

McKesson Europe AG

Annual Financial Statements

for the **2022 Fiscal Year** from
01 April 2021 to 31 March 2022

Statement of financial position as of March 31, 2022

Assets	Note No.	31/03/2021 thsd. EUR	31/03/2022 thsd. EUR
Non-current assets			
Intangible assets	1	95,813	17,203
Property, plant and equipment	2	4,848	3,033
Financial assets	3	3,027,119	1,676,052
		3,127,780	1,696,288
Current assets			
Receivables and other assets	4	329,207	634,945
Cash and cash equivalents	5	694,158	1,895,374
		1,023,365	2,530,319
Prepaid expenses	6	7,548	21,079
Excess of Pension Assets above Liabilities	7	0	2,263
Total Assets		4,158,693	4,249,949
LIABILITIES			
Equity			
Issued capital	8	260,123	260,123
Capital reserve	8	1,762,627	1,762,627
Revenue reserves	8	1,102,781	1,102,781
Net retained profit	9	0	0
<i>Contingent capital</i>		21,773	21,773
		3,125,531	3,125,531
Provisions			
Provisions for pensions and similar obligations	10	36,557	39,000
Tax provisions	11	40	3,061
Other provisions	11	20,658	15,951
		57,255	58,012
Liabilities	12	975,907	1,066,406
Total equity and liabilities		4,158,693	4,249,949

Income statement for the 2022 fiscal year, from 01/04/2021 to 31/03/2022

	Note No.	01/04/2020 until 31/03/2021 thsd. EUR	01/04/2021 until 31/03/2022 thsd. EUR
Sales	16	93,056	93,358
Own work capitalized	17	3,012	896
Other income	18	139,680	126,763
Service related expenses	19	-53,306	-73,691
Personnel expenses	20	-43,605	-32,213
Amortization of intangible assets and property, plant and equipment	21	-10,517	-87,769
Other expenses	22	-79,029	-46,265
Investment result	23	-139,666	-300,125
Interest result	24	44,139	-10,448
Income taxes	25	-6,915	-1,579
Earnings after income tax		-53,151	-331,073
Gain of loss transfer		53,151	331,073
Net profit for the year		0	0
Retained earnings from the previous year		0	0
Allocation to other revenue reserves		0	0
Net retained profit		0	0

Annex

General disclosures

The annual financial statements of McKesson Europe AG, Stuttgart, as of March 31, 2022, were compiled in euros (EUR) in accordance with Sections 242 et seqq. and Sections 264 et seqq. of the Handelsgesetzbuch (HGB, German Commercial Code) and the relevant provisions of the Aktiengesetz (AktG, German Stock Corporation Act). The requirements for major corporations apply. The income statement is prepared using the nature of expense method.

The stock corporation is headquartered in Stuttgart, Germany. The address is McKesson Europe AG, Stockholmer Platz 1, D-70173 Stuttgart, local court of Stuttgart, HRB 9517.

The annual financial statements of McKesson Europe AG reflect the activities of a management holding company. Therefore, sales mainly include the services provided to subsidiaries. Income from investments and profit and loss transfer agreements are additional sources of the company's earnings. Furthermore, group financing represents a focus of operations.

Individual items from the balance sheet as well as the income statement are summarized in accordance with Section 265 Paragraph 7 No. 2 HGB and separately listed and explained in these notes. The information on allocation to other items and "thereof" notes are also provided.

As part of the domination and profit and loss transfer agreement, the net profit of McKesson Europe AG is transferred to McKesson Europe Holdings GmbH & Co. KGaA, Stuttgart. The annual financial statements and the management report of McKesson Europe AG for the fiscal year 2022 are published in the Federal Gazette. The management report of McKesson Europe AG is combined with the group management report, as McKesson Europe AG is the management holding company of the group and its risks and opportunities are corresponding to those of its subsidiaries.

Principles of accounting and evaluation

The methods of accounting and valuation of the assets and liabilities are stated in the notes relating to the individual items in the statement of financial position. The applied methods of accounting and valuation are unchanged compared to the previous year. In the event of a deviation, this has been explained under the corresponding financial position.

Information on the statement of financial position

Development in non-current assets in 2022

	Intangible assets		Property, plant and equipment		Financial assets	Total
	Internally-developed capitalized intangible assets thsd. EUR	Purchased concessions and industrial rights thsd. EUR	Buildings on third-party land thsd. EUR	Other equipment, furniture and fixtures thsd. EUR	thsd. EUR	thsd. EUR
Accumulated historical cost as of 01/04/2021	144,196	105,509	1,510	13,244	4,163,798	4,428,257
Additions	7,816	0	0	57	0	7,873
Disposals			-201	-756	-1,990,372	-1,991,329
Reclassifications	0	0	0	0	0	0
Accumulated historical cost as of 31/03/2022	152,012	105,509	1,309	12,545	2,173,426	2,444,801
Accumulated amortization/ depreciation as of 01/04/2021	59,225	94,667	654	9,252	1,136,679	1,300,477
Additions	78,181	8,245	49	1,294	79,907	167,676
Write-up	0	0	0	0	-134,564	-134,564
Disposals	0	0	0	-428	-584,648	-585,076
Accumulated amortization/ depreciation as of 31/03/2022	137,406	102,912	703	10,118	497,374	748,513
Amortized costs as at 31/03/2022	14,606	2,597	606	2,427	1,676,052	1,696,288
Amortized costs as at 31/03/2021	84,971	10,842	856	3,992	3,027,119	3,127,780

Intangible assets include software and trademarks. Tenant fixtures, other equipment and furniture and fixtures are recorded under property, plant and equipment. The development of the financial assets is explained under (3) Financial assets.

(1) Intangible assets

Intangible assets acquired are accounted for at acquisition cost. They are amortized on a straight-line basis over three to five years.

In addition, internally developed intangible assets were capitalized during the fiscal year, exercising the option provided in Section 248 Paragraph 2 HGB. This capitalization was valued at development cost in accordance with Section 253 Paragraph 1 Sentence 1 and Section 255 Paragraph 2a HGB. The internally developed intangible assets are development costs for the global ERP software. Costs include the directly attributable individual costs as well as appropriate percentages of overhead and social security costs. Administration costs are not capitalized. Financing costs of EUR 525 thsd (previous year EUR 1,133 thsd) were capitalized. Development costs amounted to EUR 7,816 thsd. in the fiscal year 2022, these are entirely attributable to the global ERP Software.

Due to the signing of the purchase agreement with the PHOENIX group (please refer to Financial Assets for additional information), it was decided to discontinue and not complete the implementation of the global ERP software SAP S/4HANA. On this internally generated intangible asset an impairment loss was recognized at the reporting date in the amount of EUR

72,620 thsd. to its lower fair value of EUR 1. Furthermore, an impairment loss of EUR 7,497 thsd. was recognized on purchased software licenses to the lower fair value of EUR 1. The impairment loss and the contract exit costs were reimbursed by McKesson Corporation in the amount of EUR 87,030 thsd.

(2) Property, plant and equipment

Additions to property, plant and equipment are capitalized at acquisition cost. Scheduled depreciation for furniture and fixtures occurs on a straight-line basis over 3 to 10 years. Tenant fixtures are depreciated over the performance period of the rental agreements. Additions result from office equipment, furniture, and fixtures as well as tenant fixtures. Low-value assets up to a net individual value of EUR 250 have been fully depreciated in the year of acquisition or recorded as expenses; their immediate consumption has been assumed. For assets with a net individual value of between EUR 250 and EUR 1,000, the total value of these assets is recognized on an annual basis for tax purposes are capitalized on the balance sheet. The total amount of these individual assets is of minor significance. In accordance with tax requirements a lump-sum depreciation of 20% per year of the initial value is recognized in the year of capitalization and the subsequent four years. Depreciation on additions to property, plant and equipment is applied on a pro rata basis.

(3) Financial assets

	Shares in affiliates thsd. EUR	Loans to affiliates thsd. EUR	Shares in associates thsd. EUR	Total thsd. EUR
Accumulated historical cost as of 01/04/2021	3,963,929	66,853	133,016	4,163,798
Additions	0	0	0	0
Disposals	-1,990,372	0	0	-1,990,372
Reclassifications	0	0	0	0
Accumulated historical cost as of 31/03/2022	1,973,557	66,853	133,016	2,173,426
Accumulated amortization/ depreciation as of 01/04/2021	1,136,679	0	0	1,136,679
Additions	79,907	0	0	79,907
Write-up	-134,564	0	0	-134,564
Disposals	-584,648	0	0	-584,648
Accumulated amortization/ depreciation as of 31/03/2022	497,374	0	0	497,374
Amortized costs as at 31/03/2022	1,476,183	66,853	133,016	1,676,052
Amortized costs as at 31/03/2021	2,827,250	66,853	133,016	3,027,119

Financial assets are recognized at the lower of acquisition cost or fair value. The depreciation option for temporary impairment is generally not exercised. Interest-bearing loans are in principle recognized at their nominal value.

The decrease in non-current assets was mainly driven by financial assets.

In July 2021, McKesson Corporation announced its intention to exit its businesses in Europe. On July 7, 2021, McKesson Corporation announced that it had entered into an agreement to sell its European businesses in France, Italy, Ireland, Portugal, Belgium, and Slovenia to the PHOENIX group. This transaction also includes McKesson Europe AG headquarters in Stuttgart, Recucare GmbH, its German wound-care business, its shared services center in Lithuania, and its 45% ownership stake in Brocacef, the McKesson Europe AG's joint venture in the Netherlands. The transaction is expected to close in the second half of fiscal 2023, subject to customary closing conditions, including receipt of required regulatory approvals.

The subsidiary of McKesson Europe AG, Admenta Denmark ApS is not included in the scope of the PHOENIX agreement and will be sold to a third party or to another McKesson company prior to finalization of the transaction with the PHOENIX group. McKesson Europe AG divested the following business units in the financial year 2022:

On January 31, 2022, McKesson Europe AG sold its remaining 30% ownership interest in Alliance Healthcare Deutschland GmbH to Alliance Healthcare Deutschland Holdings 1 GmbH, Frankfurt am Main. The carrying amount of the investment at the time of the disposal was EUR 1.

On March 23, 2022, McKesson Europe AG sold to McKesson Global Procurement & Sourcing Limited (MGPSL) its subsidiary, Admenta UK Limited. The transaction included the sale of McKesson UK businesses, LloydsPharmacy, LloydsDirect (previously Echo by LloydsPharmacy), AAH Pharmaceuticals, LloydsPharmacy Clinical Homecare, LloydsPharmacy Online Doctor, MASTA and John Bell & Croyden. The shares in affiliated companies were derecognized with a carrying amount of EUR 1,405,695 thsd. The loss on disposal of Admenta UK Limited amounted to EUR 1,247,115 thsd. and was offset by a compensation payment from the McKesson Corporation due under a guarantee in the amount of EUR 710,000 thsd. m. The net loss of EUR 537,115 thsd. is recognized in the investment result.

Due to negative earnings expectations and planning assumptions the impairment of the investment in affiliates amounted to EUR 79,907 thsd. For the shares of Lloydspharma S.A., Wavre, Belgium, the impairment was EUR 5,342 thsd. and for the shares of Admenta Deutschland GmbH, Stuttgart, Germany the impairment amounted to EUR 35,258. As a result of the sale process an impairment of EUR 39,307 thsd. was recognized for the shares of Admenta Denmark ApS, Rodovre, Denmark.

Contrary, a write-up in the amount of EUR 134,564 thsd. for the investment in McKesson France Holding was recognized due to positive earnings expectations and planning assumptions.

(4) Receivables and other assets

	31/03/2021 thsd. EUR	31/03/2022 thsd. EUR
Receivables from affiliates	240,751	302,223
Receivables from shareholders	53,151	331,073
<i>of which due in more than one year</i>	<i>(0)</i>	<i>(0)</i>
Receivables from other investors and investees	0	0
<i>of which due in more than one year</i>	<i>(0)</i>	<i>(0)</i>
Other assets	35,305	1,649
<i>of which due in more than one year</i>	<i>(0)</i>	<i>(0)</i>
Total	329,207	634,945

Receivables and other assets are recognized at their nominal value. All risk-bearing items have been accounted for by recognizing appropriate specific valuation allowances. Receivables from affiliates mainly relate to short-term loans related to the cash pool agreement.

Receivables from shareholders and simultaneously from affiliated companies include the loss compensation under the domination and profit and loss transfer agreement in the amount of EUR 331,073 thsd.

In principle receivables in foreign currency have been converted applying the average spot exchange rate on the balance sheet date. In the event of a remaining term of more than one year, the realization principle (Section 252 Paragraph 1 No. 4 Clause 2, HGB) and the cost method (Section 253 Paragraph 1 Sentence 1 HGB) were considered.

The decrease in other assets mainly results from the payment of the receivable due to purchase price adjustments regarding the contribution of GEHE Pharma Handel GmbH in the amount of EUR 35,250 thsd.

(5) Cash and cash equivalents

	31/03/2021 thsd. EUR	31/03/2022 thsd. EUR
Cash on hand	0	0
Cash at banks	694,158	1,895,374
Total	694,158	1,895,374

The change in cash and cash equivalents results from increased cash pool positions of the Group companies of EUR 432,213 thsd., from a compensation payment of McKesson Corporation for the loss on disposal of Admenta UK Limited in the amount of EUR 710,000 thsd. and from payments received under profit and loss transfer agreements of EUR 74,935 thsd. regarding the prior year.

(6) Prepaid expenses

Prepaid expenses primarily relate to prepaid expenses for IT services. The increase in prepaid expenses is mainly due to the ORACLE licenses which were paid in April 2021. The remaining term of these licenses is two years.

(7) Excess of pension assets above liabilities

The assets pursuant to Section 246 Paragraph 2 Sentence 2 HGB, which are not accessible to all other creditors and which are used exclusively to fulfill the liabilities from pension benefit obligations or comparable long-term obligations exceeded the settlement amount of the offset liabilities by EUR 2,263 thsd. The excess amount is recognized as excess of pension assets above liabilities.

(8) Subscribed capital and reserves

The subscribed capital of McKesson Europe AG is subdivided into 203,220,932 (previous year 203,220,932) no-par-value registered shares, which are fully paid up with a nominal value of EUR 1.28.

There is authorized capital of EUR 130,061 thsd. that has been authorized until 1 August 2024 (authorized capital 2019).

Capital and revenue reserves are unchanged since the start of the domination and profit and loss transfer agreement on 01 January 2015.

Revenue reserves in the amount of EUR 1,102,781 thsd. exclusively concern other revenue reserves. Overall, there is a profit distribution block of EUR 8,933 thsd., which relates to the excess of pension assets above liabilities in the amount of EUR 165 thsd. according to § 268 Paragraph 6 HGB and the interest rates adjustment of the provisions for pensions in the amount of EUR 8,768 according to § 253 Paragraph 6 Sentence 1 HGB.

(9) Net retained profit

Based on the domination and profit and loss transfer agreement of 22 May 2014, the net loss is transferred to McKesson Europe Holdings GmbH & Co. KGaA. Therefore, the net retained profit for McKesson Europe AG is EUR 0 thsd. (previous year EUR 0 thsd.).

Based on the domination and profit and loss transfer agreement, McKesson Europe Holdings GmbH & Co. KGaA guarantees to pay external shareholders of McKesson Europe AG a compensatory payment of EUR 0.83 per no-par-value share. The external shareholders of McKesson Europe AG therefore received the compensatory payment of EUR 0.83 per no-par-value share for the 2021 fiscal year.

The compensatory payment of EUR 0.83 per no-par-value share for the 2022 fiscal year from 01 April 2021 to 31 March 2022 will be also payable by McKesson Europe Holdings GmbH & Co. KGaA, due on the first banking day after the Annual General Meeting however latest 8 months after the end of the fiscal year.

(10) Provisions for pensions and similar obligations

The provisions for pensions were determined using the projected unit credit method, under the application of the 2018 G mortality tables issued by Heubeck-Richttafel-GmbH, Köln. The option pursuant to Section 253 Paragraph 2 Sentence 2 HGB on the discounting method has been exercised and an average market interest rate over the past 10 years of 1.81% has been applied, assuming a remaining term of 15 years. Forecast salary increases of 3.00% and forecast pension increases of 1.75% for employees as well as a contribution increase of 3.00% for Management Board members have been considered. Employee turnover has been taken into consideration through turnover assumptions according to age, length of service and gender. It includes the probability of mortality, as well as the likelihood of becoming disabled and or married, which are used for the valuation of company pension schemes in Germany. Both the mortality and the morbidity rate fell over the past few years. A decline in the mortality rate, i.e., an increase in life expectancy leads to an increase in the cost of company pension schemes (bAV).

As of the reporting date 31 March 2022, the difference to the 7-year average market rate, pursuant to Section 253 Paragraph 6 HGB was EUR 8,768 thsd. (previous year: EUR 7,805 thsd.). This amount is subject to a profit distribution block in accordance with Section 253 Paragraph 6 Sentence 1 HGB.

Pursuant to Section 246 Paragraph 2 Sentence 2 HGB, assets of EUR 28,404 thsd, which are not accessible to all other creditors and which are used exclusively to fulfill the liabilities from pension benefit obligations or comparable long-term

obligations, were offset against these obligations. Acquisition costs for the offset assets are EUR 28,239 thsd., the fair value of the assets based on the redemption price of the investment fund units amounts to EUR 28,404 thsd., the settlement amount of the offset liabilities is EUR 26,142 thsd. The assets pursuant to Section 246 Paragraph 2 Sentence 2 HGB exceeded the settlement amount of the offset liabilities by EUR 2,263 thsd. The excess amount is recognized as excess of pension assets above liabilities.

Interest expenses of EUR 666 thsd. result from the plan assets and interest expenses of EUR 1,721 thsd. result from the liabilities from pension obligations.

The jubilee provisions have been calculated by the projected unit credit method, using the 2018 G mortality tables issued by Heubeck-Richttafeln-GmbH, Köln.

The salary increase is 3.00%, the interest rate 1.35% and the expected pension increase 1.75% p.a.

(11) Tax and other provisions

	31/03/2021 thsd. EUR	31/03/2022 thsd. EUR
Tax provisions	40	3,061
Other provisions	20,658	15,951
Total	20,698	19,012

From 01 January 2015, McKesson Europe AG has been included in the McKesson Europe Holdings GmbH & Co. KGaA tax group of companies (income tax group) as a subsidiary company. All tax consequences, whether for current or deferred taxes, are recognized on the level of the parent company. This does not relate to the periods up to 31 December 2014, which pre-date this group organization. There is no tax burden distribution agreement. Tax provisions include a provision for obligations arising from tax audits relating to periods prior to the income tax group.

Other provisions consider all uncertain liabilities and imminent losses from pending transactions which are recognized based on a reasonable commercial assessment of the required settlement amount (i.e., in principle including future increases in costs and prices). Provisions with a remaining term of more than twelve months are discounted. The option to discount provisions with a remaining term less than one year has not been applied.

Other provisions primarily include provisions for outstanding invoices amounting to EUR 5,361 thsd., provisions for personnel expenses amounting to EUR 6,511 thsd., anniversary provisions amounting to EUR 1,286 thsd. and provisions for severance packages and restructuring amounting to EUR 335 thsd. The decrease in other provisions is mainly due to the utilization of restructuring provisions in an amount of EUR 3,332 thsd.

(12) Liabilities

Liabilities	31/03/2021 Due in				31/03/2022 Due in			
	up to 1 year, thsd. EUR	more than 1 year EUR k	of which more than 5 years EUR k	Carrying amount thsd. EUR	up to 1 year, thsd. EUR	more than 1 year EUR k	of which more than 5 years EUR k	Carrying amount thsd. EUR
Bonds	0	0	0	0	0	0	0	0
Liabilities to banks	1,902	0	0	1,902	0	0	0	0
Liabilities to shareholders	0	0	0	0	0	0	0	0
Trade payables	8,767	0	0	8,767	5,198	0	0	5,198
Liabilities to affiliates	441,244	522,159	0	963,403	1,059,550	0	0	1,059,550
Liabilities to other investors and investees	0	0	0	0	0	0	0	0
Other liabilities	944	891	0	1,835	946	712	0	1,658
<i>of which taxes</i>	648	(0)	(0)	648	553	0	(0)	553
<i>of which for social security</i>	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Total	452,857	523,050	0	975,907	1,065,694	712	0	1,066,406

The liabilities to affiliates include liabilities from the cash pool amounting to EUR 735,178 thsd. (previous year: EUR 344,731 thsd.), short-term loan liabilities amounting to EUR 80,444 thsd. (previous year: EUR 80,758 thsd.), trade payables of EUR 7,238 thsd. (previous year: EUR 4,429 thsd) and a recourse obligation in the amount of EUR 236,689 thsd. (previous year: EUR 0.), due to the sale of Admenta UK Limited. The long-term loan liabilities (Mio. EUR 522,2) to McKesson Finance II Ltd were offset against the receivables from the sale of Admenta UK Limited and the remaining amount was repaid.

Liabilities are recognized at the settlement amount. Liabilities in foreign currency have been converted using the average spot exchange rate on the balance sheet date. For liabilities with a remaining term of more than one year, the realization principle (Section 252 Paragraph 1 No. 4 Clause 2, HGB) and the cost method (Section 253 Paragraph 1 Sentence 1 HGB) have been considered.

(13) Contingent liabilities

Contingent liabilities	31/03/2021 thsd. EUR	31/03/2022 thsd. EUR
From guarantees, bill and cheque guarantees	183,868	95,034
<i>of which to affiliates</i>	158,206	54,106
Total	183,868	95,034

The warranty obligations against third-parties primarily relate to litigation warranties in Brazil EUR 40,869 thsd. (previous year EUR 25,599 thsd.) for Panpharma Distribuidora de Medicamentos Ltda., Brazil and warranties to affiliates EUR 33,172 thsd. (previous year EUR 33,172 thsd.) in respect of Lloyds Pharmacy Limited, Ireland and EUR 12,588 thsd. (previous year EUR 13,398 thsd.) for Cophana S.A., Belgium. In addition, the guarantee to Admenta UK Limited was omitted (previous year: EUR 94,001 thsd.). Due to legal risks in Brazil a usage of warranty obligations cannot be ruled out but is not considered likely at present. The risk associated with the other warranties for subsidiaries is regarded as low due to the net assets, financial position, and results of operations of those subsidiaries.

(14) Other financial obligations and off-balance-sheet transactions

In addition to contingent liabilities, there are EUR 10,890 thsd. (previous year EUR 41,584 thsd.) in other financial obligations.

Other financial obligations relate to lease obligations, obligations from future leasing expenses for business vehicles of the company, for furniture and fixtures and data and voice telecommunication services in the amount of EUR 10,890 thsd. (previous year EUR 41,332 thsd.) which end within one to six years. For the reporting date there exists no purchase commitment from issued investment orders for lease vehicles (previous year EUR 252 thsd.).

The decrease in other financial obligations mainly results from the payment in April 2021 of the license agreement entered with ORACLE Deutschland B.V. & Co. KG on 31 March 2021 regarding the extension of the existing ORACLE licenses, as well as related technical support.

No further significant financial obligations and off-balance sheet transactions have been identified.

(15) Derivative financial instruments and valuation units

Derivative financial instrument	Nominal volume		Market value		Carrying amount	
	31/03/2021 thsd. EUR	31/03/2022 thsd. EUR	31/03/2021 thsd. EUR	31/03/2022 thsd. EUR	31/03/2021 thsd. EUR	31/03/2022 thsd. EUR
Currency instruments (positive market value)	8,352	0	70	0	0	0
Currency instruments (negative market value)	24,974	0	-680	0	0	0
Total	33,326	0	-610	0	0	0

The fair values of derivative financial instruments are determined by reference to capital market data at the end of the reporting period and by use of suitable valuation methods (e.g., the discounted cash flow method) and other generally accepted option pricing models. Insofar as interest rates are required for their calculation, market interest rates applicable for the remaining term of the derivatives are used. Derivative currency instruments solely comprise forward exchange contracts in the following currencies: pound sterling, US dollar, Swiss franc, Swedish krone, and Norwegian krone. There were no open derivative financial instruments as of reporting date.

Regarding assets, liabilities and forecast transactions, McKesson Europe AG is exposed to risks resulting from changes in exchange rates and interest rates, among other things. Based on a risk assessment, selected hedging instruments are used to limit these risks.

The use of derivatives is subject to uniform group guidelines set by the Management Board, compliance with which is continuously monitored. These include the functional segregation of trading, handling, and posting, and the authorization of just a few qualified employees to enter into derivative financial instruments. We only enter into derivatives for hedging purposes and then only with banks with good credit ratings.

Currency risks refer to possible value adjustments due to fluctuations in exchange rates of items on the balance sheet and any planned future transactions.

Currency risks are hedged primarily using micro-hedges. This involves a direct hedge of the underlying transaction by means of a foreign exchange derivative. Currency derivatives are primarily used to hedge anticipated transactions in foreign currency. This involves selecting the currency derivative (or a combination of several derivatives) which best reflects the likelihood of occurrence and timing of the forecast transaction.

Forward exchange contracts were also used in the 2022 fiscal year to hedge foreign exchange transactions. As mentioned, there were no open derivate financial instruments as of reporting date.

If valuation units are recognized pursuant to Section 254 HGB, the following principles of accounting and evaluation apply:

Economic hedge relationships are reflected in the balance sheet through valuation units. If positive and negative value changes or cash flows from underlying transactions and hedging instruments based on the hedged risk for this period are fully balanced, they are essentially offset and recorded neither in the carrying amounts of the underlying transactions or hedging instruments nor in the income statement (“compensatory valuation”). If negative value changes outweigh positive value changes based on the hedged risk (currently ineffective), this difference is transferred into a valuation unit provision as an unrealized loss, recorded as expenses in accordance with the imparity principle.

At the inception of a hedge relationship, the risk management strategy regarding the hedged risk, the planned hedging period, the hedging instrument, the underlying transaction, and the method for testing the hedge effectiveness is formally determined and documented. Due to no existing derivate financial instruments as of reporting date no valuation units were formed.

Information on the income statement

(16) Sales

	2021 thsd. EUR	2022 thsd. EUR
Sales	93,056	93,358
Total	93,056	93,358

Sales are at previous year's level and include recharges to group companies.

(17) Other own works capitalized

	2021 thsd. EUR	2022 thsd. EUR
Own work capitalized	3,012	896
Total	3,012	896

Since the development costs for the ERP software mainly include third-party services, the related third-party services are directly recognized as an increase in non-current assets by application of the net method. Consequently, the income statement only reflects internal development work by McKesson Europe AG employees in the period from April to July 2021 and interest expenses in the amount of EUR 524 thsd. The decrease of other own works capitalized can be explained by the project stop in July 2021 due to the decision to withdraw from European business.

(18) Other income

	2021 thsd. EUR	2022 thsd. EUR
Income from previous periods	2,568	1,948
Sundry income	137,112	124,815
<i>of which exchange rate gains</i>	<i>27,626</i>	<i>3,541</i>
Total	139,680	126,763

The prior year disclosure of other operating income has been adjusted to improve the clarity and comprehensibility of the income situation. The loss compensation based on the comfort letter provided by McKesson Europe GmbH & Co. KGaA due to the contribution of GEHE Pharma Handel GmbH in the amount of EUR 102,800 thsd. was reclassified to the investment result.

Other income mainly includes the income from the recharging of the impairment loss and the contract exit costs to McKesson Corporation in the amount of EUR 87,030 thsd. in connection with the termination of the SAP S/4HANA project and the income from the sale of services to affiliated companies and former group companies. Income relating to other periods amounted to EUR 1,948 thsd. (previous year: EUR 2,568 thsd.)

(19) Service-related expenses

	2021 thsd. EUR	2022 thsd. EUR
Service related expenses	53,306	73,691
Total	53,306	73,691

The company recorded costs for purchased services of EUR 73,691 thsd. during the year (previous year EUR 53,306 thsd.), exclusively related to received services. The increase results from higher centralized IT services, which are charged to the group companies.

(20) Personnel expenses / employees

	2021 thsd. EUR	2022 thsd. EUR
Wages and salaries	38,382	27,826
Social security and pension cost	5,223	4,387
<i>of which pension benefits</i>	906	156
Total	43,605	32,213

The average number of employees in the 2022 fiscal year was 278 (previous year 327). The number of employees relates only to the group employees.

Personnel expenses decreased by EUR 11,392 thsd. to EUR 32,213 thsd. (previous year: EUR 43,605 thsd.), which mainly results from a decrease in the number of employees compared to the prior year.

(21) Amortization and depreciation

Amortization and depreciation amounted to EUR 87,770 thsd. (previous year: EUR 10,517 thsd.). The increase in amortization results from the termination of the SAP S/4HANA project and the related impairment of the asset in the amount of EUR 80,117 thsd.

(22) Other expenses

	2021 thsd. EUR	2022 thsd. EUR
Other taxes	66	3,085
Sundry expenses	78,963	43,180
<i>of which exchange rate losses</i>	2,648	3,758
Total	79,029	46,265

The decrease in other operating expenses can be explained on the one hand by higher centralized IT services. The IT services are charged on to the Group companies at a mark-up and the corresponding expenses were reclassified to service-

related expenses. On the other hand, the decrease results from the fact that in fiscal year 2021 the credit note to McKesson Global Procurement & Sourcing Limited for the on-charging of the services was recognized in other operating expenses. In fiscal year 2022, this credit note is recognized as a reduction in revenue. Sundry expenses include expenses from currency translation, as well as IT costs, legal and consulting fees, costs for services from affiliated companies, travel costs, as well as sundry rental costs and incidental costs. Prior-period expenses amounted to EUR 3,021 thsd. (previous year: EUR 40 thsd.).

(23) Investment result

	2021 thsd. EUR	2022 thsd. EUR
Income from profit transfer agreements	21,883	129,152
Income from investments	14,820	53,180
<i>Of which received from affiliates</i>	<i>6,743</i>	<i>6,034</i>
Expenses from loss absorption	-6,232	0
Write-ups of investments	49,117	134,564
Impairment and losses of disposal of financial assets	-219,254	-617,021
Total	-139,666	-300,125

The income from profit transfer agreement shows the profit transfer of Admenta Deutschland GmbH to McKesson Europe AG. The increase results due to the income of the sale of Admenta Beteiligungs GmbH and its subsidiaries in the amount of EUR 110,833 thsd. by Admenta Deutschland GmbH.

The income from investments in the amount of EUR 53,180 thsd. includes the proceeds of sale from the 30% ownership interest in Alliance Healthcare Deutschland GmbH.

The prior year disclosure of the position “Impairment and losses of disposal of financial assets” has been adjusted to improve the clarity and comprehensibility of the income situation. The impairment and losses of disposal of financial assets were reduced due to the reclassification of the loss compensation based on the comfort letter provided by McKesson Europe GmbH & Co. KGaA due to the contribution of GEHE Pharma Handel GmbH in the amount of EUR 102,800 thsd.

The impairment and losses of disposal of financial assets in the financial year 2022 include on the one hand the loss of the sale of Admenta UK Limited in the amount of EUR 537,115 thsd. The loss on disposal of Admenta UK Limited amounted to EUR 1,405,695 thsd. and was offset by a compensation payment from the McKesson Corporation due under a guarantee in the amount EUR 710,000 thsd.

There was a write-up due to positive earnings expectations and planning assumptions in the investment in affiliates in France.

Impairments relate to permanent declines in value. Valuation have been carried out using the discounted cash flow method based on business planning and for Denmark the valuation is based on preliminary purchase price offers. In fiscal year 2022 impairments of financial assets amounted to EUR 79,907 thsd. and relate to Admenta Denmark ApS, Rodvore in Denmark, Admenta Deutschland GmbH, Stuttgart in Germany and Lloydspharma S.A., Wavre in Belgium.

(24) Interest result

	2021 thsd. EUR	2022 thsd. EUR
Income from long-term loans	58,968	8,235
<i>of which received from affiliates</i>	58,968	8,235
Other interest and similar income	62	87
Interest and similar expenses	-14,891	-18,770
<i>of which to affiliates</i>	-12,400	-11,860
<i>of which expense from discounting</i>	-2,178	-6,378
Total	44,139	-10,448

The decrease in income from loans is due to the fact that the previous year's figure still included interest income for the loans in France and UK, which ceased to apply at the of the last financial year due to conversion into equity. The expenses from discounting mainly result from the discounting of pension provisions.

(25) Income taxes

	2021 thsd. EUR	2022 thsd. EUR
Corporate income tax/trade tax for fiscal year	6,915	1,579
Corporate income tax/trade tax for previous years	0	0
Total	6,915	1,579

The income tax expenditure for the current year results from the tax implications of the payable compensatory payment for the remaining minority shareholders. The decrease results from the purchase of shares by the parent company McKesson Europe Holdings KGaA.

(26) Income and expenses of exceptional size or significance

With regard to the income and expenses of exceptional size or significance, we refer to sections (18) Other operating income, (21) Depreciation and amortization and (23) Investment result in the annual financial statements. We are not aware of any other income or expenses of exceptional size or significance in the past financial year.

Other notes

Audit fees

The annual financial statements of McKesson Europe AG, the German subsidiaries subject to statutory audit, and the consolidated financial statements have been audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart. Disclosure of the Auditor's fee is omitted pursuant to Section 285 Paragraph 1 No. 17 HGB. The disclosure of total fees to Deloitte GmbH is included in the consolidated financial statements of McKesson Europe AG.

Group companies and list of shareholdings

The consolidated financial statements of McKesson Europe AG and its subsidiaries as of 31 March 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, UK, as endorsed by the European Union and applicable at the end of the reporting period, and supplemented by the provisions of Section 315e Paragraph 1 HGB. These are the consolidated financial statements for the smallest group of companies and are published in the Federal Gazette.

McKesson Europe Holdings GmbH & Co. KGaA, Stuttgart is the German parent company of McKesson Europe AG, and holds about 94,97% (previous year: 78%) of the shares according to relevant notification.

McKesson Europe AG and McKesson Europe Holdings GmbH & Co. KGaA are indirectly owned by the McKesson Corporation, Irving, USA, as the ultimate parent, and are incorporated into the consolidated financial statements as of 31 March 2022 according to US Generally Accepted Accounting Principles. These are the consolidated financial statements for the largest group of companies and are available on the website of the Securities Exchange Commission.

The list of shareholdings of McKesson Europe AG is attached as an appendix to these notes.

Information on shareholdings in accordance with Section 160 Paragraph 1 No. 8 of the German Stock Corporation Act (AktG) of McKesson Europe AG (former: Celesio AG)

As of 31 March 2022, the company received the following information on shareholdings subject to notification in accordance with Section 160 Paragraph 1 No. 8 of the German Stock Corporation Act (AktG), which was published as follows:

McKesson Deutschland GmbH & Co. KGaA (today operating under McKesson Europe Holdings GmbH & Co. KGaA)

On 9 October 2015 McKesson Deutschland GmbH & Co. KGaA, Frankfurt am Main, notified the company, that McKesson Deutschland GmbH & Co. KGaA holds directly and without adding shares pursuant to Section 20 Paragraph 2 AktG, more than the fourth part of the shares and a majority shareholding in Celesio AG.

McKesson Deutschland Verwaltungs GmbH (today operating under McKesson Europe Holdings Verwaltungs GmbH)

On 9 October 2015 McKesson Deutschland Verwaltungs GmbH, Frankfurt am Main, notified the company that McKesson Deutschland Verwaltungs GmbH indirectly holds in accordance with Section 16 Paragraph 4 and without adding shares pursuant to Section 20 Paragraph 2 AktG, more than the fourth part of the shares and a majority shareholding in Celesio AG. The company holds the investment via McKesson Deutschland GmbH & Co. KGaA.

McKesson Global Procurement and Sourcing Limited

On 9 October 2015 McKesson Global Procurement and Sourcing Limited, London, United Kingdom, notified the company that McKesson Global Procurement and Sourcing Limited indirectly holds in accordance with Section 16 Paragraph 4 and without adding shares pursuant to Section 20 Paragraph 2 AktG, more than the fourth part of the shares and a majority shareholding in Celesio AG. The company holds the investment via

- McKesson Deutschland GmbH & Co. KGaA and
- McKesson Deutschland Verwaltungs GmbH.

McKesson UK Finance I Limited

On 9 October 2015 McKesson UK Finance I Limited, London, United Kingdom, notified the company that McKesson UK Finance I Limited indirectly holds in accordance with Section 16 Paragraph 4 and without adding shares pursuant to Section 20 Paragraph 2 AktG, more than the fourth part of the shares and a majority shareholding in Celesio AG. The company holds the investment via

- McKesson Deutschland GmbH & Co. KGaA,
- McKesson Deutschland Verwaltungs GmbH and
- McKesson Global Procurement and Sourcing Limited.

McKesson US Finance Corporation

On 9 October 2015 McKesson US Finance Corporation, San Francisco, United States of America, notified the company that McKesson US Finance Corporation indirectly holds in accordance with Section 16 Paragraph 4 and without adding shares pursuant to Section 20 Paragraph 2 AktG, more than the fourth part of the shares and a majority shareholding in Celesio AG. The company holds the investment via

- McKesson Deutschland GmbH & Co. KGaA,
- McKesson Deutschland Verwaltungs GmbH,
- McKesson Global Procurement and Sourcing Limited,
- McKesson UK Finance I Limited and
- McKesson UK Finance II Limited.

McKesson Corporation

On 9 October 2015 McKesson Corporation, San Francisco, United States of America, notified the company that McKesson Corporation indirectly holds in accordance with Section 16 Paragraph 4 and without adding shares pursuant to Section 20 Paragraph 2 AktG, more than the fourth part of the shares and a majority shareholding in Celesio AG. The company holds the investment via

- McKesson Deutschland GmbH & Co. KGaA,
- McKesson Deutschland Verwaltungs GmbH,

- McKesson Global Procurement and Sourcing Limited,
- McKesson UK Finance I Limited,
- McKesson UK Finance II Limited and
- McKesson US Finance Corporation.

Disclosures pursuant to Section 285 Paragraphs 9 and 21 HGB

In the financial year 2022 McKesson Europe AG had two transactions with related parties according to § 285 paragraph 21 HGB. In the financial year 2022, McKesson Europe AG generated sales proceeds in the amount of EUR 158,583 thsd. from the sale of a Admenta UK Limited to McKesson Global Procurement & Sourcing Limited, a subsidiary of the McKesson Corporation. As of March 31, 2022, there is an outstanding recourse obligation in the amount of EUR 236,689 thsd. regarding this sale. The disposal loss of EUR 1,247,115 thsd. was partially compensated by McKesson Corporation in the amount of EUR 710,000 thsd., which had guaranteed the value of Admenta UK. The net loss of the sale in the amount of EUR 537,115 thsd. is recorded in the investment result. Due to the termination of the SAP S/4HANA project, McKesson Europe AG recognized an other operating income in the amount of EUR 87,030 thsd. because of the recharging of the impairment loss and the contract exit costs to McKesson Corporation.

The total remuneration of the Management Board in terms of Sec. 285 no 9a HGB in the 2022 fiscal year amounts to EUR 2,732 thsd. (previous year EUR 2,953 thsd.). The composition of the Board has changed in comparison to the previous year. As of November 30, 2021, Holger Landauer has resigned as the Member of the Management Board for Finance. The Finance department was not succeeded by any Member of the Management Board. There were no advances, loans, or similar payments to members of the Management Board in either the reporting year or the previous year. In the reporting year, former and active Management Board members and their surviving dependents received compensation of EUR 181 thsd. (previous year EUR 239 thsd.). McKesson Europe AG has recognized pension provisions of EUR thsd. EUR 26,142 thsd. (previous year EUR 24,902 thsd.) for this group.

Compensation for the members of the McKesson Europe AG's Supervisory Board amounts to EUR 323 thsd. (previous year EUR 610 thsd.) in the past fiscal year including attendance fees and are exclusively related to short-term benefits. In addition, the McKesson Europe Group employee representatives on the Supervisory Board received customary market salaries for their services. No remuneration was paid to members of the Supervisory Board for services rendered individually, nor were transactions requiring disclosure conducted between members of the Supervisory Board or Management Board and other persons of the management, as far as active in key positions.

Likewise, no transactions were made between members of the Supervisory Board or Management Board and any other entities where such persons are members of the respective Management or Supervisory Boards. This also applies to close family members of these persons.

Proposal of the Management Board for the appropriation of profits

The net retained profit for McKesson Europe AG is EUR 0 thsd. (previous year EUR 0 thsd.) and corresponds to net profit of the year due to loss compensation.

On the basis of the domination and profit and loss transfer agreement of 22 May 2014, McKesson Europe Holdings GmbH & Co. KGaA guarantees and pays external shareholders of McKesson Europe AG a compensatory payment for the 2022 fiscal year of EUR 0,83 per no-par-value share.

The compensatory payment of EUR 0.83 per no-par-value is due on the first banking day after the Annual General Meeting of McKesson Europe AG for the past fiscal year, however latest 8 months after the end of the fiscal year.

Events after the reporting period

On April 6, 2022, McKesson Global Procurement & Sourcing Limited sold the subsidiary, Admenta UK Limited and its subsidiaries, which were previously acquired from McKesson Europe AG, to the pan-European asset management group

AURELIUS. Due to the transaction McKesson Europe AG has an outstanding recourse obligation associated with the sale in the amount of EUR 236,689 thsd. to McKesson Global Procurement & Sourcing Limited as of the reporting date. The recourse obligation is recognized in liabilities as of the reporting date.

Apart from the above, no events of particular significance have occurred after the end of the financial year that would require reporting.

Members of the Management Board in the 2022 fiscal year


Name	Occupation and company	Disclosure of transactions with affiliated companies and people in the McKesson Group
Kevin Kettler	Chairman of the Management Board of McKesson Europe AG Labor Relations Director Finance (as of Dec 01, 2021)	none
Tilo Köster	Member of the Management Board of McKesson Europe AG Legal and Compliance	none
Holger Landauer (until Dec 01, 2021)	Member of the Management Board of McKesson Europe AG Finance	none

Members of the Supervisory Board in the 2022 fiscal year

Name	Occupation and company	Disclosure of transactions with affiliated companies and people in the McKesson Europe AG, Stuttgart as well as the McKesson Group
Brian S. Tyler (Chairman)	Chief Executive Officer, McKesson Corporation, Irving Texas (USA)	none
Ralf Kuhlen (Deputy Chairman until Jun 4, 2021)	Director Internal Audit, McKesson Europe AG, Stuttgart	none
W.M. Henning Rehder (Deputy Chairman)	Former Member of the Management Board (CFO) of Siemens Enterprise Communications GmbH & Co. KG (SEN Group), Munich	none
Leonie Dengler (until Jun 4, 2021 and since Jul 12, 2021 until Dec 31, 2021)	Lead Link Purchasing, Mercedes Benz.io GmbH, Stuttgart	none
Jörg Lauenroth-Mago (until Jun 4, 2021)	Department Manager Trading ver.di - Vereinte Dienstleistungsgewerkschaft Landesbezirk Sachsen, Sachsen- Anhalt, Thüringen	none
Pauline Lindwall (until Jun 4, 2021)	Senior Advisor and Independent Board Director, Cotignac (France)	none
Stanton McComb (until Jun 4, 2021)	President, McKesson Medical-Surgical, Inc Richmond, Virginia (USA)	none
Susan Naumann (until Jun 4, 2021)	Trade Union Secretary, Business Unit Manager – Law and Advisory, ver.di – Vereinte Dienstleistungsgewerkschaft Landesbezirk Hamburg	none
Heike Nowak (until Jun 4, 2021 and since Jul 12, 2021)	IT Strategy Manager, McKesson Technology Europe, Stuttgart	none
Fabian Sattler (until Jun 4, 2021 and since Jan 28, 2022)	Wound manager, WZ-Wundzentren GmbH, Nürnberg	none
Lori A. Schechter	Executive Vice President, Chief Legal Officer and General Counsel, McKesson Corporation, Irving, Texas (USA)	none
Jack Stephens	President; McKesson Global Procurement & Sourcing, London (UK)	none

Stuttgart, 31 May 2022

The Management Board

A handwritten signature in black ink, appearing to read 'Kevin Kettler', written in a cursive style.

Kevin Kettler
Chairman of the Management Board

A handwritten signature in black ink, appearing to read 'Tilo Köster', written in a cursive style.

Tilo Köster
Member of the Management Board

List of shareholdings of the McKesson Europe AG, Stuttgart as at 31/03/2022 pursuant to Section 285 Paragraph 2 HGB

Current No.	Name of the company	Domicile, Country	Equity (in thousands of national currency) ¹	Annual result (in thousands of National currency) ¹	Percentage (in %) ²	Foot note
I. Companies, in which McKesson Europe AG has a share of minimum 20%						
1	A.F.M. Bergamo S.p.A.	Bergamo, IT	100,2	-112,5	80,00	
2	AAH Ireland	Dublin, IE	22.892,7	0,0	100,00	
3	Admenta Denmark ApS	Rodovre, DK	-34.792,6	1.784,7	100,00	
4	Admenta Deutschland GmbH	Stuttgart, DE	-409.079,9	236,4	100,00	
5	Admenta Italia S.p.A.	Bentivoglio, IT	-30.909,6	5.439,7	100,00	
6	AFM S.p.A.	Bentivoglio, IT	7.692,1	-3.372,6	79,97	
7	Azienda Farmaceutica Municipale di Cremona S.p.A.	Cremona, IT	1.123,7	-1.395,5	77,84	
8	Azienda Farmacie Milanesi S.p.A.	Mailand, IT	-16.213,2	-9.894,0	80,00	
9	Babbingore Limited	Dublin, IE	33.012,1	0,0	100,00	
10	Brocecef Groep N.V.	Maarsse, NL	88.175,6	-25.145,1	45,00	
11	Cahill May Roberts Group Limited	Dublin, IE	73,6	0,0	100,00	
12	Camic Pharmacies Limited	Dublin, IE	845,1	0,0	100,00	
13	Celesio Business Services Ltd.	Dublin, IE	0,0	0,0	100,00	
14	Centrale d'Administration de Biens Immobiliers	Saint Quen, FR	85.025,3	-14.696,6	100,00	
15	Chem Labs Limited	Dublin, IE	0,0	0,0	100,00	
16	Civiche Farmacie Desio S.p.A.	Desio, IT	15,5	-10,7	80,00	
17	CMR Holdings Ltd	Dublin, IE	0,0	0,0	100,00	
18	Coleham	Dublin, IE	4.777,9	0,0	100,00	
19	CMN Pharmacy Limited	Dublin, IE	510,7	0,0	100,00	
20	Comptoir Monégasque de Biochimie	Monaco, MC	16.996,2	-330,2	100,00	
21	Comptoir Pharmaceutique Méditerranéen	Monaco, MC	-436,6	-235,9	99,40	
22	Cophana SA	La Louvière, BE	-1.362,8	1.361,1	100,00	
23	Crowley`s Blackrock Limited	Dublin, IE	382,8	0,0	100,00	
24	D.F. O'Neill (Chemists) Ltd	Dublin, IE	0,0	0,0	100,00	
25	Dargle Pharmacies Holdings Limited	Dublin, IE	680,0	0,0	100,00	
26	Depotrade	Saint Quen, FR	-4.309,5	2.884,8	100,00	
27	DOL Pharmacy Limited	Dublin, IE	40,7	0,0	100,00	
28	Donnybrook Pharmacy Limited	Dublin, IE	7.735,3	0,0	100,00	
29	Evesland Limited	Dublin, IE	12,7	0,0	100,00	
30	FAR.CO.SAN S.p.A.	San Giovanni Valdarno, IT	1.127,4	-212,4	80,00	
31	Farmacie Comunali di Modena S.p.A.	Modena, IT	-2.119,4	-164,4	63,60	
32	Farmacie Comunali di Padova S.p.A.	Padova, IT	-764,3	-29,0	75,00	
33	Farmacie di Sassuolo S.p.A.	Sassuolo, IT	-90,0	-21,3	80,00	
34	Farmacie Pratesi Pratoforma S.p.A.	Prato, IT	507,5	-1.069,1	80,00	
35	FarmAlvarion S.R.L. Socio Unico	Bentivoglio, IT	2.745,5	-3.170,9	100,00	
36	Felview Limited	Dublin, IE	516,1	0,0	100,00	
37	Gerard Ryan Pharmacy (Clonmel) Limited	Dublin, IE	251,1	0,0	100,00	
38	Gorrays Pharmacy Limited	Dublin, IE	1.820,5	0,0	100,00	
39	Goviltown Limited	Dublin, IE	46.018,4	0,0	100,00	

List of shareholdings of the McKesson Europe AG, Stuttgart as at 31/03/2022 pursuant to Section 285 Paragraph 2 HGB

Current No.	Name of the company	Domicile, Country	Equity (in thousands of national currency) ¹	Annual result (in thousands of National currency) ¹	Percentage (in %) ²	Foot note
40	Greystones Pharmacy Limited	Dublin, IE	1.268,0	0,0	100,00	
41	Groupe PHR	Boulogne-Bilancourt, FR	18.543,9	2.975,7	100,00	
42	Haleston Enterprises Limited	Dublin, IE	1.997,9	0,0	100,00	
43	Helmard Holdings Limited	Dublin, IE	1.517,8	0,0	100,00	
44	Hollyfar - Marcas e Comunicação	Maia, PT	120,8	-114,2	100,00	
45	Holon, S.A.	Maia, PT	-2.233,9	680,2	100,00	
46	Inten GmbH	Stuttgart, DE	-24.790,6	3.578,8	100,00	
47	J.G. Crowley Pharmacy Limited	Dublin, IE	951,4	0,0	100,00	
48	Kairnburry	Dublin, IE	1.232,6	0,0	100,00	
49	Kemofarmacija, veletrgovina za oskrbo zdravstva, d.d.	Ljubljana, SI	50.867,7	-5.862,3	98,04	
50	Kilshallow Limited	Dublin, IE	981,9	0,0	100,00	
51	Lissone Farmacie S.p.A.	Lissone, IT	-34,7	-562,2	80,00	
52	Lloyds Property Management Company Belgium S.A.	Wavre, BE	606,0	-30,6	100,00	
53	Lloyds Retail S.r.l.	Bologna, IT	-2.567,9	627,2	100,00	
54	Lloydspharma Group S.A.	Wavre, BE	-76.220,2	-5.779,0	100,00	
55	Lloydspharma S.A.	Wavre, BE	-35.518,1	88,2	100,00	
56	Lloydspharmacy Ireland Limited	Dublin, IE	-255.024,7	-720,2	100,00	
57	Maurice F. Dougan Limited	Dublin, IE	0,0	0,0	100,00	
58	May Roberts Ltd	Dublin, IE	342,8	0,0	100,00	
59	McKesson Belgium Holdings SPRL	Brüssel, BE	29.917,0	-13.671,9	100,00	
60	McKesson France Holdings	Saint Ouen, FR	-58.692,6	-12.721,3	100,00	
61	McKesson France Retail, Saint Ouen *	Saint Ouen, FR	6.158,4	739,6	100,00	
62	MDD pharma N.V.	Kortrijk, BE	-3.384,6	-487,3	100,00	
63	Median Healthcare Services Unlimited Company	Dublin, IE	-1.283,7	1.331,2	100,00	
64	Natureline	Dublin, IE	-386,1	0,0	100,00	
65	O'Leary Pharmacy (Lucan) Limited, Dublin	Dublin, IE	0,0	0,0	100,00	
66	OCP	Saint Ouen, FR	-570.884,9	-2.142,3	100,00	
67	OCP Formation	Saint Ouen, FR	60,6	93,2	100,00	
68	OCP Portugal, Produtos Farmacêuticos, S.A.	Maia, PT	84.392,9	-6.553,7	100,00	
69	OCP Répartition	Saint Ouen, FR	624.904,8	-8.041,5	100,00	
70	P C Cahill & Company Limited	Dublin, IE	66.429,1	-18,2	100,00	
71	Pharma Belgium Belmedis SA, Woluwe-Saint-Lambert	Woluwe-Saint-Lambert, BE	42.545,8	30.854,2	100,00	
72	Pharmactiv Distribution	Saint Quen, FR	21.360,8	-869,7	97,55	
73	Pharmacy O'Riada Holdings Limited	Dublin, IE	0,0	0,0	100,00	
74	PHR Antilles	Le Lamentin, Martinique	-308,1	29,9	89,79	3)
75	Prodilab	Boulogne Billancourt, FR	301,6	18,2	100,00	
76	recucare GmbH	Stuttgart, DE	-15.192,1	536,7	100,00	

List of shareholdings of the McKesson Europe AG, Stuttgart as at 31/03/2022 pursuant to Section 285 Paragraph 2 HGB

Current No.	Name of the company	Domicile, Country	Equity (in thousands of national currency) ¹	Annual result (in thousands of National currency) ¹	Percentage (in %) ²	Foot note
77	recusana GmbH	Stuttgart, DE	-6.613,7	-6.606,0	100,00	
78	RESEAU SANTE	Brest, FR	684,6	-515,5	100,00	
79	Ryle and De Lacy Pharmacies Limited	Dublin, IE	1.161,8	0,0	100,00	
80	SOCIETE D'ETUDES ET DE REALISATIONS INFORMATIQUES	Monaco, MC	4.648,3	-430,3	99,75	
81	Sofarmex BVBA	Woluwe-Saint-Lambert, BE	5.547,6	-2.056,1	99,73	
82	Sofiadis SCRL	Brüssel, BE	321,1	-210,8	100,00	3)
83	SOPI The Lough Limited	Dublin, IE	1.463,1	0,0	100,00	
84	SOPI Youghal Limited	Dublin, IE	33,2	0,0	100,00	
85	T. Sheridan Sales & Marketing	Dublin, IE	361,4	0,0	100,00	
86	Tjellesen Max Jenne A/S	Rodovre, DK	18.871,3	61.193,6	100,00	
87	Todin A/S	Rodovre, DK	7.442,8	-498,0	100,00	
88	Unicare Dispensers 16 Limited	Dublin, IE	0,0	0,0	100,00	
89	Unicare Dispensers 27 Limited	Dublin, IE	0,0	0,0	100,00	
90	Unicare Dispensers 5 Limited	Dublin, IE	0,0	0,0	100,00	
91	Unicare Pharmacy Group Limited	Dublin, IE	0,0	0,0	100,00	
92	Vitapharm	Murska sobota, SI	-132,9	-3,3	100,00	
93	WZ-WundZentren GmbH	Stuttgart, DE	7.995,3	11.152,8	100,00	
II. Corporations, in which McKesson Europe AG has voting rights of more than 5%						
94	DATAPHARM	Paris, FR	42,0	192,9	37,67	4)
95	Nensi d.o.o.	Ljubljana, SI	9,0	-2,7	35,00	
96	SERVICE DE LA REPARTITION PHARMACEUTIQUE	Paris, FR	79,9	31,8	38,40	4)
97	Société Coopérative Ouest Partage	Brest, FR	184,4	-7,1	38,40	4)

1) Information in IFRS, alternatively US GAAP

2) This calculation fully considers shares held by dependent entities, even if the share of such an entity is less than 100%.

3) Special purpose entity

4) Financial statement 31/12/2021

Beyond this, there are no further European pharmacy holdings.

Independent Auditors' Report

To McKesson Europe AG, Stuttgart/Germany

Audit Opinions

We have audited the annual financial statements of McKesson Europe AG, Stuttgart/Germany, which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss for the financial year from 1 April 2021 to 31 March 2022, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of McKesson Europe AG, Stuttgart/Germany, combined with the group management report for the financial year from 1 April 2021 to 31 March 2022. In accordance with the German legal requirements, we have not audited the content of the corporate governance statement pursuant to Section 289f (4) German Commercial Code (HGB) (disclosures concerning the quota for women).

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Group as at 31 March 2022 and of its financial performance for the financial year from 1 April 2021 to 31 March 2022 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the corporate governance statement referred to above.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the combined management report.

Other Information

The executive directors are responsible for the other information. The other information comprises the corporate governance statement pursuant to Section 289f (4) HGB (disclosures concerning the quota for women) included in the combined management report.

Our audit opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the audited content of the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stuttgart/Germany, 31 May 2022

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft



Signed:
(Sven Ilg)
Wirtschaftsprüfer
(German Public Auditor)



Signed:
(Karin Schwendemann)
Wirtschaftsprüferin
(German Public Auditor)

Please note this is a translated version of the legally binding German Annual Financial Statements

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