-term orientation and is considered part of our sustainable strategy for value enhancement. We regularly make relevant information available to capital market participants on the PHOENIX group website. In addition to its annual reports, the PHOENIX group has been publishing quarterly information on its business performance since 2010. Personal meetings and quarterly conference calls with members of the Executive Board also serve as important measures for ensuring continuous and active communication with existing and potential investors.

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Ratings confirm the PHOENIX group's solid financial power

The PHOENIX group has its creditworthiness assessed by the external rating agency Standard & Poor's and its ratings published. As part of this assessment, the agency issues both a company rating that represents an independent opinion on the company's general financial power and a bond rating that values the respective bond.

In fiscal year 2024/25, the PHOENIX group decided to transfer the company rating from PHOENIX Pharmahandel GmbH & Co KG to the top group company PHOENIX Pharma SE. The rating agency Standard & Poor's maintained its rating of "BB+" with a "stable" outlook for PHOENIX Pharma SE and its "BB+" rating for the outstanding corporate bonds, just as it had previously done for PHOENIX Pharmahandel GmbH & Co KG.

| Issuer | PHOENIX PIB Dutch Finance B.V. | PHOENIX PIB Dutch Finance B.V. |
|-------------------------------------|---|--|
| Guarantors | PHOENIX Pharma SE PHOENIX Pharmahandel GmbH & Co KG PHOENIX International Holdings GmbH | PHOENIX Pharmahandel GmbH & Co KG PHOENIX International Holdings GmbH |
| Bond type | Unsecured eurobond | Unsecured eurobond |
| Issue volume | €500,000,000 | €400,000,000 |
| Outstanding at reporting date | €500,000,000 | €185,900,000 |
| Coupon | 4.875% | 2.375% |
| Interest payment dates | Annually on 10 July | Annually on 5 August |
| Denomination | €100,000 | €100,000 |
| Due date | 10 July 2029 | 5 August 2025 |
| Stock exchange listing | Luxembourg Stock Exchange (Euro MTF) | Luxembourg Stock Exchange (Euro MTF) |
| ISIN | XS2856820704 | XS2212959352 |
| Bond rating at reporting date | Standard & Poor's: BB+ | Standard & Poor's: BB+ |
| Company rating at reporting date | Standard & Poor's: BB+, stable outlook | Standard & Poor's: BB+, stable outlook |

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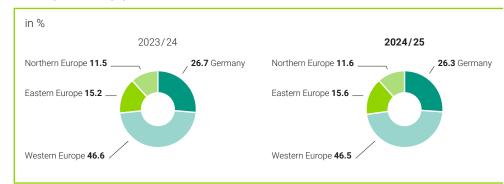
- European leader in pharmaceutical wholesale, pharmacy retail and services for the pharmaceutical industry
- Unique geographical coverage and integrated range of services are key competitive advantages
- Focus on market leadership, customer satisfaction, and efficiency
- Roll-out of LEAN management in other areas of the company
- Targeted initiatives for expansion of digital expertise

THE PHOENIX GROUP

Leading European healthcare provider

The PHOENIX group, with its headquarters in Mannheim, Germany, and around 49,000 employees, is the European leader in pharmaceutical wholesale, pharmacy retail, and services for the pharmaceutical industry. The group was active in 29 European healthcare markets in fiscal year 2024/25 and therefore has a very diversified geographic portfolio. As one of the largest family businesses in both Germany and Europe, the PHOENIX group makes decisions independently and pursues a long-term strategy.

REVENUE PER REGION



Our core business is pharmaceutical wholesale and pharmacy retail. At the end of the reporting year, we operated 210 logistics sites in the business areas of pharmaceutical wholesale and pre-wholesale and supplied pharmacies, doctors and medical facilities with medicines and healthcare products. The PHOENIX group's cooperation and partnership programmes include nearly 18,000 pharmacies. In pharmaceutical wholesale, we are number one in 16 countries.

We also have nearly 3,300 of our own pharmacies — over 1,500 of which operate under the BENU brand — in 17 European countries and are thus Europe's leading pharmacy operator. The pharmacy retail business is mainly in the following countries: Belgium, Bosnia, Ireland, Italy, Latvia, Lithuania, Montenegro, Netherlands, Norway, Romania, Switzerland, Serbia, Slovakia, Czech Republic, Hungary, and the UK. With around 187 million customer contacts per year in our own pharmacies, we have a strong proximity to our customers and offer patients expert pharmaceutical advice in addition to their medicines.

In addition to wholesale and retail, we are also active in related business areas via subsidiaries, whose activities include services for the pharmaceutical industry, pharmacy goods management systems for pharmacies and logistics solutions.

Established group-wide mission statement

In fiscal year 2024/25, we celebrated an important milestone: the 30th anniversary of PHOENIX. In three decades, the merger of four German pharmaceutical wholesalers has grown into a group active in 29 European countries. Today, we are one of the leading healthcare providers in the European market. Corporate culture is key to the success of any company but especially in a heterogenous, inorganically grown and widespread organisation like the PHOENIX group. We continued the rollout of the new mission statement introduced in 2023 throughout the group in fiscal year 2024/25. This should be viewed as an overarching mission statement to supplement the existing local mission statements.

Our mission statement reflects who we are today and how we want to develop in the future — without losing sight of our DNA as a family business. Our mission "We deliver health" has been at the centre of our daily business since our establishment. It is supplemented by our vision: "We are the partner of choice for simple and direct access to healthcare products and services across Europe." This vision reflects our objectives and the promise we made to our customers.

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Differentiation from the competition

The PHOENIX group 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 13 countries, Apotek 1 in Norway, Rowlands Pharmacy in the UK, McCabes in Ireland and Help Net in Romania.
- A pharmacy network with almost 18,000 pharmacies in 17 countries in the PHOENIX group's cooperation and partnership programmes.
- Services offered to the pharmaceutical industry along the entire supply chain.

STRATEGY AND GROUP MANAGEMENT

Strategic agenda for long-term success

The PHOENIX group'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 strategic agenda WINGS guides our activities as a company. It reinforces our claim to maintain profitable growth 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. We are therefore constantly working on making our processes more efficient and improving our performance.
- 2. We want to put our customers even more at the centre of our activities. This means that we foster an entrepreneurial spirit within our organisation so that we are able to offer new services and products to our customers.
- 3. We also want to take advantage of the opportunities provided to us by digitalisation. We want to tap into new trends and actively drive forward innovations in the healthcare sector.

We continued to drive forward our strategic agenda on these three pillars in the past fiscal year as well. 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 fiscal year 2024/25 was on the further rollout of LEAN management, which was initiated in the prior year. With LEAN, we are pursuing the goal of optimising processes across all areas of our business and improving their efficiency. We do not consider LEAN to be a project but rather an ongoing process using which we want to achieve continuous improvements. More information can be found under "Processes and organisation" on P. 21.

Another aspect of WINGS is the acceleration of the digital transformation. In the reporting year, we put in place a number of measures for this purpose – primarily the implementation of a data hub. The central availability of transaction data enables the optimisation of business processes and the development of new business opportunities. The group-wide PHOENIX GenAl programme, which aims to use artificial intelligence (Al) to optimise existing processes and open up new business opportunities, and the further development of the gesund.de healthcare platform also played a role. More information can be found under "Processes and organisation" on P. p. 21.

We are also continuously driving the development of our range of own brands. In the reporting year, we added new products to our own brand LIVSANE in the food supplements, cosmetics and wound care segments and also redesigned the brand. The own brands added through the acquisition of parts of McKesson Europe were also developed further. We successfully expanded skineffect to include acne treatment and anti-ageing products, while a new design and brand concept was developed for SOLERO. In addition to expanding the range of products, we are also working on expanding the geographical presence of our own brands. In the past fiscal year, we launched LIVSANE in our pharmacies in Ireland, Italy and Belgium. In addition, we opened up new markets in Bulgaria and Slovenia.

In pharmaceutical wholesale, many pharmacies are part of the PHOENIX group's pharmacy network. With almost 18,000 independent pharmacies in PHOENIX's cooperation and partnership programmes in 17 countries, it is the largest of its kind in Europe. We offer franchise systems for independent pharmacies in some countries. We are also expanding our retail pharmaceutical business in a targeted manner. By focusing on e-commerce, we are strengthening our pharmacy network in order to develop into a central omnichannel provider for end customers with both a brick-and-mortar and digital presence. More information can be found under "Business development at a glance" on P. 23.

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We offer the pharmaceutical industry comprehensive services along the entire 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. In addition to partnerships in the area of prescription products, we offer more and more cross-border opportunities to grow together with the PHOENIX group in the OTC/consumer healthcare segment.

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. 21 and "Business development at a glance" on p. 23.

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 the PHOENIX group's efficiency and flexibility to act and thus respond at short notice to changes in the market.

In the reporting year, our primary focus was on the expansion and further implementation of LEAN. We initiated the implementation of LEAN in fiscal year 2023/24. LEAN is the next important step in our transformation journey since the launch of our strategic agenda WINGS. We are thus striving to establish a culture of continuous improvement as the basis for all initiatives of the PHOENIX group. Our aim is to further develop as a company and remain fit for the future over the long term. To this end, we want to improve the quality of our processes and our productivity. With LEAN, we promote a culture of continuous improvement, in which employees can actively seek out opportunities to optimise their own workday and place of work and have a positive impact on the Company as a whole.

LEAN is being implemented group wide in all areas: distribution centres, pharmacies and administration. The rollout started in autumn 2023, initially for Operations & Logistics in six pilot countries. In the reporting year, it was rolled out in 11 more countries.

In addition, we also implemented LEAN in the pharmacy retail business in the first set of countries in fiscal year 2024/25. In this area, our primary aim is to achieve improvements that can be transferred to other pharmacies, even across borders. To this end, we are also working on future-oriented projects such as a virtual pharmacy, which maps the improvements through LEAN and thus makes them tangible for all countries as a Centre of Excellence. Thanks to the measures that have been implemented, we saw improvements in productivity in the reporting year.

The implementation of LEAN is supported by the establishment of a LEAN Academy. Its task is to train employees in LEAN methods through e-learning courses and to share the knowledge gained within the organisation. Following the establishment of the LEAN Academy in the UK in August 2024, it was gradually rolled out in the other pilot countries. Around 1,000 employees have already taken part in courses in the reporting year. We also presented a LEAN Award for the first time in recognition of the high level of commitment shown by the workforce and the progress they have made. In fiscal year 2024/25, the award went to the team of the Tiburtina distribution centre near Rome, which had simultaneously increased customer satisfaction, reduced costs and improved working conditions through various measures.

Driving digital business transformation forward

Strengthening digital competence is a core component of our strategic agenda WINGS. As part of DIGITAL WINGS, we launched numerous initiatives to drive forward the digital transformation of the PHOENIX group and actively tap into the opportunities presented by digitalisation. A major element of this is improving the company-wide availability of data and data analysis skills. The aim here is to optimise existing work processes while also developing innovative business models that will enable us to provide our customers and the industry with even better, more targeted offerings. With the successful implementation of the data hub, we reached a key milestone in the reporting year. The data hub integrates all wholesale and retail transaction data from all PHOENIX countries. Based on the data obtained, we will develop a range of applications to improve productivity.

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In the reporting year, we initiated the group-wide PHOENIX GenAl programme in order to scale the use of Al applications across the group. Several priority use cases were identified and corresponding pilot projects implemented. The projects include the optimisation of net working capital, the automation of B2B customer service, automated invoice verification in the logistics sector (especially for freight carrier invoices) and the automation of tendering processes.

Another example of the acceleration of the digital transformation through the use of AI is the pilot project launched in the fiscal year for dynamic pricing in our pharmacies in Switzerland. Digital price tags are adjusted in an AI-controlled process, relieving on site pharmacy teams of time-consuming manual adjustments. Following the successful rollout in Switzerland, we plan to implement the system in other PHOENIX group countries in the current year.

Our experience shows that AI can help us to make selected business processes more efficient and effective. As AI continues to advance, it will be crucial to continuously expand our skills and competencies. We consider the training of our employees in our Data Academy and GenAI Academy to hold great potential. Competence in responsibly handling data is increasingly becoming a decisive competitive factor in view of regulatory requirements. In May 2024, the EU member states passed the world's first law on AI (EU Artificial Intelligence Act). National and international AI regulations will continue to influence our actions in the future.

Furthermore, we want to strengthen the digital channels to end customers and patients, and create a cross-channel shopping experience, which seamlessly links the online and offline areas. Therefore, we are expanding our e-commerce activities in a targeted manner and benefiting from cross-border exchange. In our home market of Germany, we started to prepare for the implementation of the e-prescription many years ago. In 2021, we started to establish gesund.de as a forward-looking digital healthcare platform that connects local pharmacies with customers, doctors, medical supply stores and other players in the healthcare sector. With CardLink, since summer 2024 gesund.de has been the first healthcare platform in Germany to offer a process to transfer digital prescriptions from patients to registered pharmacies. The position of registered pharmacies was further strengthened by a nationwide marketing campaign aimed at end

consumers. In the reporting year, we were able to increase the number of pharmacies that are part of gesund.de to around 5,000. As a result, gesund.de has become the largest digital network of German local pharmacies. During the implementation phase, our subsidiary ADG Apotheken-Dienstleistungsgesellschaft mbH supported pharmacies not only with a hotline, but also with numerous webinars.

New key account management to increase commitment in customer relationships

A key event in the reporting year was the introduction of a new key account management structure. Our high level of commitment in customer relationships opens up new business opportunities. At the same time, the Commercial Relations division was transformed into Commercial Business Solutions. This realignment focuses on the development of innovative business solutions to meet the requirements of a dynamic market. This included the development of international category management and the launch of an international campaign and promotion management. We have also built up an extensive range of representation services for our strategic partners, which includes sales and marketing, medical affairs and market access activities across Central and Eastern Europe. In the past fiscal year, we gained new partners and expanded existing collaborations.

Continuous investment in innovation and technology

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 Innovation GmbH. The patented medication robot allows for easier dispensation of medications in the home and reduces costs for health insurance funds. Following the launch of Smila in Finland and Denmark, it was rolled out in Sweden in the reporting year.

In addition, the PHOENIX group is investing in the optimisation and modernisation of its IT architecture. In fiscal year 2024/25, this included the technical integration of the systems of the business entities in Italy and France, which we acquired as part of the acquisition of parts of McKesson Europe. In addition, there was also a focus on the further modernisation of the logistics and finance application landscape with SAP solutions in Austria and Denmark.

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- Economic and political conditions remain challenging
- Supply constraints managed well
- __ 5.7% increase in revenue
- Profit before taxes above prior year and forecast
- __ 25.2% increase in equity ratio
- Continuous dialog with our employees

ECONOMIC ENVIRONMENT

Geopolitical uncertainty hampers economic development

Geopolitical tensions continued in 2024. The related uncertainty was reflected in comparatively modest economic development in Europe. On the whole, the gross domestic product of the eurozone rose by 0.7% year on year (prior year: 0.5%). In Germany, real GDP was down 0.2% year on year (prior year: 0.1%).

Development in the European pharmaceutical markets was varied. The German pharmaceutical wholesale market increased 5.1% in 2024 compared with 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

Managed supply constraints well

In fiscal year 2024/25, pharmaceutical wholesalers continued to face significant supply constraints, meaning that market demand could not be fully met. Numerous customers reacted to the insufficient availability of goods with double orders or hoarding purchases, which led to a further increase in demand. This situation led to a high level of returns from customers to wholesalers or returns of unsaleable goods to the industry.

We implemented targeted measures to counteract these challenges. These included agreements with manufacturers, the continuous monitoring of the development of inventories and searching for and stockpiling alternative or fallback items. The measures led to increased supply security, more stable supply chains and more transparent handling of out-of-stock products, despite significant additional costs. Thanks to our successful measures to mitigate and prevent supply constraints, we were able to further expand our position as a reliable partner in the healthcare market.

Completion of the acquisition of the McCabes Pharmacy chain

At the end of April 2024, the Irish Competition Authority approved the acquisition of the Irish McCabes Pharmacy chain agreed in October 2023. As a result, 32 McCabes stores were integrated into the PHOENIX group. Together with the existing 82 LloydsPharmacy branches in Ireland that will be operated under the McCabes brand, this forms the largest pharmacy retail chain in Ireland. The acquisition represents a further step in our WINGS strategic agenda. Consequently, the total number of own pharmacies in the PHOENIX group stood at almost 3,300 at the end of the fiscal year.

Expansion of the partnership with PAYBACK

In the reporting year, we expanded our partnership with the PAYBACK bonus programme in Germany with a long-term contract extension. The declared objective of the partnership, in place since 2005, is to further increase the number of participating pharmacies. PAYBACK customers can already collect PAYBACK points in around 2,000 pharmacies throughout Germany. The cooperation to date has shown that pharmacies benefit from PAYBACK in terms of customer loyalty and customer acquisition, giving them a competitive advantage in a difficult market environment.

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Investment in the future

We prepared ourselves for future requirements through targeted investments in intangible assets and property, plant and equipment. The majority of the investments were made to expand the pharmacy network, modernise the distribution centres, improve automation technology and expand logistics services for the pharmaceutical sector. In fiscal year 2024/25, investments amounted to EUR 253.6m (prior year: EUR 268.8m).

In the reporting year, we commenced and continued numerous construction projects. Key projects included the opening of new distribution centres in Croatia and Portugal. The new centre in Zagreb, Croatia, under construction since the end of 2022, went into operation in September 2024 and has a storage capacity of around 7,500 m². In July 2024, the new distribution centre in Vila Real, Portugal with a storage capacity of around 1,700 m² also went into operation. In addition, the foundations were laid for a new distribution centre in Györ, Hungary in November 2024. We expect to be able to start operations at the site at the end of 2026. The investments in new distribution centres will strengthen our core wholesale business in the long term.

At the same time, we are continuously investing in the technological infrastructure at our 210 logistics sites in order to ensure high quality standards and increase productivity. The corresponding technology is developed by an external partner, while our internal Design Authority is responsible for the design and selection of technical functions. In addition to the implementation of a data hub, this included a project to use wearable devices for the removal of goods in the warehouses in the reporting year. Systems and solutions for automated goods removal were also implemented in Norway and Germany.

"Be the heartbeat of healthcare" - Our new employer brand

We began rolling out our new employer brand in October. The rollout initially started in Germany, France and the UK, with all other countries set to follow by the end of 2025. The motto of the campaign "Be the heartbeat of healthcare" is intended to highlight the meaningful direction that our company is moving in. Our employees work every day to ensure a continuous and reliable supply of healthcare products in Europe. With the new employer brand, we want to present ourselves as an attractive employer. We also want to use the campaign to raise our profile on the labour market. The launch of our new employer brand also included the launch of a new careers website and presenting our corporate culture on LinkedIn.

Climate target breakdown for the various national companies in the PHOENIX group

In 2021, the PHOENIX group implemented a sustainability agenda that covers five main areas: climate protection, circular economy, responsible supply chains, diversity and equal opportunities as well as societal commitment. In 2023, we set ourselves the target of carbon neutrality with regard to our own operations by 2030. To achieve this target, we will primarily focus on energy-efficient technologies, renewable energy sources, optimised production processes and promoting sustainable practices. With our sustainability agenda, we also want to tap into the cost-saving potential of climate protection measures. In the reporting year, our climate target was devolved to our national companies and country-specific milestones were defined. In addition, preparations were driven forward for sustainability reporting in accordance with the Corporate Social Responsibility Directive (CSRD).

Executive Board's overall assessment of the situation

The PHOENIX group was able to further strengthen its market position successfully in fiscal year 2024/25 as the leading healthcare provider in Europe and expand its wholesale and retail activities. Despite the fact that the underlying conditions remained challenging, the PHOENIX group 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.

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FINANCIAL PERFORMANCE

| Key figures of the PHOENIX group | 2023/24 EUR m | 2024/25 EUR m | Change EUR m | Change in % |
|--|------------------|------------------|-----------------|----------------|
| Total operating performance | 57,171.8 | 61,288.1 | 4,116.3 | 7.2 |
| Revenue | 47,064.7 | 49,725.0 | 2,660.3 | 5.7 |
| Total income | 4,780.3 | 5,059.4 | 279.1 | 5.8 |
| EBITDA before significant one-off effects | 946.9 | 1,113.0 | 166.1 | 17.5 |
| EBITDA | 933.1 | 1,125.3 | 192.2 | 20.6 |
| EBIT | 498.5 | 608.0 | 109.5 | 22.0 |
| Profit before tax before significant one-off effects | 372.0 | 519.5 | 147.5 | 39.7 |
| Profit before tax | 344.3 | 465.5 | 121.2 | 35.2 |
| Profit after tax | 233.2 | 335.5 | 102.3 | 43.9 |
| Equity | 3,449.3 | 3,800.3 | 351.0 | 10.2 |
| Equity ratio (%) | 24.1 | 25.2 | 1.1 | 4.6 |
| Net debt | 2,853.6 | 2,947.5 | 93.9 | 3.3 |

Increase in total operating performance and revenue

The PHOENIX group again recorded growth in fiscal year 2024/25. Total operating performance rose by 7.2% to EUR 61,288.1m 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 7.4%.

Revenue increased by 5.7% to EUR 49,725.0m in fiscal year 2024/25 (prior year: EUR 47,064.7m). Growth was recorded in all regions. Adjusted for foreign exchange rate effects, the increase in revenue came to 5.8%. Of this increase, 0.2% is attributable to companies acquired in fiscal year 2024/25 and 5.5% to organic growth. This development is in line with the forecast in the 2023/24 group management report, where we expected revenue to be slightly above the growth rate of the European pharmaceutical markets.

REVENUE DEVELOPMENT



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

| | 2023/24 EUR m | 2024/25 EUR m | Change EUR m | Change in % |
|-----------------|------------------|------------------|-----------------|----------------|
| Germany | 12,600.4 | 13,102.9 | 502.5 | 4.0 |
| Western Europe | 21,953.6 | 23,166.1 | 1,212.5 | 5.5 |
| Eastern Europe | 7,146.2 | 7,764.5 | 618.3 | 8.7 |
| Northern Europe | 5,442.7 | 5,771.3 | 328.6 | 6.0 |

EBITDA higher than in the prior year

Gross profit increased by EUR 292.7m in the reporting year to EUR 4,970.9m. The gross profit margin, calculated as gross profit in relation to revenue, rose from 9.94% in the prior year to 10.00%. This can mainly be attributed to a lower cost-of-sales ratio.

Personnel expenses rose from EUR 2,416.7m to EUR 2,509.9m. Adjusted for currency effects, personnel expenses increased by 4.1% on the prior year. This is mainly due to acquisitions and collective wage increases.

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Other expenses increased by EUR 7.4m to EUR 1,441.0m and include the material items transportation costs of EUR 475.5m (prior year: EUR 491.1m), communication and IT costs of EUR 194.9m (prior year: EUR 188.4m) and building and equipment costs of EUR 126.6m (prior year: EUR 140.8m). In the prior year, other expenses included a loss from the deconsolidation of the wholesale activities in Switzerland of EUR 13.8m. In relation to revenue, other expenses came to 2.9% (prior year: 3.0%).

In the reporting year, the result from associates and joint ventures includes income of EUR 12.3m from the revaluation of an investment in connection with an acquisition of shares in stages.

Overall, earnings before interest, taxes, depreciation and amortisation (EBITDA) rose from EUR 933.1m to EUR 1,125.3m. Adjusted for the gain from the revaluation of an investment in connection with the acquisition of shares in stages as well as the loss from deconsolidation in Switzerland in the prior year, EBITDA increased by 17.5% or EUR 166.1m compared with the comparable prior-year period and now stands at EUR 1,113.0m.

Profit before tax up from the prior year

Amortisation of intangible assets and depreciation of property, plant and equipment amounted to EUR 450.9m (prior year: EUR 420.7m). The increase is mainly attributable to acquisitions. Amortisation, depreciation and impairment included depreciation of right-of-use assets under IFRS 16 of EUR 190.6m (prior year: EUR 176.5m).

In fiscal year 2024/25, impairment losses were recognised on intangible assets and property, plant and equipment in the amount of EUR 68.0m (prior year: EUR 17.8m). This mainly related to a loss from the derecognition with effect on income of a cancelled IT project of EUR 49.9m (prior year: EUR 0.0m), impairment of goodwill of EUR 14.9m (prior year: EUR 2.0m), impairment of pharmacy licenses of EUR 2.4m (prior year: EUR 2.3m), and impairment of right-of-use assets of EUR 0.6m (prior year: EUR 4.4m). In fiscal year 2024/25, impairment losses of EUR 1.6m (prior year: EUR 3.9m) were reversed, mainly on right-of-use assets (prior year: pharmacy licenses).

The effects described resulted in earnings before interest and taxes (EBIT) totalling EUR 608.0m (prior year: EUR 498.5m).

The financial result improved by EUR 11.7m to EUR – 142.5m. This includes interest expenses on lease liabilities of EUR 35.3m (prior year: EUR 32.8m).

Profit before tax amounted to EUR 465.5m (prior year: EUR 344.3m) and, with an increase of 35.2%, were significantly higher than our forecast in the 2023/24 management report of a moderate increase in earnings before taxes. The deviation is primarily attributable to higher than forecast growth in total income, which more than compensated for the increase in total expenses. After adjusting for significant, non-recurring effects, profit before tax increased by 39.7% or EUR 147.5m to EUR 519.5m.

Income taxes of EUR 130.1m (prior year: EUR 111.1m) were recorded, which corresponds to a tax rate of 27.9% (prior year: 32.3%). Income taxes contain expenses from current taxes in the fiscal year of EUR 139.1m (prior year: EUR 107.8m) as well as deferred tax income of EUR 9.0m (prior year: deferred tax expenses of EUR 3.3m).

Profit after tax came to EUR 335.5m (prior year: EUR 233.2m).

ASSETS AND LIABILITIES

The group's total assets increased by 5.6% compared with 31 January 2024 to EUR 15,102.4m. The currency translation difference on total assets, which is presented in the statement of changes in equity, amounted to EUR -139.7m (prior year: EUR -124.1m).

Intangible assets increased by EUR 57.7m to a total of EUR 2,270.1m. As of 31 January 2025, intangible assets essentially comprised goodwill (EUR 1,524.3m; prior year: EUR 1,437.8m) and pharmacy licenses (EUR 346.5m; prior year: EUR 356.1m).

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Property, plant and equipment increased from EUR 2,292.0m in the prior year to EUR 2,342.4m. As of 31 January 2025, property, plant and equipment include right-of-use assets amounting to EUR 941.7m (prior year: EUR 892.9m).

Inventories increased by EUR 272.8m on the prior year to EUR 4,099.0m. The average number of days sales of inventory was on par with the prior year at 29.0 (prior year: 28.9).

Trade receivables increased from EUR 4,810.5m in the prior year to EUR 5,125.1m. The average number of days sales outstanding was higher than in the prior year at 39.2 (prior year: 38.5).

Receivables amounting to EUR 130.3m had been sold as of 31 January 2025 (prior year: EUR 111.1m) under off-balance-sheet ABS and factoring programmes. In the context of the ABS and factoring programmes that are recognised only to the extent of the continuing involvement, receivables of EUR 210.8m had been sold as of 31 January 2025 (prior year: EUR 212.0m), with continuing involvement amounting to EUR 8.3m (prior year: EUR 8.5m).

Other current financial assets fell by EUR 32.5m to EUR 77.0m.

FINANCIAL POSITION

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

Further increase in equity

Equity increased from EUR 3,449.3m as of 31 January 2024 to EUR 3,800.3m as of 31 January 2025. The equity ratio increased from 24.1% to 25.2% in line with the statement made in the management report for the prior year, in which a slight increase was forecast.

| | 2023/24 EUR m | 2024/25 EUR m | Change EUR m | Change in % |
|-------------------------------------|------------------|------------------|-----------------|----------------|
| Cash flow from operating activities | 671.5 | 566.9 | -104.6 | -15.6 |
| Cash flow from investing activities | -358.0 | -294.3 | 63.7 | -17.8 |
| Free cash flow | 313.5 | 272.6 | -40.9 | -13.0 |

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Cash flow from operating activities came to EUR 566.9m (prior year: EUR 671.5m). The decrease is largely due to a negative impact from the change in net working capital of EUR -247.6m in fiscal year 2024/25 compared with a positive impact from the change in net working capital of EUR 116.8m in the prior year.

Cash flow from investing activities came to EUR -294.3m compared with EUR -358.0m in the prior year. Business acquisitions in fiscal year 2024/25 led to a cash outflow of EUR -61.8m (prior year: EUR -108.8m). Cash received from divestitures amounted to EUR 3.2m (prior year: EUR 5.5m).

Free cash flow decreased from EUR 313.5m in the prior year to EUR 272.6m due to the abovementioned effects. For the change in free cash flow and cash and cash equivalents, please refer to the statement of cash flows.

Provisions for pensions decreased from EUR 322.0m in the prior year to EUR 250.8m in the reporting year.

Non-current financial liabilities came to EUR 1,808.7m (prior year: EUR 1,923.7m). These include lease liabilities pursuant to IFRS 16 of EUR 812.5m (prior year: EUR 806.8m). In addition, this item contains bonds amounting to EUR 494.8m (prior year: EUR 398.5m) and promissory notes amounting to EUR 220.0m (prior year: EUR 572.0m).

Current financial liabilities came to EUR 1,267.5m (prior year: EUR 1,092.2m) as of the reporting date. This includes lease liabilities pursuant to IFRS 16 of EUR 203.8m (prior year: EUR 173.0m). This item also includes liabilities to banks of EUR 351.5m (prior year: EUR 361.2m), liabilities from ABS and factoring agreements of EUR 217.2m (prior year: EUR 336.8m) bonds of EUR 185.7m (prior year: EUR 0.0m) and other loans of EUR 228.9m (prior year: EUR 187.2m).

Net debt increased by EUR 93.9m compared with 31 January 2024 to EUR 2,947.5m, according to the calculation below.

| | 31 January 2024 | 31 January 2025 | Change | Change |
|--|--------------------|--------------------|----------|--------|
| | EUR k | EUR k | EUR k | in % |
| + Financial liabilities (non-current) | 1,923,673 | 1,808,724 | -114,949 | -6.0 |
| ./. Derivative financial instruments (non-current) | -1 | 0 | 1 | -100.0 |
| + Financial liabilities (current) | 1,092,233 | 1,267,478 | 175,245 | 16.0 |
| ./. Derivative financial instruments (current) | -4,214 | -1,894 | 2,320 | - 55.1 |
| ./. Cash and cash equivalents | -443,108 | -432,141 | 10,967 | -2.5 |
| + Receivables sold in the course of ABS and factoring transactions | 314,626 | 332,837 | 18,211 | 5.8 |
| ./. Factoring receivables | -28,765 | -27,493 | 1,272 | -4.4 |
| ./. Receivables from ABS programmes | -866 | 0 | 866 | -100.0 |
| Net debt | 2,853,578 | 2,947,511 | 93,933 | 3.3 |

Trade payables increased by EUR 300.2m on the prior year to EUR 6,821.0m.

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Preliminary remarks

By notarised certification dated 13 May 2024, PHOENIX Pharmahandel GmbH & Co KG, Mannheim, as the transferring entity, transferred the headquarters responsible for strategic and operational management decision-making for the entire PHOENIX group (functions to be spun off) to the company as the acquiring entity in accordance with Sec. 123 (2) No. 1 UmwG ["Umwandlungsgesetz": German Reorganization Act] (spin-off for transfer). No consideration was owed or granted. The assets and liabilities of PHOENIX Pharmahandel GmbH & Co KG, Mannheim, (at book values) were transferred for internal purposes effective as of 1 February 2024, 12:00 a.m. (merger date according to commercial law pursuant to Sec. 126 (1) No. 6 UmwG ["Umwandlungsgesetz": German Reorganization Act]). From this date, the actions of PHOENIX Pharmahandel GmbH & Co KG, Mannheim, to the extent they related to the functions to be spun off, were deemed to have been carried out for the account of the company. The spin-off for transfer was entered in the commercial register of the company on 21 June 2024.

The abovementioned changes in the corporate structure have significant effects on the assets, liabilities, financial position and financial performance of PHOENIX Pharma SE, limiting comparability with the prior-year figures.

General

While the consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs), the annual financial statements of PHOENIX Pharma SE were prepared in accordance with the provisions of the German Commercial Code (HGB).

PHOENIX Pharma SE, having its registered office in Mannheim, is the parent company of PHOENIX Pharmahandel GmbH & Co KG. The assets, liabilities, financial position and financial performance of PHOENIX Pharma SE are largely determined by its status as a holding company. The net retained profit reported in the statutory annual financial statements of PHOENIX Pharma SE are decisive for the distribution of dividends to our shareholders.

The macroeconomic and industry-specific conditions correspond to those of the group as described in the section "Economic environment".

Financial performance

| | 2023/24 EUR m | 2024/25 EUR m | Change EUR m | Change in % |
|--------------------------------------|------------------|------------------|-----------------|----------------|
| Revenue | 0.2 | 120.5 | 120.3 | 60,150.0 |
| Other operating income | 0.0 | 2.5 | 2.5 | - |
| Cost of purchased goods and services | 0.0 | -48.9 | -48.9 | - |
| Personnel expenses | -0.6 | - 57.9 | - 57.3 | 9,550.0 |
| Depreciation and amortisation | -0.2 | -1.4 | -1.2 | 600.0 |
| Other operating expenses | -1.9 | -70.2 | -68.3 | 3,594.7 |
| Income from participating interests | 35.0 | 203.6 | 168.6 | 481.7 |
| Income from other investments | 0.1 | 0.1 | 0.0 | 0.0 |
| Other interest and similar income | 1.0 | 1.9 | 0.9 | 90.0 |
| Interest and similar expenses | - 5.5 | - 5.5 | 0.0 | 0.0 |
| Income taxes | -0.1 | -0.6 | -0.5 | 500.0 |
| Other taxes | 0.0 | 0.0 | 0.0 | _ |
| Profit after tax | 28.0 | 144.1 | 116.1 | 414.6 |
| Profit carried forward | 1.4 | 29.4 | 28.0 | 2,000.0 |
| Net profit | 29.4 | 173.5 | 144.1 | 490.1 |

Compared with the prior-year period, PHOENIX Pharma SE's revenue increased to EUR 120.5m (prior year: EUR 0.2m). Revenue mainly includes group allocations and cross charges of EUR 52.8m (prior year: EUR 0.0m), income from data deliveries of EUR 30.1m (prior year: EUR 0.0m) and sundry other income and services of EUR 37.6m (prior year: EUR 0.2m).

Other operating income mainly includes income from the reversal of provisions of EUR 1.3m and out-of-period income of EUR 1.0m.

As a result of the acquisition of the functions spun off from PHOENIX Pharmahandel GmbH & Co KG, cost of materials rose to EUR 48.9m (prior year: EUR 0.0m) and personnel expenses to EUR 57.9m (prior year: EUR 0.6m).

Other operating expenses primarily include legal and consulting fees of EUR 33.3m (prior year: EUR 0.1m), allocations of personnel expenses of EUR 12.9m (prior year: EUR 1.5m), other personnel-related expenses of EUR 6.1m (prior year: EUR 0.0m) and IT costs of EUR 5.4m (prior year: EUR 0.0m).

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Income from equity investments of EUR 203.6m (prior year: EUR 35.0m) includes withdrawals received from PHOENIX Pharmahandel GmbH & Co KG. The exceptionally high withdrawal in fiscal year 2024/25 was made to finance the company.

Interest and similar expenses remained unchanged at EUR 5.5m, of which EUR 5.3m was attributable to interest on long-term liabilities.

PHOENIX Pharma SE thus generated net income for the year of EUR 144.1m in fiscal year 2024/25 (prior year: EUR 28.0m).

Assets and liabilities

| | 31 January 2024 | 31 January 2025 | Change | Change |
|-------------------------------|--------------------|--------------------|--------|----------|
| | EUR m | EUR m | EUR m | in % |
| Non-current assets | 1,195.5 | 1,219.5 | 24.0 | 2.0 |
| Intangible assets | 0.6 | 4.5 | 3.9 | 650.0 |
| Property, plant and equipment | 1.7 | 17.3 | 15.6 | 917.6 |
| Financial assets | 1,193.2 | 1,197.7 | 4.5 | 0.4 |
| Current assets | 53.9 | 240.9 | 187.0 | 346.9 |
| Inventories | 0.0 | 0.1 | 0.1 | _ |
| Trade and other receivables | 53.6 | 240.8 | 187.2 | 349.3 |
| Cash and cash equivalents | 0.3 | 0.0 | -0.3 | -100.0 |
| Prepaid expenses | 0.0 | 1.7 | 1.7 | - |
| Total assets | 1,249.4 | 1,462.1 | 212.7 | 17.0 |
| Equity | 993.3 | 1,137.4 | 144.1 | 14.5 |
| Issued capital | 2.8 | 602.8 | 600.0 | 21,428.6 |
| Capital reserves | 961.1 | 361.1 | -600.0 | -62.4 |
| Net profit | 29.4 | 173.5 | 144.1 | 490.1 |
| Provisions | 6.3 | 41.7 | 35.4 | 561.9 |
| Liabilities | 249.8 | 278.5 | 28.7 | 11.5 |
| Deferred income | 0.0 | 4.5 | 4.5 | _ |
| Total equity and liabilities | 1,249.4 | 1,462.1 | 212.7 | 17.0 |

The total assets of PHOENIX Pharma SE increased to EUR 1,462.1m. Fixed assets accounted for 83.4% of the total assets (prior year: 95.7%), while the equity ratio stood at 77.8% (prior year: 79.5%).

Property, plant and equipment increased to EUR 17.3m. Investments of EUR 5.9m are offset by amortisation, depreciation and impairment of EUR 0.4m. The remaining increase in property, plant and equipment of EUR 11.6m is attributable to the acquisition of the spun-off functions.

The EUR 4.5m increase in financial assets is due to the carrying amounts of the transferred assets and liabilities.

In current assets, receivables from affiliates increased to EUR 210.6m (prior year: EUR 43.0m) due to the increase in cash pool receivables from PHOENIX International Holdings GmbH of EUR 160.0m.

The increase in equity by EUR 144.1m to EUR 1,137.4 million is due to the net income for the year of EUR 144.1m. In addition, the subscribed capital was increased by converting EUR 600m of the capital reserves recognised in the balance sheet as of 31 January 2024.

Provisions increased by EUR 35.4m to EUR 41.7m and mainly cover personnel and social security obligations as well as outstanding supplier invoices.

Liabilities rose by EUR 28.7m to EUR 278.5m, primarily due to trade payables of EUR 27.4m.

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Financial position

| | 2023/24 EUR m | 2024/25 EUR m | Change EUR m | Change in % |
|--|------------------|------------------|-----------------|----------------|
| Cashflow from operating activities | 28.8 | 142.5 | 113.7 | 394.8 |
| Cashflow from investing activities | 0.0 | -8.6 | -8.6 | _ |
| Cashflow from financing activities | -28.8 | -134.2 | -105.4 | 366.0 |
| Changes in cash and cash equivalents | 0.0 | -0.3 | -0.3 | _ |
| Cash and cash equivalents at the end of the period | 0.3 | 0.0 | -0.3 | -100.0 |

The cash inflow from operating activities amounted to EUR 142.5m in fiscal year 2024/25, up on the prior year. The starting point for calculating the cash inflow from operating activities is the net income for the year of EUR 144.1m (prior year: EUR 28.0m). This is to be adjusted for non-cash amortisation and depreciation of fixed assets of EUR -1.4m (prior year: EUR -0.2m). Cash inflows were attributable to a year-on-year increase in provisions of EUR 18.7m (prior year: EUR 0.2m), changes in prepaid expenses and deferred charges of EUR 2.8m (prior year: EUR 0.0m) and an increase in other receivables and liabilities EUR 0.8m (prior year: cash outflows of EUR -0.1m). By contrast, cash outflows of EUR -25.2m resulted from the change in working capital items (prior year: cash inflows of EUR 0.5m).

Cash outflow from investing activities came to EUR -8.6m (prior year: EUR 0.0m) and was entirely attributable to investments in property, plant and equipment and intangible assets.

Cash outflow from financing activities came to EUR -134.2m (prior year: EUR -28.8m) due to the increase in cash pool receivables from PHOENIX International Holdings GmbH of EUR -160.0m. In accordance with the cash pool agreement, the company is entitled to draw down liquidity to finance its operations, meaning that the cash pool transactions have financing status and are therefore generally classified as financing activities. This was offset by cash inflows of EUR 25.8m from the repayment of an intra-group loan.

Proposal for the appropriation of profits

Net retained profit for fiscal year 2024/25 amounted to EUR 173,478,782.29. The Executive Board proposes to carry forward the net retained profit of EUR 173,478,782.29 to new account.

Employees

As of 31 January 2025, PHOENIX Pharma SE had 274 employees (prior year: 0).

Overall assessment of the Executive Board on business development

As a holding company, PHOENIX Pharma SE's business development is dependent on the development of its subsidiaries and thus on the PHOENIX group as a whole. In this regard, we refer to our statements in the section "Executive Board's overall assessment of the situation" on 1 24.

Opportunities and risks

The business development of PHOENIX Pharma SE is subject to the same risks and opportunities as the PHOENIX group. Due to its function as a holding company, PHOENIX Pharma SE participates in the risks of its investments and subsidiaries in proportion to its ownership interest. The risks and opportunities of the PHOENIX group are presented in the section "Risk and opportunity report" on \$\bigcap\$ p. 34ff.

Outlook

PHOENIX Pharma SE's focus is on net income for the year, which is an important factor for the proposal on dividend distribution. In this respect, the net income of PHOENIX Pharma SE is the company's key performance indicator.

The development of PHOENIX Pharma SE's net income for the year is largely dependent on the development of the subsidiaries and thus on the PHOENIX group. We expect a moderate decrease in earnings in fiscal year 2025/26. This forecast is based on the assumption that no impairment or reversal of impairments on financial assets will be necessary in fiscal year 2025/26.

For a description of the expected future development of the PHOENIX group, see the "Forecast" section on p. 37.

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EMPLOYEES

At the end of fiscal year 2024/25, the PHOENIX group had 48,939 employees across Europe. up 1.0% compared with the prior year. In terms of FTEs, the number fell by 0.9% to 40,885. Broken down by region, the majority of the employees were in the UK, the Netherlands, Norway and Germany.

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. This also supports our strategic objective of being perceived as an attractive employer for potential applicants. As in the prior years, our employee survey was also conducted in fiscal year 2024/25. Nearly 28,000 employees were asked to participate and there was a participation rate of 73%. Additionally, the country-based companies are able to conduct additional shorter surveys as pulse checks during the year. They can focus on specific topics in these surveys. Each country-based company in the PHOENIX group decides which topics it wants to prioritise and how often the pulse check is performed.

EMPLOYEES BY COUNTRY



A well-functioning digital infrastructure forms the basis for our collaboration across different divisions and countries. Therefore, as part of DIGITAL WINGS, the Competence Centre IT & Digital has initiated a series of programmes, including the "Digital Workplace Programme". This involves the creation of standardised digital workplaces within the PHOENIX group in order to meet the constantly changing requirements of the modern world of work. With the "Data Academy". we rolled out another extensive, international programme in 2023. 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.

One of our aims is to create a strong leadership culture throughout the group. That is why we developed #iPHOENIX to complement #wePHOENIX. It is aimed at the executives of the PHOENIX group and contains the binding leadership principles applicable throughout the group: It defines the expectations for our executives with a focus on reinforcing the conduct that drives the Company's success and WINGS. This should also help us to embed and implement our mission statement "We deliver health" throughout the organisation. We presented the binding #iPHOENIX leadership principles to our senior managers in introductory workshops. In the workshops conducted in collaboration with the IMD Business School in Lausanne, our senior management was prepared for their role model function in the local workshops that followed. The launch and communication of the #iPHOENIX leadership culture is to be completed by the end of 2025. We are also working on integrating #iPHOENIX into HR processes and tools throughout the group in the future.

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Solid basic and advanced training

A well-trained workforce is important in order to operate successfully on the market. In light of the challenges associated with demographic changes, this will be the case even more in the future compared to today. As we increasingly want to cover the growing demand for specialists and managers from within our own ranks, basic and advanced training as well as the development of our employees are a high priority in our company. We want to enable our employees to continuously develop both professionally and personally. To this end, we are continuously expanding our portfolio of learning opportunities and content.

In the reporting year, we chose a new learning management system to be used for general training, IT and safety, LEAN as well as leadership. The system is currently in the test phase and will be rolled out gradually in the group. As soon as the system is in use throughout the group, the use of external learning management systems will be reduced. This is expected to be realised in 2027. Our new system will be available to every employee, including non-desktop employees. Thanks to our new learning management system, we will be able to offer targeted training at every location.

Additionally, our Europe-wide learning management system primarily presents 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.

In autumn 2024, the PHOENIX group's Data Academy expanded its offering to include the GenAl Academy, which provides free e-learning courses and live online training on generative Al. In 2025, the objective is to improve the Al skills of our employees through training and workshops with the help of the GenAl Academy. In order to drive the implementation of Al and group-wide participation, an enablement network is being created in which Al enthusiasts can work together and are supported by the central GenAl team with training materials.

There are also local e-leaning management systems in the individual countries in order to respond to individual requirements. Classroom training is also still being provided: all PHOENIX group 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 our group.

Investing in the future generation of managers is of great importance to us. With this in mind, we set ourselves an ambitious target: senior management positions should be filled with internal candidates wherever possible. To achieve this, we have launched the "LIFT Talent Initiative" as part of our WINGS strategic agenda. With this initiative, we hope to identify, develop and promote talent with high potential within the PHOENIX group. LIFT enhances participants' leadership skills and cross-functional competence with a strong collaborative development approach, innovative learning formats and interdisciplinary collaboration on key operational topics. The initiative serves as a springboard to prepare employees for leadership roles in senior management.

One highlight in the past year was the renewed participation of our LIFT talent in the PHOENIX International Management Meeting (PIMM). As in prior years, at this event, participants had the opportunity to talk to our Executive Board, the country managers and senior management with cross-country responsibility. We implemented RUNWAY as an additional development opportunity for our future managers. This is a talent programme specifically tailored to management and expert positions at the middle management level and complements the LIFT initiative.

Additionally, the PHOENIX group offers young people a diverse range of opportunities to join the firm, such as internships, apprenticeships and combined courses of study. In fiscal year 2024/25, in Germany, we employed 72 trainees and 15 students in a work-study programme. The traineeships available at our company include apprenticeships as merchant in the area of wholesale and foreign trade management, electronics technician for devices and systems, a warehouse logistics specialist, specialist warehousing providers, IT specialist (specialising in application development and system integration), as well as Bachelor of Arts degrees in business administration (with specialisation in commerce and digital commerce management) and personnel management, Bachelor of Science degrees in business informatics with a specialisation in sales and consulting, data science and AI as well as Bachelor of Engineering degrees with a specialisation in embedded systems. In order to find the skilled workers of tomorrow, we are working on making the PHOENIX group known to young people and across regions. This is achieved, among other factors, by our trainee ambassadors, trainees and dual students who visit local schools and talk about their traineeship. In addition, students and trainees of the PHOENIX group regularly share insights into their day-to-day training on our Instagram channel for training. The company also has an increasing presence on other social media platforms.

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New employer brand

In fiscal year 2024/25, we launched a new employer brand to meet the continuous demand for specialists and managers and to increase awareness of the PHOENIX group on the labour market. The motto of the campaign "Be the heartbeat of healthcare" is intended to highlight the meaningful direction of our company. "Much like a heart pumps blood throughout the body, our team of our approximately 49,000 colleagues reliably and continuously maintain the flow of healthcare products throughout Europe, ensuring they get to where they are needed."

The logo with the motto "Be the heartbeat of healthcare" is surrounded by a cloud of colours. It symbolises the diversity of our group and our different brands. The colours can be adapted according to the needs of the country-based companies and brands.

Our employer value proposition is based on four pillars:

- As a key partner in healthcare, we offer meaningful work (purpose).
- With our 210 locations in Europe, we make it possible to perform interesting tasks in local and international teams (European reach – local trust).
- We rely on cooperation based on trust even across borders (collaboration).
- The PHOENIX group is constantly evolving. It is therefore important to us that our employees can also develop personally (development).

The campaign was launched as a pilot project in Germany in October 2024. It is now being rolled out gradually in all other PHOENIX countries. PHOENIX employees are at the heart of the campaign. That's why the images are of our employees instead of professional models. In "Heartbeat Stories", they report on the diversity of the working world within the PHOENIX group and provide individual insights into their tasks and career development.

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 PHOENIX group's ability to continue to as a going concern
- Taking advantage of the opportunities that present themselves to build on the group's position as market leader

RISK MANAGEMENT

The risk management system within the PHOENIX group 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 Executive Board regularly receives reports on the audit findings of the internal audit.

RISKS

Industry-specific risks

The PHOENIX group 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.

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Operational risks

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 reviewing in which areas it is expedient and admissible to set up or expand our own online offering.

Macroeconomic risks

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 the PHOENIX group's assets, liabilities, financial position, and financial performance. Transportation and energy costs are a significant cost factor, making up around 14% of our total costs. The significant increase in fuel and energy prices in the past few years caused this cost item to rise sharply. There continues to be the risk of high fuel and energy costs. The PHOENIX group 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 the PHOENIX group, 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

The PHOENIX group'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 Executive 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

The PHOENIX group 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, the PHOENIX group is exposed to various risks.

As part of our syndicated loan agreement, certain financial covenants were agreed to, the breach of which presents a risk to financing. The development of liabilities and covenants is monitored regularly as a result. In fiscal year 2024/25, we complied with the agreed covenants with a margin.

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 the PHOENIX group, 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.

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As regards the currency translation risk, the exchange rates of the pound sterling, the Norwegian krone, and the Hungarian forint are of relevance for the PHOENIX group. Currency transaction risks are relevant in some eastern European countries where deliveries by the pharmaceutical manufacturers are sometimes invoiced in euro and sometimes in US dollar. 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 companies of the PHOENIX group based in Germany are subject to tax field audits. Foreign subsidiaries are subject to the audit requirements of their local tax authorities. Tax back payments cannot be ruled out as a result of tax audits performed at German and foreign companies.

OPPORTUNITIES

The PHOENIX group 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, the PHOENIX group can also offer the pharmaceutical industry services across Europe.

Strong market position in wholesale

The PHOENIX group 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, the PHOENIX group 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, the PHOENIX group intends to reinforce and build up its position in Europe. The acquisition of parts of McKesson Europe in fiscal year 2022/23 was an important step in achieving this. This increased the range of products and services offered by the PHOENIX group in France and Italy and opened 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 the logistics business unit, the PHOENIX group continuously implements process improvements across Europe. More information can be found under "Processes and organisation" on p. 21. 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 25%, and long-term financing have established the financial prerequisites for the future growth of the PHOENIX group. This applies as regards to both organic growth and appropriate acquisitions.

EXECUTIVE BOARD'S OVERALL ASSESSMENT OF THE RISKS AND OPPORTUNITIES

On the whole, the PHOENIX group 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.

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- __ 1.0% economic growth forecast in the eurozone
- The increase in the PHOENIX group's revenue expected to slightly exceed growth on European pharmaceutical markets
- Moderate increase in profit before taxes planned

FUTURE ECONOMIC ENVIRONMENT

The IMF expects the global economy to grow by 3.3% in 2025, assuming inflation eases and there is a recovery in global trade. However, if there is an increase in trade disputes and protectionist efforts, this could have a negative impact on supply chains and consumer prices, in turn impairing economic growth. For the eurozone, experts from the IMF are forecasting a 1.0% increase in GDP and growth of 0.3% for Germany. The persistently high fuel and energy prices are having a negative impact on the assets, liabilities, financial position, and financial performance of the PHOENIX group.

We expect the pharmaceutical markets in Europe to record market growth of around 6.0% overall in 2025. In Germany, our largest market, we anticipate market growth of approximately 4.7%.

FUTURE DEVELOPMENT OF THE PHOENIX GROUP

For fiscal year 2025/26, the PHOENIX group expects to further expand its market position in Europe through organic growth and acquisitions, and in doing so increase revenue slightly. We expect revenue growth in nearly all markets in which we are present.

We forecast profit before tax to increase moderately in fiscal year 2025/26 compared with the prior year.

We also expect a slight increase in the equity ratio.

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

The Executive Board is confident that with its presence in 29 European countries and its sound financing structure, the PHOENIX group 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, 11 April 2025

The Executive Board

Leon Jankelevitsh

Sven Seidel Stephen Anderson Marcus Freitag Stefan Herfeld (Chair)

Dr Roland Schütz

Dr Carsten Sauerland

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Consolidated income statement

for fiscal year 2024/25



| EUR k | Note | 2023/24 | 2024/25 |
|---|-------|--------------|-------------|
| Revenue | 1 | 47,064,738 | 49,725,009 |
| Cost of purchased goods and services | | - 42,386,557 | -44,754,071 |
| Gross profit | | 4,678,181 | 4,970,938 |
| Other operating income | 2 | 102,146 | 88,458 |
| Personnel expenses | 3 | -2,416,695 | -2,509,935 |
| Other operating expenses | 4 | - 1,433,557 | - 1,440,977 |
| Results from associates and joint ventures | 5, 12 | - 5,503 | 13,582 |
| Result from other investments | 5 | 8,544 | 3,247 |
| Earnings before interest, taxes depreciation and amortisation (EBITDA) | | 933,116 | 1,125,313 |
| Amortisation of intangible assets and depreciation of property, plant and equipment | 6 | - 420,744 | - 450,931 |
| Impairment of intangible assets and property, plant and equipment | 6 | -13,913 | -66,332 |
| Earnings before interest and taxes (EBIT) | | 498,459 | 608,050 |
| Interest income | | 19,608 | 23,221 |
| Interest expenses | | -163,944 | -176,345 |
| Other financial result | | -9,838 | 10,621 |
| Financial result | 7 | -154,174 | -142,503 |
| Profit before tax | | 344,285 | 465,547 |
| Income taxes | 8 | -111,127 | -130,077 |
| Profit after tax | | 233,158 | 335,470 |
| thereof attributable to non-controlling interests | | 16,378 | 17,125 |
| thereof attributable to the shareholders of the parent company | | 216,780 | 318,345 |

Consolidated statement of comprehensive income

for fiscal year 2024/25



| EUR k | 2023/24 | 2024/25 |
|---|---------|---------|
| Profit after tax | 233,158 | 335,470 |
| Items not reclassified to the income statement | | |
| Remeasurement of defined benefit plans | -25,824 | 50,654 |
| Items that may subsequently be reclassified to the income statement | | |
| Currency translation differences | -17,034 | -15,979 |
| Other comprehensive income, net of taxes | -42,858 | 34,675 |
| Total comprehensive income | 190,300 | 370,145 |
| thereof attributable to non-controlling interests | 16,538 | 16,785 |
| thereof attributable to the shareholders of the parent company | 173,762 | 353,360 |

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Consolidated statement of financial position as of 31 January 2025

14,305,821

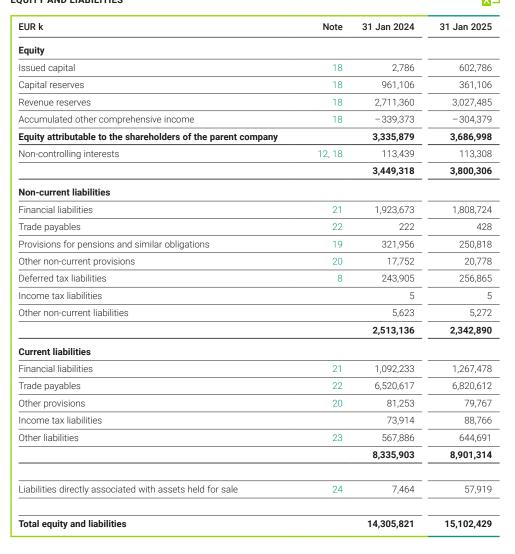
15,102,429

ASSETS

Total assets

| EUR k | Note | 31 Jan 2024 | 31 Jan 2025 |
|--|--------|-------------|-------------|
| Non-current assets | | | |
| Intangible assets | 9 | 2,212,401 | 2,270,093 |
| Property, plant and equipment | 10 | 2,292,038 | 2,342,357 |
| Investment property | 10, 11 | 3,833 | 3,539 |
| Investments in associates and joint ventures | 12 | 38,593 | 34,407 |
| Trade receivables | 13 | 11,552 | 10,774 |
| Other financial assets | 13 | 110,881 | 113,709 |
| Deferred tax assets | 8 | 150,890 | 164,503 |
| Income tax receivables | | 68 | (|
| | | 4,820,256 | 4,939,382 |
| Current assets | | | |
| Inventories | 14 | 3,826,193 | 4,098,999 |
| Trade receivables | 15 | 4,798,919 | 5,114,291 |
| Income tax receivables | | 35,871 | 28,465 |
| Other financial assets | 15 | 109,434 | 76,974 |
| Other assets | 16 | 258,674 | 322,660 |
| Cash and cash equivalents | 17 | 443,108 | 432,141 |
| | | 9,472,199 | 10,073,530 |
| Non-current assets held for sale | 24 | 13,366 | 89,517 |

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Consolidated statement of cash flows for fiscal year 2024/25



| EUR k | 31 Jan 2024 | 31 Jan 2025 | |
|---|-------------|-------------|--|
| Profit after tax | 233,158 | 335,471 | |
| Income taxes | 111,127 | 130,076 | |
| Profit before income taxes | 344,285 | 465,547 | |
| Adjustments for: | | | |
| Interest expenses and interest income | 144,336 | 153,124 | |
| Amortisation/depreciation/impairment/write-ups of intangible assets, property, plant and equipment and investment property | 434,657 | 517,263 | |
| Result from associates and other investments | -3,041 | -16,829 | |
| Net result from the disposal of assets related to investing activities | -21,318 | -13,467 | |
| Other non-cash expense and income | 244,442 | 216,858 | |
| | 1,143,361 | 1,322,497 | |
| Interest paid | -141,310 | -155,626 | |
| Interest received | 17,857 | 22,383 | |
| Income taxes paid | -114,412 | -108,625 | |
| Dividends received | 8,726 | 3,438 | |
| Cash flow before change in assets and liabilities | 914,222 | 1,084,067 | |
| 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 | -42,069 | - 47,431 | |
| Cash flow before change in operating assets and liabilities | 872,153 | 1,036,636 | |
| Change in inventories | -248,009 | -316,038 | |
| Change in trade receivables | - 452,641 | -346,141 | |
| Change in trade payables | 817,480 | 414,592 | |
| | 116,830 | -247,587 | |
| Change in other assets and liabilities not related to investing or financing activities. | -317,448 | -222,108 | |
| Change in operating assets and liabilities | -200,618 | -469,695 | |
| Cash flow from operating activities | 671,535 | 566,941 | |
| Acquisition of consolidated companies and business units, net of cash acquired | -108,792 | -61,795 | |
| Capital expenditures for intangible assets, property, plant and equipment, and investment property | -268,798 | -253,645 | |
| Investment in other financial assets and non-current assets | -31,654 | -9,298 | |
| Cash outflows for investments | -409,244 | -324,738 | |

| EUR k | 31 Jan 2024 | 31 Jan 2025 | |
|---|-------------|-------------|--|
| Cash received from the sale of consolidated companies | | | |
| and business units, net of cash disposed | 5,546 | 3,215 | |
| Cash received from disposal of intangible assets, | | | |
| property, plant and equipment and investment property | 44,360 | 25,394 | |
| Proceeds from other financial assets and non-current assets | 1,356 | 1,841 | |
| Cash inflows from realised investments and divestments | 51,262 | 30,450 | |
| Cash flow from investing activities | -357,982 | -294,288 | |
| Cash available for financing activities | 313,553 | 272,643 | |
| Capital contribution from/repayment to non-controlling interests | -1,824 | -31 | |
| Acquisition of additional shares in already consolidated subsidiaries | -27 | -4,235 | |
| Proceeds from disposal of interests in subsidiaries without loss of control | 102 | 1,033 | |
| Dividends paid to non-controlling interests | -16,344 | -15,481 | |
| Proceeds from bond issuance and bank loans | 523,178 | 943,335 | |
| Repayment of bonds and bank loans | -454,385 | - 984,431 | |
| Change in bank loans which have a maturity period of 3 months or less | 105,410 | 100,931 | |
| Repayment of loans from related parties | - 55,000 | 0 | |
| Change in ABS/Factoring | 5,947 | -118,689 | |
| Repayment of lease liabilities | - 175,300 | -191,062 | |
| Change in other financial liabilities | -233,158 | -2,187 | |
| Cash flow from financing activities | -301,401 | -270,817 | |
| Changes in cash and cash equivalents | 12,152 | 1,836 | |
| Effect of exchange rate changes on cash and cash equivalents | 554 | - 50 | |
| Cash and cash equivalents at the beginning of the period | 430,402 | 443,108 | |
| Cash and cash equivalents at the end of the period | 443,108 | 444,894 | |
| Less cash and cash equivalents included in assets held for sale | 0 | -12,753 | |
| Cash and cash equivalents presented in the balance sheet at the end of the period | 443,108 | 432,141 | |

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Consolidated statement of changes in equity for fiscal year 2024/25



| | Issued capital | Capital reserves | Revenue reserves | Currency | Remeasurement | Equity attributable | Non-controlling | Total equity |
|---|----------------|------------------|-----------------------------|----------------------------|-----------------------------|--|-----------------|--------------|
| EUR k | ouplan. | oup.tu. rood.roo | arreserves Revenue reserves | translation differences | of defined benefit plans | to shareholders of the parent company | interests | .o.u. oquity |
| 1 February 2023 | 2,786 | 961,106 | 2,501,563 | -106,883 | -184,962 | 3,173,610 | 112,703 | 3,286,313 |
| Adjustment due to the finalisation of a purchase price allocation | | | -12,832 | | | -12,832 | -21 | -12,853 |
| 1 February 2023, restated | 2,786 | 961,106 | 2,488,731 | -106,883 | -184,962 | 3,160,778 | 112,682 | 3,273,460 |
| Profit after tax | | | 216,780 | | | 216,780 | 16,378 | 233,158 |
| Accumulated other comprehensive income | | | | -17,191 | -25,827 | -43,018 | 160 | -42,858 |
| Total comprehensive income, net of tax | | | 216,780 | -17,191 | -25,827 | 173,762 | 16,538 | 190,300 |
| Changes in basis of consolidation | | | 4,486 | | -4,510 | -24 | 164 | 140 |
| Changes in the interest of consolidated companies | | | - 560 | | | - 560 | -141 | -701 |
| Dividends | | - | | | | 0 | -15,716 | -15,716 |
| Other changes in equity | | | 1,923 | | | 1,923 | -88 | 1,835 |
| 31 January 2024 | 2,786 | 961,106 | 2,711,360 | -124,074 | -215,299 | 3,335,879 | 113,439 | 3,449,318 |
| 1 February 2024 | 2,786 | 961,106 | 2,711,360 | -124,074 | -215,299 | 3,335,879 | 113,439 | 3,449,318 |
| Profit after tax | | | 318,345 | | | 318,345 | 17,125 | 335,470 |
| Accumulated other comprehensive income | | | | -15,632 | 50,647 | 35,015 | -340 | 34,675 |
| Total comprehensive income, net of tax | | | 318,345 | -15,632 | 50,647 | 353,360 | 16,785 | 370,145 |
| Capital increase/reduction | 600,000 | -600,000 | | | | 0 | 0 | 0 |
| Changes in basis of consolidation | | | -2,284 | | -21 | -2,305 | 82 | -2,223 |
| Changes in the interest of consolidated companies | | | 207 | | | 207 | -3,947 | -3,740 |
| Dividends | | | | | | 0 | -15,573 | -15,573 |
| Other changes in equity | | | -143 | | | -143 | 2,522 | 2,379 |
| 31 January 2025 | 602,786 | 361,106 | 3,027,485 | -139,706 | -164,673 | 3,686,998 | 113,308 | 3,800,306 |

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Please consult our calendar for the most important announcement dates:

25 June Quarterly statement February to April 2025

Half-year report February to July 2025 17 September

18 December Quarterly statement February to October 2025

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Leadership and responsibility Group management report

Extract from the consolidated financial statements

Further information

Financial calendar 2025/Imprint







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